

Management's Review



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- Ali Reza Iftkhar, Managing Director*

* Retired on 18 April 2026

It is my privilege to present the performance and progress of Eastern Bank PLC. for the year 2025; a year marked by economic upheavals, persistent inflationary pressures, and a challenging operating environment for the banking sector.

Navigating headwinds with resilience and resolve

Bangladesh economy in 2025 underwent a phase of macroeconomic strains, characterized by slower growth, elevated inflation, and tighter policy conditions, all of which had direct implications for the banking sector. According to Bangladesh Bureau of Statistics (BBS) GDP growth decelerated to 3.49% in FY2025 from 4.22% in the previous year reflecting weaker investment and subdued business sentiment. At the same time, inflation remained persistently high, hovering around 9%, with point-to-point inflation reaching 8.49% in December 2025, driven by continued pressure on food and non-food prices.

In response, monetary policy remained tight throughout the year, with Bangladesh Bank prioritizing inflation control and external sector stability. This policy stance resulted in higher interest rates, moderated credit growth, and tighter liquidity conditions across the banking system. Private sector credit growth slipped down to 6.10% year-on-year having direct impact on economic growth.

Despite these constraints, emerging stability in the exchange rate, steady growth in inward remittances, and a gradual recovery in exports provide cautious optimism for the near term. However, the banking sector continues to grapple with elevated non-performing loans and weakened depositor confidence—underscoring the need for sustained structural reforms.

Delivering consistent business and financial performance

EBL continues to demonstrate resilience, agility, and discipline navigating through volatilities to produce strong financial performance.

Profit After Tax (PAT) grew by 20% to BDT 9,010 million in 2025, reflecting the strength of our core banking fundamentals and strategic foresight. Interest income increased by 24%, supported by 16% loan growth and effective repricing following the withdrawal of SMART in mid-2024. Investment income rose by 43%, driven by a 58% expansion in our government securities portfolio and favorable interest rate conditions which further propelled a 16% growth in Operating income. Through disciplined cost management, we contained operating expense growth to 17%, maintaining one of the lowest cost-to-income ratios in the industry at 40.36%. As a result, operating profit reached BDT 18.47 billion in 2025.

Our balance sheet expanded in a healthy and sustainable manner. Loans and advances grew by 16% to BDT 477 billion, investments increased by 48% to BDT 211 billion, and deposits rose by 22% to BDT 556 billion by year-end.

Safeguarding asset quality

Maintaining asset quality remained a top priority for us. EBL adopted a more selective approach to lending, focusing on asset quality and risk-adjusted return. EBL's non-performing loan (NPL) ratio stood at 2.24% which is among the lowest in the industry and significantly below the sector average of 30.60% as of December 2025. This reflects our disciplined credit underwriting, proactive monitoring, and strong recovery drive, ensuring a resilient and high-quality loan portfolio.

We remained fully compliant with all regulatory requirements, maintaining strong capital and liquidity positions. Our Common Equity Tier 1 (CET-1) ratio stood at 11.86%, while the Capital to Risk-weighted Assets Ratio (CRAR) was 15.49%. Other key indicators remained comfortably within regulatory thresholds, including AD ratio (74.65% ≤ 87%), LCR (252.73% ≥ 100%), NSFR (113.11% > 100%), leverage ratio (5.46% ≥ 3%), MCO (14.61% ≤ 16.00%), and capital market exposure (19.62% ≤ 25%). We closed the year with Earnings Per Share (EPS) of BDT 5.65 and Net Asset Value (NAV) per share of BDT 31.86.

(For further details, please refer to the Stakeholders' Information, Management Discussion & Analysis, Risk Management Report, and Notes to the Financial Statements.)

Pioneering innovation for service excellence

At EBL, customer delight remains central to our strategy. Innovation continued to define our journey. A defining milestone was the launch of the world's first biometric metal credit card in association with Mastercard—setting a new global benchmark in secure and premium banking. We also introduced the Skyflex Visa Prepaid Card designed for digitally savvy customers and partnered with the Chittagong Port Authority (CPA) to enable digital payment solutions which have further strengthened our digital ecosystem.

Our efforts were recognized internationally, Eastern Bank was recognized as the 'Best Bank in Bangladesh' at the Euromoney Awards for Excellence 2025, marking the bank's sixth win of this prestigious international honor. EBL Connect received the "Outstanding Digital CX – Cash Management Platform 2025" award from The Digital Banker and International Finance Awards 2025 bestowed "Most Innovative Digital Bank- Bangladesh 2025" to us, among other, host of global and local awards and recognitions.

Caring for people

We believe, our people are the primary architects of our success. In 2025, we deepened our commitment to human capital through a holistic focus on well-being, continuous learning, and high-impact engagement. Beyond standard competitive compensation, we provided vital support to colleagues in times of need through Critical Illness Fund. By fostering an ecosystem of performance and



40.36%
Cost to Income Ratio



BDT 9,009.82 million
Profit After Tax



16% Loan Growth



2.24% NPL



252.73% LCR



22% Deposit Growth



recognition, we are not just building a workforce, but a culture of innovation and balance that translates directly into deeper customer trust and sustained institutional performance.

At Eastern Bank PLC., professional excellence remains a cornerstone of our human resources strategy. EBL has a total of 409 employees who have attained nationally and internationally recognized professional qualifications and certifications, including, CA, CMA, CFA, ACCA, CAMS, PMP, CDCS, CISA, Banking Professional Exam and specialized certifications from Moody's Analytics, BIBM, Cisco, Oracle, Microsoft, and Red Hat, across banking, finance, risk management, information technology, compliance, cybersecurity, accounting, and management disciplines, reflecting the Bank's strong commitment to continuous learning, professional excellence, and future-ready capabilities.

Driving cost efficiency in a high-inflation environment

Seeking value for money for whatever we spend for remains a mantra for our cost efficiency. We prioritized the digitalization of our operational backbone, automated customer onboarding, streamlined procurement protocols and promoted a culture of sustainable resource management. These initiatives have not only fortified our margins but also ensured that our pursuit of operational efficiency never comes at the expense of our signature service excellence. Despite attaining a healthy business growth in 2025 we incurred around 2% less operating expense than budgeted for.

Our readiness for implementing major regulatory changes

The year 2025 marked a decisive shift in the regulatory approach of Bangladesh Bank, with a clear focus on discipline, transparency, and the long-term stability of the banking sector. Strengthened standards for loan classification, provisioning, and recovery have reinforced credit discipline across the industry.

A key milestone has been the introduction of Risk-Based Supervision (RBS), representing a transition from rule-based oversight to a more forward-looking, risk-sensitive supervisory framework that places greater emphasis on governance and internal controls. We remain firmly committed to sound risk management and strong governance practices. In recognition of this, EBL was selected as one of four lead banks by Bangladesh Bank to mentor peer institutions in preparing for RBS implementation, with 14 banks assigned to us for ongoing consultation.

In parallel, the transition to the Expected Credit Loss (ECL) framework under IFRS 9 will require earlier recognition of credit risks, enhancing transparency and strengthening risk management, while potentially exerting short-term pressure on capital and profitability. To ensure readiness, we are investing in capacity building and undertaking detailed technical assessments, advanced data analysis, and system development.

While tighter provisioning and compliance requirements may present near-term challenges, the long-term benefits are clear: stronger balance sheets, improved governance, and a more resilient banking system. This shift toward proactive, risk-based regulation is expected to reinforce financial stability, rebuild depositor and investor confidence, and support sustainable growth in the years ahead.

Commitment to sustainability and responsible banking

Sustainability remains integral to EBL's strategy. In 2025, we further strengthened our ESG framework in alignment with global standards.

We expanded our green financing portfolio and collaborated with development finance institutions and multilateral partners on climate risk initiatives. EBL became the first bank in Bangladesh to conduct a comprehensive Climate Risk Assessment across its lending portfolio and published a standalone Sustainability Report. A key initiative was the launch of the EBL Climate Change Action Award, designed to recognize and promote green entrepreneurs and encourage innovation, low-carbon solutions, and climate resilience.

We are proud to contribute to inclusive economic growth while upholding responsible banking practices. In recognition of these efforts, EBL was ranked among the top 10 sustainable banks of 2024 by Bangladesh Bank.

Looking ahead

While challenges persist, we remain cautiously optimistic about the economic outlook. Exchange rate stability, steady remittance inflows, and export recovery are expected to support resilience in the coming year. With the implementation of structural reforms, we foresee a gradual restoration of investor confidence and a more vibrant business environment.

Our strategic focus remains on sustainable growth, operational excellence, and innovation to position EBL as a future-ready bank that is safe, strong, and forward-looking.

Acknowledgements

As I conclude my 19-year journey as Managing Director of EBL, I do so with deep gratitude and a profound sense of fulfillment. It has been an honor to lead this institution through periods of challenge and transformation, and to witness its evolution into a resilient, innovative, and forward-looking bank.

This journey would not have been possible without the unwavering support of our progressive central bank, our Board, the dedication of our colleagues, and the trust of our valued customers and stakeholders. Together, we have built a strong foundation rooted in integrity, excellence, and innovation that will continue to guide EBL in the years ahead.

As I take my leave, I do so with immense pride in what we have achieved collectively and with complete confidence in the future of this institution. I am delighted to welcome my successor, Mr. Hassan O. Rashid, whose depth of experience, leadership acumen, and strategic vision will undoubtedly steer EBL to even greater heights. I extend to him my very best wishes as he takes on this important responsibility.

Thank you for the trust, the support, and the shared journey.

Sd/-

Ali Reza Iftekhar
Managing Director