

Dividend Distribution Policy of EBL

The Dividend Distribution Policy of Eastern Bank PLC (EBL) prescribes a set of principles and guidelines relating to the declaration and payment of dividends, along with matters incidental thereto. The policy has been formulated to ensure proper and timely distribution of declared dividends (final and/or interim) to the shareholders of the Bank.

Initially, the policy was reviewed by the Audit Committee (AC) of the Board at its 130th meeting held on 14 March 2021 and was subsequently approved by the Board of Directors at its 686th meeting held on 24 March 2021. In alignment with the recent amendments to, and directives issued by the Bangladesh Securities and Exchange Commission (BSEC), EBL has undertaken a comprehensive review of its existing Dividend Distribution Policy to ensure full compliance with the updated regulatory framework and prevailing best governance practices. The revised Policy was reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors on 28 January 2026.

Major highlights of the Dividend Distribution Policy are as follows:

Procedure for payment of Dividends

- The Audit Committee (AC) of the Board shall review the financial statements before submission to the Board for consideration/ adoption. Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of the Bank. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend.
- Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the directors.
- Dividend shall be paid out of the current year's profits of the Bank.
- No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Interim Dividend

- The Board of Directors of the Bank shall take decisions with regard to recommending interim dividend for the shareholders on the basis of audited financial statements and declaring the shareholders who shall be entitled to such dividend.
- No stock or bonus entitlement shall be declared as interim dividend.
- The Board of Directors may from time to time pay to the shareholders such interim dividend as appears to the Board of Directors to be justified by the profits of the Bank. The decision about recommending interim dividend and entitlement for such dividend cannot be changed.

Final Dividend

- The Board of Directors of the Bank shall recommend final dividend for the shareholders on the basis of annual audited

financial statements and declare the shareholders who shall be entitled to such dividend.

- The decision about recommending or not recommending final dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed prior to holding of the annual general meeting (AGM).
- In case of declaration of stock dividend for the year, the Bank shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

Entitlement to Dividend

- The Shareholders whose names would appear in the Register of Members of the Bank and/or in the Depository on the 'Record Date' would be entitled to receive the interim dividend of the Bank.
- The Shareholders whose names would appear in the Register of Members of the Bank and/or in the Depository on the 'Record Date' would be eligible to join the AGM and entitled to receive the annual dividend of the Bank.

Payment of Dividend

- EBL shall pay off the interim dividend to the entitled shareholders, within 30 (thirty) days of record date.
- EBL shall pay off the final dividend to the entitled shareholder, within 30 (thirty) days from the date of approval by shareholders in AGM.

Cash Dividend

Cash dividend shall be distributed in the following manner and procedures:

- In the event of declaration of any annual or final cash dividend in a financial year, the Board of Directors (BoD) of the Bank shall ensure that the total amount declared as cash dividend ("Declared Amount") is transferred to and maintained in a separate bank account ("Dividend Account") with other bank solely for the purpose of dividend payment/disbursement. Such transfer shall be completed at least one (01) day prior to the date of the Annual General Meeting (AGM).
- If the cash dividend amount approved at the AGM ("Approved Amount") is less than the Declared Amount, Eastern Bank PLC. (EBL) shall be entitled to withdraw the difference between the Declared Amount and the Approved Amount from the Dividend Account and transfer such excess amount to other accounts/ GL of the Bank, in compliance with applicable laws and internal financial controls.
- EBL shall obtain a certificate from the concerned bank confirming the transfer of the Declared Amount to the Dividend Account. The said certificate shall be duly attested by the Managing Director, Chief Financial Officer, and Company Secretary of the Bank and shall be:
 - Presented at the AGM; and
 - Submitted to the relevant stock exchange(s) as per regulatory requirements.



- In the event of declaration of any interim cash dividend, the Board of Directors (BoD) of the Bank shall ensure that the total amount declared as interim cash dividend is transferred to and maintained in the designated Dividend Account solely for the purpose of dividend payment/disbursement. Such transfer shall be completed within fifteen (15) days from the record date of the interim cash dividend as declared by the Board of Directors.
- The Dividend Account shall be maintained with a bank other than Eastern Bank PLC. The Managing Director of Eastern Bank PLC. is authorized to select the bank, and shall determine the signatories for maintaining the dividend account.
- Eastern Bank PLC. (EBL) shall not maintain the Dividend Account with any bank in which there exists a common director, in order to avoid conflict of interest and to ensure transparency and good corporate governance practices.
- EBL shall pay off cash dividend directly to the bank account of the entitled shareholder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
- EBL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by Bangladesh Bank, if not possible to pay off through BEFTN.
- Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, EBL shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or electronic payment system, EBL shall issue cash dividend warrant and shall send it by post to the shareholder.
- Cash dividend warrant shall be sent to the registered address of the Member and, in the case of joint holders, to the registered address of the person named first in the register of members or to such person or to such address as the Member or the joint holders have directed in writing.
- EBL shall pay off cash dividend to non-resident sponsor, director, shareholder, or foreign portfolio investor (FPI) through the security custodian in compliance with the rules and regulations in this regard.
- EBL, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder through SMS to the mobile number or email address as provided in the BO account or as provided by the shareholder.
- EBL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'. EBL shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Stock Dividend

EBL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL).

- EBL shall follow the provisions of “ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ এর প্রবিধান ৪৬” for issuance of bonus shares.
- EBL shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:
 - ✓ EBL shall send at least 3 (three) reminders to the entitled shareholder.
 - ✓ The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer.
 - ✓ Any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.
 - ✓ EBL shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange PLC. (DSE) and Chittagong Stock Exchange PLC. (CSE).
 - ✓ Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

Payment of unclaimed or unpaid cash dividend and stock dividend

- EBL shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of land in force.
- EBL shall follow the rules & regulations of the regulators issued from time to time regarding payment of unclaimed or unpaid cash dividend and stock dividend to the entitled shareholders.

Submission of Dividend Distribution Compliance Report

EBL shall submit a dividend distribution compliance report to BSEC, DSE & CSE in a specified format issued by the regulator(s) within stipulated time of completion of dividend distribution to the entitled shareholders.