



GOVERNANCE REPORTS



Directors Responsibility Statement

Among other oversight responsibilities, Board of Directors (BoD) has to ensure that the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994, Bank Company Act 1991 (with subsequent amendments), rules and regulations of Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), listing rules of relevant stock exchanges and other applicable laws, rules and regulations.

In compliance with section 184 of Companies Act 1994, the Annual Report which is presented in the Annual General Meeting (AGM) has a separate section as "Directors Report 2022" that contains, among others, a review of the following issues:

- **State of the Bank's affairs:** A review of financial performance and position has been presented in the Directors Report 2022 and Management Discussion and Analysis (MD&A) section with relevant analytics and outlook.
- **Any recommended reserve in the balance sheet:** An amount of BDT 1,192.33 million has been transferred to 'Statutory Reserve' to equalize with the paid up capital as per section 24 of Bank Company Act 1991.
- **Recommended dividend:** The Board has recommended 12.5% cash dividend and 12.5% stock dividend for the completed year 2022.
- **Any event after balance sheet date which may affect company's financial condition:** Nothing significant.
- **Any change in Bank's activities, subsidiaries' activities etc.:** No major change in strategy and actions in the Bank and Subsidiaries experienced in 2022.

In compliance with BSEC Corporate Governance Code dated 03 June 2018 Board of Directors of the Bank hereby highlights following issues, among others, in their report as prescribed:

- **Industry outlook and possible future developments in the industry:** A brief review has been presented in the Directors Report 2022.
- **Segment-wise or product-wise performance:** Business-wise performance has been presented in the MD&A section.
- **Risks and concerns:** A detailed discussion regarding risks and management of the same has been presented in "Risk Management Report" section of this annual report.
- **Discussion on operating performance:** A brief narrative has been presented in "Financial Performance Highlights of EBL" part of the Directors Report 2022.
- **Discussion on continuity of any extra-ordinary gain or loss:** EBL has not experienced any extra-ordinary gain or loss in 2022. EBL's Five Year Progression presented in the "Stakeholders Information" section will provide detailed information to support this.


- **Basis for related party transactions and a statement of all related party transactions:** The basis for related party transactions has been stated in the "Corporate Governance Report" and a statement of related party transactions has been presented in the Annexure C1 of the Financial Statements 2022.
- **Utilization of proceeds from public issues, rights issues and/or through any other instruments:** Since taking over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited, EBL did not raise any capital through public issues except a Right Issue in 2009. However, the Bank raised BDT 2,500 million, BDT 5,000 million, and BDT 1,950 million through issuance of 7-year non-convertible subordinated bonds in 2015, 2019 and 2022 respectively. The proceeds were utilized to generate liquidity and provide additional cushion to projected business growth.
- **Deterioration of financial results after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.:** The Bank issued Right Share in 2009 but after that financial results of the Bank did not deteriorate.
- **Explanation of variances between quarterly and annual financial performance:** No major variances have been observed between quarterly and annual performance.
- **Remuneration to directors including independent directors:** Remuneration provided to directors has been presented in the Corporate Governance Report and Note 32 and Note 33 to the Financial Statements 2022.
- **The financial statements prepared by the management present fairly its state of affairs, the result of its operations, cash flows and changes in equity:** The financial statements prepared by the management as at and for the year ended 31 December 2022 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditors, Howladar Yunus & Co., Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
- **Maintenance of proper books of account:** Proper books of account as required by law have been kept by EBL. The external auditors, Howladar Yunus & Co., Chartered Accountants also provided their opinion on the same in point (IV) of "Report on other legal and regulatory requirements" of their audit report.
- **Consistent application of appropriate accounting policies and estimates in preparation of financial statements:** Appropriate accounting policies have been consistently applied in preparation of the financial statements of the Bank and the accounting estimates are based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on an ongoing basis and any revision to these are recognized in the period in which the estimate is revised and in any future period affected.

- **Following International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, in preparation of financial statements and any departure therefrom has been adequately disclosed:** Details description including disclosure of departures has been presented in Note 2.1 to the Financial Statements 2022.
- **The system of internal control is sound in design and has been effectively implemented and monitored:** A brief description in this regard has been presented in the 'Internal control system' paragraph under Directors Report 2022.
- **Protection of interest of minority shareholders and effective means of redress:** The Bank is operated in accordance with the Articles of Association and all applicable laws and regulations of the land to protect interest of all the shareholders including minority ones. The Bank has a sound governance practices in place based on integrity, openness, fairness, professionalism and accountability which fosters confidence among stakeholders. However, any complaint, received at AGM or throughout the year, from any shareholders, is resolved lawfully in time.
- **Significant doubts upon the Bank's ability to continue as a going concern:** None.
- **Explanations to significant deviations from the last year's operating results:** Significant deviations of operating results in 2022 have been adequately discussed in the Directors Report 2022 and MD&A section.
- **Summarization of last five year's key operating and financial data:** Please see 'Five-Year Progression of EBL' in the section of Stakeholders Information.
- **Declaration of dividend or not:** Declared 12.5% cash dividend and 12.5% stock dividend for the year 2022.
- **Declaration of bonus share or stock dividend as interim dividend:** No bonus share or stock dividend was declared as interim dividend in 2022.
- **Number of Board meetings and directors' attendance in 2022:** Please see 'Board meeting and attendance' section under Corporate Governance Report.
- **The pattern of shareholdings:** Please see Corporate Governance Report and note 14.1 of the Notes to the Financial Statements 2022.
- **Brief resume of the directors and nature of their expertise in specific functional areas:** Brief profile of directors and their representation in other companies have been presented in 'Board of Directors' section of this report and Annexure C of the Financial Statements 2022.
- **Management's discussion and analysis signed by CEO/ MD:** Please see 'Managing Director & CEO's Review' and 'Management Discussion and Analysis' section of this annual report.
- **Certification by the CEO and CFO:** The certification by MD & CEO and CFO has been presented at the beginning of Financial Reports section of this annual report.
- **Certificate on compliance of corporate governance code:** The certificate issued by A. Qasem & CO., Chartered Accountants, has been presented at the end of Corporate Governance Report.

To adhere to good corporate governance practices, the Bank has been complying with the corporate governance code issued by BSEC (Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018). EBL's compliance status to the said prescribed practices is presented in Corporate Governance Report.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2022 together with the Directors Report and the Financial Statements have been prepared in compliance with applicable governing acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank and BSEC.

On behalf of the Board of Directors,



Md. Showkat Ali Chowdhury
Chairman of the Board of Directors

Report of the Audit Committee of the Board

Overview

The Audit Committee (AC) is a sub-committee of the Board of Directors of Eastern Bank Limited (EBL). To uphold the interest of diverse range of stakeholders, this committee has been entrusted with certain oversight responsibilities in order to ensure good governance, compliance and proper due diligence by the management. Ensuring independence and objectivity of the auditors and the quality of audit are also the main tasks of this committee.

Statement of purpose

This committee is to ensure:

- (i) Integrity of the bank's financial statements and internal control systems, including implementation and effectiveness of internal control over financial reporting.
- (ii) Independent audit (annual) of the bank's financial statements, engagement with independent auditors, and evaluation of independent auditors' qualifications, independence and performance.

- (iii) Performance of the internal audit services function.
- (iv) Compliance by the bank with all legal and regulatory requirements.
- (v) Fulfillment and discharge of other stated responsibilities.

Composition of the Audit Committee and meeting attendance in 2022

The existing Audit Committee is comprised of four members of the Board of Directors including two Independent Directors (one Independent Director is the Chairman) in accordance with the notification on Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) on 3 June 2018 (Notification No. BSEC/CMRRCD/2006-158/207/admin/80) and Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013.

Sl.	Name	Status with the Bank	Status with the Committee	Educational qualification	Meeting attendance
1	Dr. Toufic Ahmad Choudhury	Independent Director	Chairman	Ph.D, Master in Economics	5/6
2	Mufakkharul Islam Khasru	Director	Member	MBA (IBA)	6/6
3	Gazi Md. Shakhawat Hossain	Director	Member	M.Com (Accounting)	6/6
4	Ashiq Imran	Independent Director	Member	Master of Science in Architecture	5/6

The Company Secretary of the bank is the secretary of the Board Audit Committee.

Participation of non members: MD & CEO, Head of ICC, Head of Audit and CFO being the representatives of management also attended the Audit Committee meetings on invitation.

Access to the committee: Head of Audit, being an administrative part of ICC, reports directly and is accountable to the Audit Committee of the Board and has access to the committee on any matter.

Roles and responsibilities of the Audit Committee

The roles and responsibilities of the Audit Committee have been framed in line with the relevant provisions of Corporate Governance Guidelines/Notification issued by BB and BSEC, two paramount regulators for the Bank, and other best practices of governance. Some important roles and responsibilities are to:

a) Internal control:

- Evaluate whether there is an appropriate compliance culture across the bank and to ensure that all employees have clear understanding of their roles and responsibilities.
- Review whether arrangements made by the management for developing and maintaining a suitable Management Information System (MIS) are adequate.

- Consider whether the internal control strategies recommended by internal and external auditors have been prudently and comprehensively implemented by the management.
- Review reports relating to fraud, forgery and deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority, and place it before the Board after reviewing whether corrective measures have been taken by the management.

b) Financial reporting:

- Assess whether the financial statements reflect complete and accurate information and also determine whether the statements are prepared in accordance with prevalent rules and regulations and applicable financial reporting standards.
- Review the annual financial statements with the management and external auditors before finalization and onward submission to Board for approval.
- Review the quarterly and half-yearly financial statements with the management before submission to the Board for approval.
- Review the management discussion and analysis before disclosing in the annual report.
- Review statements of significant related party transactions (RPTs) submitted by the management.

- Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the commission.

c) Internal audit

- Evaluate and monitor whether internal audit functions are truly independent.
- Review the activities, structure and style of conduct of internal audit functions to ensure that no unjustified restrictions or limitations are imposed.
- Review and assess the annual internal audit plan and efficiency and effectiveness of internal audit function.
- Review and ensure that appropriate recommendations made by internal auditors to remove irregularities, if any, are duly acted upon by concerned personnel of the Bank.

d) External audit

- Make recommendations to the Board, to be put to shareholders for approval in the AGM, in relation to appointment, re-appointment and removal of the Bank's external auditors. The Committee shall oversee the selection process of new auditors and shall investigate any issue that might have led auditors to resign.
- Oversee the relationship with the external auditors including:
 - Approval of their remuneration i.e. fees for audit or non-audit services.
 - Assessing annually their independence and objectivity taking into account relevant professional and regulatory requirements.
 - Satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Bank (other than in the ordinary course of business).
- Meet regularly with the external auditors, including once at the planning stage before the audit and once after the audit at the reporting stage. The Committee shall meet the external auditors at least once in a year, without management being present, to discuss any issues arising from the audit.
- Review the findings and recommendations made by the external auditors for removal of irregularities, if any, detected are duly acted upon by the management.

e) Compliance with existing laws and regulations

Review whether the laws and regulations framed by the regulatory authorities (Central Bank, Securities Regulators and other bodies) and internal circular/instructions/policy/regulations approved by the Board and have been duly complied with by the management.

f) Other responsibilities:

- The AC is to submit 'Compliance Report' on quarterly basis to the Board mentioning any errors and irregularities, fraud and forgery and other anomalies pointed out by internal and external auditors and inspection team from Bangladesh Bank.
- The AC is to submit evaluation report relating to internal and external auditors of the Bank and to supervise other assignments delegated by the Board and evaluate its own performance regularly.

Reporting to the Board

The Audit Committee regularly reports its activities to the Board of Directors following each meeting and also reports immediately to the Board of Directors in case of any of the followings:

- Report on conflict of interests, if any.
- Suspected or presumed fraud or irregularity or material defect in the Bank's internal control system.
- Suspected infringement of laws, including securities related laws, rules and regulations.
- Any other matter which the audit committee deems necessary.

Meetings of the Audit Committee

The Audit Committee of the Board held 06 (Six) meetings in 2022 (Bangladesh Bank prescribes at least 04 in a year) and had detailed discussions and review sessions with the Head of Audit, Head of Internal Control & Compliance, External Auditors regarding their findings and remedial suggestions on various issues. The AC instructed management to follow those remedial suggestions and monitor accordingly. Meeting dates are as follows:

Sl.	Meetings	Date of meeting
1	136 Audit Committee Meeting	31 March 2022
2	137 Audit Committee Meeting	25 April 2022
3	138 Audit Committee Meeting	22 June 2022
4	139 Audit Committee Meeting	27 July 2022
5	140 Audit Committee Meeting	26 October 2022
6	141 Audit Committee Meeting	24 December 2022

Major issues reviewed by the Audit Committee in 2022

- Bangladesh Bank comprehensive inspection report of Eastern Bank Limited (Head Office) as on 31 December 2020 and its subsequent compliance.
- Appointment of external auditors and corporate governance auditors for the year 2022.
- Draft annual financial statements of EBL for the year ended 31 December 2021, un-audited half yearly and quarterly financial statements of the Bank for the year 2022 before submission to the Board for approval.
- Management letter on the Bank for the year ended 31 December 2021 submitted by the external auditors, Howladar Yunus & Co. and its subsequent compliance status.
- Annual Health Report of EBL 2021.
- Summary of exceptions on Quarterly Operation Report (QOR) and quarterly report on Loan Documentation Checklist (LDCL).
- Compliance status of half-yearly self-assessment of anti-fraud internal controls for the period from July- December 2021.
- Approval of the risk based internal audit plan of EBL and its subsidiaries for 2023.
- Internal audit reports of branches, divisions/departments/ units and subsidiaries and AML audit rating-2021 of 85 branches.

- List of accounts having credit policy exceptions under corporate banking portfolio.
- Compliance status of Bangladesh Bank surprise inspection report and comprehensive inspection reports on branches.
- Some important policies & guidelines of the bank such as Contingency Planning Policy and Crisis Management Plan, revised Corporate Social Responsibility policy 2022, Post Import Financing (PIF) Policy, Data Management Policy, Rate Appropriateness Policy, treasury manual, Foreign Exchange Risk Management Policy, revised Investment Policy, revised Fixed Asset Policy, Agent Banking Operation Policy etc.

The minutes of the Audit Committee meetings containing various suggestions and recommendations to the management are duly placed to the Board for ratification on regular basis.

The Audit Committee further affirms that

- The rules and regulations of Bangladesh Bank and all other regulatory authorities and Bank's own policy guidelines approved by the Board are duly complied with.
- Adequate internal control and security measures have been taken by the Bank facilitating Information Technology (IT) based banking including generation of proper Management Information System (MIS).

- The system of internal control and business processes have been strengthened including development of human resources towards creation of a compliance culture in the Bank.
- Efforts have been made to keep assets of the Bank safe along with liabilities and commitments being transparent.

Acknowledgement

The Audit Committee expresses its sincere thanks to the members of the Board, management and auditors for their excellent support extended to the committee. The committee is also thankful to the regulators specially Bangladesh Bank and Bangladesh Securities and Exchange Commission for their direction and guidance, which facilitated to discharge its duties and responsibilities.

On behalf of the Audit Committee,



Dr. Toufic Ahmad Choudhury
Chairman of the Audit Committee of the Board

Report of the Risk Management Committee (RMC) of the Board

Pursuant to BRPD Circular No. 11 dated 27 October 2013, the Board of Directors (BoD) formed the Risk Management Committee (RMC) of the Board on 07 November 2013 which was last reconstituted on 09 June 2022. The objective of the committee is to ensure proper risk governance; overseeing, directing and setting policies and reducing probable risks arising during implementation of policies, procedures and strategies. Periodic review of adequacy of capital and provisions against the identified risks are the focus area of RMC of the Board.

Composition of the committee

The Risk Management Committee of the Board comprises 5 non-executive directors in compliance with the relevant provisions of BRPD Circular No. 11 dated 27 October 2013. The qualification of members, their status in RMC and attendance in the meetings are noted below:

SL.	Name	Status with the Bank	Status with the Committee	Educational qualification	Meeting attendance
1	Mir Nasir Hossain	Director	Chairman	M.Com (Accounting)	4/4
2	Mufakharul Islam Khasru	Director	Member	MBA (IBA)	3/4
3	Gazi Md. Shakhawat Hossain	Director	Member	M.Com (Accounting)	3/4
4	Zara Namreen	Director	Member	Master of Science in Business Finance	1/4
5	Dr. Toufic Ahmad Choudhury	Independent Director	Member	Ph.D, Master in Economics	4/4

The Company Secretary acts as the Secretary of RMC of the Board of Directors.

How the RMC of the Board operates

To ensure effective discharge of the responsibilities by the RMC, an annual calendar linked with the Terms of Reference (ToR) of the committee is approved beforehand by the committee. The Company Secretary and the Chief Risk Officer assist the Chairman of the committee in drafting the agenda for each committee meeting. Following each committee meeting, a formal report is presented to the Board by the Chairman of the committee describing the discussions, decisions and recommendations along with other issues needed to make the Board informed.

Roles and responsibilities of RMC

The roles and responsibilities of RMC have been framed in line with the provisions of BRPD Circular No. 11 dated 27 October 2013 and other best practices. Some important roles and responsibilities are highlighted below:

- It is the responsibility of RMC to identify and assess risks and guide management to formulate strategies for minimizing/controlling risks. The committee (RMC) reviews the risk management policy and modifies the same as required from time to time.
- In order to mitigate risks, RMC ensures that a suitable risk governance structure is in place. Separate management committees have been formed and monitored by RMC to ensure compliance with risk management guidelines related to credit risk, operational risk, foreign exchange risk, internal control and compliance risk, money laundering risk and information and communication technology risk.

- RMC reviews the risk management policy and guidelines of the Bank at least once a year, make necessary modifications as per requirement and submit the same to the Board of Directors for consideration. Besides, the committee reviews the loan portfolio and provide guidelines to modify the same as per requirement.
- The committee monitors implementation status of risk management policy of the Bank and examines whether remedial measures have been taken to minimize credit risk, market risk, operational risk, portfolio risks and others.
- The committee reviews various decisions and recommendations made by different risk committees of management for onward submission to Board of Directors.
- The committee complies with different directives/guidelines as issued by Regulators from time to time.

Meeting of RMC in 2022

Bangladesh Bank advised RMC to hold at least 4 meetings in a year. In line with the same, RMC held 4 (four) meetings during 2022 and had detailed discussions and review sessions with the management regarding their findings, observations and recommendations on various issues of interest and concern. Meeting dates were as follows:

SL.	Meetings	Date of meeting
1	RMC Meeting 01	24 February 2022
2	RMC Meeting 02	20 June 2022
3	RMC Meeting 03	02 November 2022
4	RMC Meeting 04	22 December 2022


Major areas focused by RMC in 2022

Major issues and areas of interest dealt with by RMC during 2022 are noted below:

- Reviewed monthly Risk Management Reports, half yearly Comprehensive Risk Management Reports (CRMR) and recommendations of Executive Risk Management Committee (ERMC) made during December 2021 to November 2022 and with certain directions endorsed the same for onward submission to Bangladesh Bank (BB).
- Reviewed business segment wise list of clients newly classified in 2021 and account wise detail position of Top 10 defaulters of that list (new-to-CL in 2021) and advised to increase monitoring to arrest further deterioration.
- Reviewed Stress Test Reports from quarter ending December 2021 to quarter ending September 2022 and endorsed the same for onward submission to BB. From 2022 four new stress scenarios were included in this exercise aligning with risk profile of EBL. These inclusions are additional to the minimum regulatory requirement.
- Reviewed the process to further strengthen monitoring and supervision for timely collection of scheduled EMIs, reviewed concerning accounts including unclassified and re-scheduled (pre or post classification) ones which may have been classified if payment deferral/classification pause had not been in place which was allowed during the pandemic. RMC also reviewed ownership structure of few entities exposed to succession risk and total liability position of few borrowers based on CIB report with analysis of total debt (composition of working capital and term loan), annual turnover, total assets and net worth to assess risks.
- Reviewed ICAAP (Internal Capital Adequacy Assessment Process) policy for 2022 and SRP (Supervisory Review Process) return for 2021 for onward submission to Board of Directors for consideration.
- Reviewed Comprehensive Risk Management Ratings of EBL for December 2021. Upon review, the committee endorsed the management strategy to mitigate the identified risks as highlighted in those rating reports.
- Reviewed risk performance against approved Risk Matrix (Key Risk Indicators) for the year ending December 2021, half year ending June 2022 and month ending positions from January to November 2022.
- Reviewed the reports on Risk Management Policies of EBL and effectiveness of risk management functions in the Bank for the year 2021.
- Reviewed and endorsed Bank's risk appetite/internal limits for 2022 on major risk areas to place before Board of Directors for approval. RMC recommended growth in thrust sectors and advised to be cautious in few sectors considering its inherent and emerging risks after COVID-19 pandemic.
- Reviewed risk performance against the risk appetite for the half year ended 2022 and endorsed exposures exceeding the risk appetite with an advice to bring down those exposures within limit.
- Reviewed bank's sustainability rating for the year 2021 and performance against the target of 2022.
- Reviewed Internal Audit Report on Post Import Finance (PIF) and report of PIF Monitoring Unit for Q3 and Q4, 2021, Q1, 2022 in compliance with BRPD Circular No. 12 dated 13 June 2021.
- Periodically reviewed Top 50 credit exposure (Group) of EBL in terms of limit offered to counterparties and advised management to closely monitor the account performance and to pay special attention to the vulnerable accounts.
- RMC highly focused on collection and recovery from delinquent accounts and reviewed implementation status of the strategies adopted in meetings. Throughout the year RMC regularly monitored position of classified, special mention, written-off and compromised settlement accounts, recovery status therefrom and progress in the law suits.
- Reviewed and revised the Foreign Exchange Value at Risk (VaR) limit from June 2022 after the abrupt changes of currency exchange rate. Also endorsed the breaches of Net Open Position (NOP) limit experienced in May 2022.
- Reviewed and endorsed Enterprise Risk Management (ERM) Guideline, Sustainable Banking/Environmental & Social Risk Management (ESRM) Policy, Product Program Guidelines (PPGs) of EBL Corporate Banking (both assets and liability products), fact finding report on corporate and commercial borrowers which became classified within 2 years of relationship, concept paper on financing business in export processing zones & economic zones, concept paper on alternative investments.

The minutes of RMC meetings containing various suggestions and recommendations to the management were placed to the Board of Directors subsequently for ratification.

On behalf of Risk Management Committee,



Mir Nasir Hossain

Chairman of the Risk Management Committee (RMC) of the Board

Report of the Asset Liability Committee (ALCO)

Asset-Liability Committee (ALCO) is formed with senior officials to manage assets and liabilities of the bank in order to earn adequate returns complying applicable regulatory ratios. The committee, typically known as ALCO, meets at least once in every month to analyze, review and formulate strategy to manage the balance sheet. The committee looks to find mismatches or potential risks that can threaten the safety of the deposits and the credibility of the institution. Details of composition of ALCO are stated in the section of 'Management Committees'.

ALM (Asset-liability management) desk

ALM desk prepares the ALCO pack, ALCO meeting minutes, and circulates the approved minutes. Monitoring developments of local

and international market and updating ALCO about the changes in the market are important responsibilities of ALM desk. In addition, ALM desk is also responsible for monitoring risk sensitive assets and liabilities, ascertaining balance sheet mismatch, preparing cash flow and balance sheet forecasts, interest rate forecast and spread calculation, managing liquidity and market risk of the bank and understanding the market dynamics i.e. competition, potential target markets etc. for expansion of the business.

Meetings of the ALCO

Generally, ALCO meeting takes place in every month but if required, ALCO chairman may call unscheduled emergency meetings. The responsibilities of ALCO are defined in the ALM Policy of the Bank.

Roles and responsibilities of ALCO

Major areas	Roles and responsibilities
ALCO management & reporting	<ul style="list-style-type: none"> Retain records of ALCO meetings and monitoring the implementation status of the actions taken in ALCO meetings. Reviewing the interest rate risk and liquidity risk status of the Bank and focusing on action plan to achieve goals. Assessing liquidity gap and interest-rate risk. Holding a formal meeting (usually once in a month). Informal meetings are held on requirement basis. Monitoring and discussing the status and results of decisions taken in the previous ALCO. Confirmation of last ALCO minutes. Reporting ALCO minutes to the Board along with market commentary and latest ALM indicators.
Balance sheet planning	<ul style="list-style-type: none"> Preparing forecasted balance sheet. Discussing innovative ideas to boost growth at minimum risk per unit of return. Reviewing the decisions taken by investment committee and actions of money market, fixed income trading desk to capture the short term trading and interest rate arbitrage opportunities. Setting up annual plan and reviewing it on quarterly basis. Decision making on choosing ideal yield curve for fund transfer pricing.
Core asset-liability management	<ul style="list-style-type: none"> Interest income projections. Interest rate sensitivity analysis. Concentration of different asset classes based on liquidity concern in the balance sheet. Reviewing limits on structural gap in LCY & FCY on annual basis and ensuring compliance with the limits on monthly basis. Developing parameters for the pricing and maturity distribution of deposits, loans and investments. Net interest margin on current balance sheet and forecasted balance sheet.
Liquidity risk management	<p>Liquidity management strategy</p> <ul style="list-style-type: none"> Setting up limits that guide liquidity management of the Banks and ensuring compliance on regular basis. Dependency on volatile liability and ensuring funding diversification. Managing lending of funds. <p>Liquidity management under stress situation</p> <ul style="list-style-type: none"> Complying predesigned contingency funding plan. Reviewing contingency funding plan on regular interval. Monitoring liquidity ratios and their skewedness towards contingency situation described in the contingency funding plan.

Major areas	Roles and responsibilities
Interest rate risk management	<ul style="list-style-type: none"> Setting interest rate forecast on annual basis and reviewing it at least on quarterly basis. However, in dynamic or abnormal market condition, ALCO should review interest rate forecast on monthly basis. Monitoring compliance with interest rate risk limits. Devising strategy to hedge interest rate risk and continue growth unless it falls beyond the risk appetite or regulatory framework.
Fund transfer pricing	<ul style="list-style-type: none"> Formulating transfer pricing system and policy. Fixing the yield curve. Measuring customer wise and business segment wise profitability.

Major areas focused by ALCO in 2022

Complying key ALM ratios, emphasis on investment in government securities, sustainable balance sheet growth, expansion of NRB business for sourcing foreign remittance and upholding asset quality were the major areas of focus in 2022.

On behalf of the Asset Liability Committee,



Ali Reza Iftekhar
 Managing Director & CEO
 Chairman of the Asset Liability Committee

Report of the Executive Risk Management Committee (ERMC)

The Executive Risk Management Committee (ERMC) of EBL is responsible for reviewing the risks associated with overall banking operations; ascertaining bank's appropriate risk tolerance, risk appetite and risk limits for those risks to ensure that necessary mitigation strategies are in place in order to enhance management and control.

ERMC of EBL sets out a clear goal to be a risk-mitigated bank and creates a risk awareness culture in terms of timely identification, measurement and mitigation of risks exposed by the Bank in a comprehensive manner.

Composition of the committee

The chairman of the committee is Chief Risk Officer (CRO). Head of ICC & CAMLCO plays the role of co-chairman and Head of Risk Management Division (RMD) acts as the Member Secretary of the committee. Other members of this committee are: Head of Corporate Banking, Head of Planning, Strategy and Governance, Head of CRM, Head of Treasury, FIs & Offshore Banking, Chief Technology Officer, Head of Operations, Chief Financial Officer, Head of Retail & SME Banking, Head of Credit Administration, Head of Special Asset Management and Head of Human Resources. Details of composition of ERMC are stated in the section of 'Management Committees'. There is a standing invitation for Head of Audit and Head of Business Information Systems.

Meetings of ERMC

ERMC meeting takes place in every month but if required, chairman may call unscheduled emergency meetings. In absence of Chairman, Head of ICC & CAMLCO presides the meeting. Terms of Reference (TOR) approved by Risk Management Committee (RMC) of the Board describes the responsibilities of ERMC. Presence of at least two-third members in the meeting is necessary to fulfill the quorum. If any member remains out of office on medical grounds or leave or for any pre-set engagements, the member nominates an alternate member as representative.

Roles and responsibilities of the committee

1. Accountability and responsibility of ERMC is limited to the extent of submission of its recommendations or reports to competent authority (MD & CEO or RMC of the Board). If any decision is taken on the basis of those recommendations, ERMC is to supervise for timely and effective implementation through respective department/division.
2. Review and recommendation of suitable risk assessment and management policies, methodologies, guidelines and procedures/manuals in line with Bangladesh Bank guidelines for identification, measurement and monitoring of risks.
3. The committee is to supervise assessment and maintenance of adequate capital and provision to support risk-taking. The committee through RMD is also to review and recommend maintenance of supervisory capital as part of Supervisory Review Process (SRP) in addition to regulatory capital.

4. The committee is to provide direction and assistance for developing an effective and efficient information system/ MIS and data management capabilities to support the risk management functions of the Bank.
5. The committee is to determine general principles for identifying, measuring, managing, and reporting the bank-wide existing and potential risks (credit, market, liquidity and funding, operational, reputational, business, environmental, ICT etc.) and recommend appropriate recommendations to control and mitigate those risks.
6. The committee is to do a periodic review of the Key Risk Indicators (KRIs) of all the departments/divisions across the bank and advise corrective actions to departments/divisions where there is any deviation.
7. The committee is to oversee status of all risks annually on a systematic manner to keep risk exposures within the limits set by the Board, ensure adequate control over risks earning reasonable risk adjusted returns.
8. ERMC is authorized to ask for information or explanations on any risk related issues in any format (including presentation) from any individual/unit/department/division of the Bank. In such case, respective respondents shall provide requisite information accurately and timely.
9. ERMC is to ensure arrangement of Annual Risk Conference of the Bank.

Major areas focused by ERMC in 2022

- Reviewed risk management related policies and endorsed for submission to the RMC of the Board/ Audit Committee.
- Reviewed all risk related reports (RAS, CRMR, MRMR, KRI, Stress Test etc.) throughout the year and adopted suitable mitigating measures.
- Reviewed Investment Policy.
- Reviewed risk register template.
- Reviewed ICT Data Management Policy.
- Reviewed Delegation of Authority (DOA) Policy.
- Ensured periodic follow up of different risk sectors.
- Head of Audit shared risk issues arisen from audit of various departments and ERMC reviewed them.

On behalf of the Executive Risk Management Committee,



M. Khurshed Alam
DMD & Chief Risk Officer
Chairman of the ERMC

Dividend Distribution Policy of EBL

The Dividend Distribution Policy of EBL prescribes a set of principles/guidelines in relation to declaration and payment of dividend and matters incidental thereto or connected therewith. The said policy is formulated for ensuring proper distribution of declared dividend (final/interim) to the shareholders of the Bank. The Audit Committee (AC) of the Board reviewed the policy in its 130 Meeting dated 14 March 2021 which was finally approved by the Board of Directors in its 686 Meeting held on 24 March 2021.

Major highlights of the Dividend Distribution Policy are as follows:

Procedure for payment of dividends

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.

No dividend shall be paid other than out of profits of the year or any other undistributed 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 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/final 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 shareholders, 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:

- Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of EBL.
- EBL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders 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 the 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 if 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 shareholders.
- 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 shareholders, 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 shareholders, 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 "ডিজিটাল (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 shareholders.
- 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 Limited (DSE) and Chittagong Stock Exchange PLC.

- Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholders 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.

Corporate Governance Report

Corporate governance

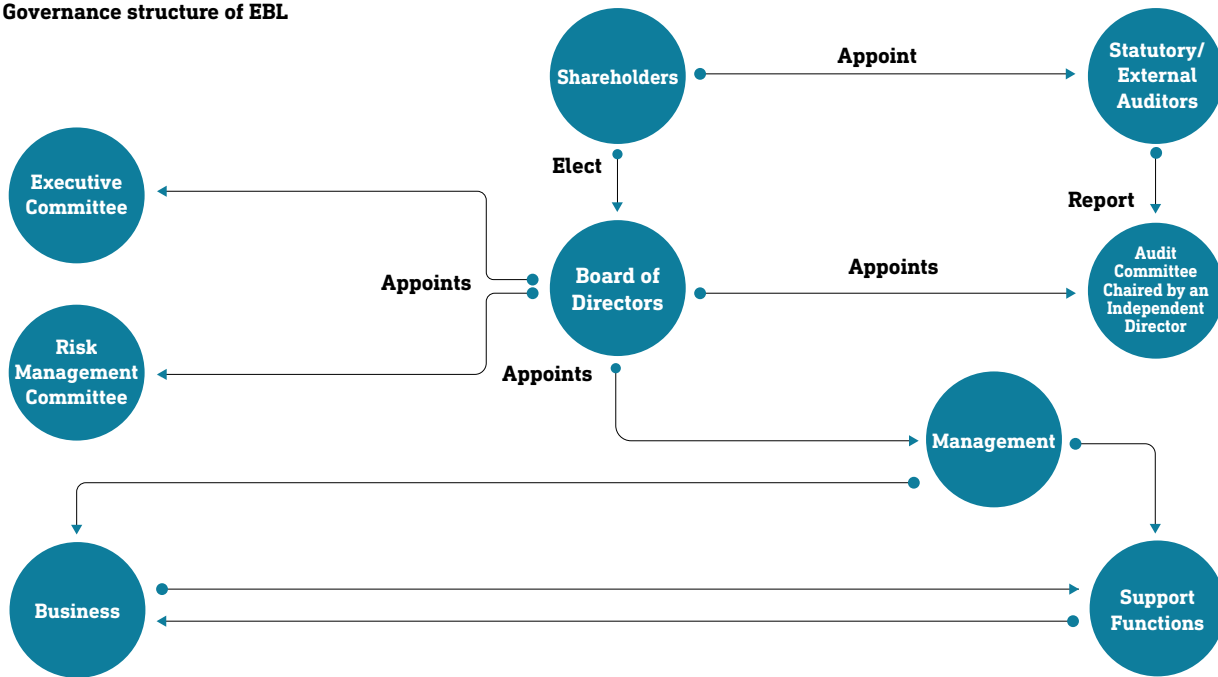
Good governance is the key to proper functioning and sustainable operations of the banking sector as well as overall economy of a country. Banks play an important role in the economy by intermediating funds from savers and depositors to activities that help drive economic growth. Banks' safety and soundness, therefore, are the key to financial stability, and the way they conduct their businesses, therefore, is of paramount importance. Good governance ensures sustainable growth by way of maintaining an equitable balance while meeting varied expectations from diverse stakeholders. The primary objective of corporate governance, therefore, is to safeguard diverse range of stakeholders' interest on a sustainable basis. It is manifested through adherence to ethical business norms, firm commitment to values and compliance with applicable laws and regulations, while enhancing shareholders value.

Governance structure of the Bank

Board of Directors occupies the center stage of overall governance practice of EBL and is responsible for establishing an appropriate governance structure in the Bank while the shareholders' role is to appoint the suitable directors and the auditors.

'Tone at the top' --- Board of Directors plays a pivotal role in shaping governance structure and practices through their choice of strategy and leadership to drive the Bank to growth path. Design and implementation of governance mechanism including selection and appointment of members of sub-committees of Board and senior management rests primarily on the Board. The onus of setting strategic pursuits and goals of the company is also on the Board. The management of EBL as an extended wing of the Board executes policies and procedures set by the Board for the greater interest of shareholders and other stakeholders. The risk management and overall support functions of the Bank has been designed and kept fully independent from business to guard against any unforeseen events that undermine the brand value of the Bank.

Governance structure of EBL



Guiding philosophy of governance practices

Principles of good governance are embedded in the core values of EBL, a Bank that strongly believes in inclusive and sustainable growth. As a locally incorporated bank, two key regulators- Bangladesh Bank (Central Bank of Bangladesh) and Bangladesh Securities and Exchange Commission (BSEC) play a major role in shaping governance structure and practices of the Bank.

However, the Bank's corporate governance philosophy encompasses not only regulatory and legal requirements but also various internal rules, policies, procedures and best practices of local and global banks. As a responsible corporate citizen, the Bank is committed to

sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders.

The corporate governance philosophy of the Bank is based on the following principles:

- Creating value for all stakeholders without compromising ethical principles.
- Ensuring fairness and equitable treatment of all stakeholders, including employees and shareholders.

- Compliance with all applicable laws, rules and regulations and their inherent spirit.
- Ensuring transparency and accountability, and maintaining a full disclosure policy with the motto 'when in doubt, disclose'.
- Embracing a trusteeship model in which management is the trustee, not the owner, of the shareholders' wealth.
- Establishing a sound system of risk management and internal controls with adequate safeguards and early warning systems.

Structure of the Board

According to Clauses 94 of the Articles of Association of EBL, the Board of Directors (BoD) currently comprises 14 directors among whom 13 (thirteen) are Non-executive directors including the Chairman and 1 (one) is the Managing Director (Ex-Officio). The Board of Directors of the Bank appointed 3 (three) Independent Directors as prescribed in the BSEC Corporate Governance Guidelines and Section 15 of Bank Company Act 1991.

Policy on appointment of Directors

Directors are appointed as per respective provisions, sections and regulations of Companies Act, Bank Companies Act, Bangladesh Bank, Bangladesh Securities & Exchange Commission and Articles of Association of the Bank (EBL).

The BoD consists of noted entrepreneurs and business professionals having experience and acumen in diverse range of businesses and operations. Collectively they have enriched the Board with the knowledge and expertise in banking and finance, information technology, accounting, economics, marketing, administration, law and architecture. Their rich and diverse backgrounds have given the Board a vantage point in directing and monitoring the Bank to achieve its desired objectives.

Retirement and election of Directors

According to clauses 105 and 106 of the Articles of Association of the Bank (EBL), following directors retired at the 30th Annual General Meeting (AGM) held on 19 May 2022. Being eligible for re-election, all three of them were re-elected by the shareholders in the same Annual General Meeting (AGM).

Board meeting and attendance

The Board of Directors holds meetings on regular basis: usually twice in a month but emergency meetings are called as and when required. Management provides information, references and detailed working papers for each item of agenda to all the Directors well ahead of time fixed for the BoD meeting for consideration. In the meeting, the Chairman of the BoD allocates sufficient time for the Directors to consider each item of the agenda and allow them to discuss, inquire, and express opinions freely on the items of interest so that they can fulfill their duties to the best of their abilities. During the year 2022, a total of 21 Board Meetings were held; the attendance records are as follows:

Sl.	Name	Position	No. of Meetings attended
1	Md. Showkat Ali Chowdhury	Chairman	20/21
2	M. Ghaziul Haque	Director	11/21
3	Mir Nasir Hossain	Director	20/21
4	Salina Ali	Director	17/21
5	Anis Ahmed	Director	12/21
6	Mufakkharul Islam Khasru	Director	19/21
7	Gazi Md. Shakhawat Hossain	Director	18/21
8	K.J.S. Banu	Director	17/21
9	Zara Namreen	Director	19/21

Sl.	Meetings	Mode of Change
1	Md. Showkat Ali Chowdhury Representing: Namreen Enterprise Ltd.	Re-elected
2	Mir Nasir Hossain Representing: Mir Holdings Ltd.	Re-elected
3	Anis Ahmed Representing: MGH Healthcare Limited	Re-elected

Pursuant to section 92 of the companies Act, 1994 and as per clauses 105 & 106 of the Articles of Association of the Bank, 1/3 (one third) of the following Directors shall retire by rotation from the office of the Directors in the forthcoming AGM and will be eligible for re-election;

- Mufakkharul Islam Khasru
- Gazi Md. Shakhawat Hossain
- K.J.S. Banu
- Zara Namreen

The Board appointed Barrister K.M. Tanjib-ul Alam as Independent Director after holding of the 30th Annual General Meeting which would be placed at the next AGM (31.05.2023) for shareholders' approval in compliance with Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC) & Articles of Association of the Bank.

Non-Executive Directors

All the Directors of EBL including the Chairman are Non-Executive Directors except the Managing Director & CEO.

Independent Directors

EBL encourages effective representation of independent directors in its Board to infuse diverse knowledge and core competencies relevant to banking business. In compliance with relevant Corporate Governance Code (CGC) of BSEC, the BoD has appointed 03 (three) independent directors subsequently approved by the shareholders at the Annual General Meeting (AGM). The independent directors being conversant in the field of financial, regulatory and corporate laws enjoy full freedom to carry out their assigned roles. With them they have brought in more than 10 years of corporate management/professional experiences for meaningful contribution to the BoD.

Sl.	Name	Position	No. of Meetings attended
10	Dr. Toufic Ahmad Choudhury	Independent Director	21/21
11	Ashiq Imran	Independent Director	19/21
12	Ruslan Nasir	Director	17/21
13	Barrister K. M. Tanjib-ul Alam	Independent Director	06/06
14	Ali Reza Iftekhar	Managing Director & CEO	20/21

N.B: Barrister K. M. Tanjib-ul Alam joined EBL Board on 03 October 2022.

The Directors who could not attend the meeting(s) were granted leave of absence by the Board.

Attendance of CFO, Head of ICC and CS in Board Meeting

Chief Financial Officer (CFO), Head of Internal Control & Compliance (ICC) and the Company Secretary (CS) of the Bank attend the meetings of the Board of Directors, provided that the CFO, Head of ICC and/or the CS do not attend such part of a meeting which involves consideration of an agenda item relating to their personal matters.

Ownership composition

As on 31 December 2022, the Directors of EBL held 30.67% of total shares whereas General Public and Financial Institutions held 56.35% and 12.98% respectively:

Sl.	Composition	31.12.2022		31.12.2021	
		No of shares held	% of total Shares	No of shares held	% of total Shares
1	Directors	329,082,425	30.67%	287,911,286	30.18%
2	General Public	604,717,737	56.35%	539,089,564	56.52%
3	Financial Institutions	139,297,363	12.98%	126,863,617	13.30%
Total		1,073,097,525	100.00%	953,864,467	100.00%

Directors' shareholding status

In compliance with BSEC Notification dated 21 May 2019, all the eligible directors (other than Independent Directors) of EBL have been holding required percentage of shares individually (minimum 2%) as well as jointly (minimum 30%).

Shareholding structure of directors is as follows:

SL.	Name	Position	31-12-2022	
			No of Shares Held	% of total shares
1	Md. Showkat Ali Chowdhury Representing Namreen Enterprise Ltd.	Chairman	42,539,816	3.97%
2	M. Ghaziul Haque	Director	34,458,239	3.21%
3	Mir Nasir Hossain Representing Mir Holdings Ltd.	Director	32,042,327	2.99%
4	Salina Ali Representing Borak Real Estate Ltd.	Director	51,472,325	4.79%
5	Anis Ahmed Representing MGH Healthcare Limited	Director	21,888,954	2.04%
6	Mufakkharul Islam Khasru Representing ZS Holding Ltd.	Director	21,467,250	2.00%
7	Gazi Md. Shakhawat Hossain Representing Purnima Construction (Pvt) Ltd.	Director	32,416,845	3.03%
8	K.J.S. Banu	Director	28,679,937	2.67%
9	Zara Namreen Representing Namreen Power Limited.	Director	21,467,250	2.00%
10	Dr. Toufic Ahmad Choudhury	Independent Director	-	-
11	Ashiq Imran	Independent Director	-	-
12	Ruslan Nasir Representing Coloasia Limited	Director	42,649,482	3.97%
13	Barrister K.M. Tanjib-ul Alam	Independent Director	-	-
14	Ali Reza Iftekhar	Managing Director & CEO	-	-
Total			329,082,425	30.67%

Free Float Shareholding

Particulars	As on 31.12.2022	As on 31.12.2021
Total number of Shares (1)	1,073,097,525	953,864,467
Less: Shares held by Directors (a)	329,082,425	287,911,286
Shares held by Government (b)	NIL	NIL
Strategic shareholding by private Corporate Bodies/ Individuals (Holding more than 5% shares by an individual/company considered as Strategic) (c)	107,021,916	95,130,592
Shares held by Associate Companies (Cross Holding) (d)	NIL	NIL
Any other Lock-in Shares (Directors Personal Holding) (e)	62,310,040	69,164,482
Subtotal (a to e) (2)	498,414,381	452,206,360
Total Free Float Shares (1-2)	574,683,144	501,658,107
No. of Sponsors	NIL	NIL
% of free float shares in respect of total shares	53.55%	52.59%

Shareholding of CEO, CS, CFO, Head of ICC and top 5 Salaried Executives

Please refer to Note 14.1 to the Financial Statements of 2022.

Separation of Chairman and Chief Executive Officer Roles

In compliance with Bangladesh Bank BRPD Circular No. 11 and Circular Letter No. 18 dated 27 October 2013 and Clause 1(4) of Corporate Governance (CG) Code of BSEC dated 03 June 2018, we report that the Chairman of the Board has been elected from among the non-executive Directors and there are clear and defined roles and responsibilities of the Chairman and the Chief Executive Officer.

The Chairman of the Board approves the agenda of the Board meetings, assisted by the Managing Director and the Company Secretary. Regular agenda items include approving credits beyond CEO's authority and aspects of the Bank's corporate strategy, financial performance, core risks and credit policy, corporate governance, CSR and organizational structure, human resources policy, customer service strategies, procurement policy, etc.

On the other hand, CEO, being the Head of management team, is accountable to the Board and its Committees to run and manage the Bank in accordance with the prescribed policies, principles

and strategies established by the Board and rules, regulations and guidelines from the Central Bank, BSEC and other regulatory authorities. Management's primary responsibilities are to:

- Manage the operation of the Bank safeguarding interest of customers and other stakeholders in compliance with the highest standards of ethics and integrity;
- Implement the policies and strategic direction established by the Board;
- Establish and maintain a strong system of internal controls;
- Ensure Bank's compliance with applicable legal and regulatory requirements.

Roles and responsibilities of the Board of Directors

The major roles and responsibilities of the Board, among others, are to set the vision, mission and policies of the Bank and to determine the goals, objectives and strategies to ensure efficient utilization of the Bank's resources. The roles and responsibilities of the Board of Directors are outlined below (but not limited to) in compliance with Bangladesh Bank BRPD Circular No. 11 dated 27 October 2013:

Major roles and responsibilities	Brief particulars
Work planning and strategic management	<ul style="list-style-type: none"> • Determining the objectives and goals and chalk out strategies and work plans. • Making strategies relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. • Analyzing/monitoring the development of implementation of the work plans. • Setting the Key Performance Indicators (KPIs) for the CEO & officers immediate two tiers below the CEO, and have it evaluated from time to time.
Credit and risk management	<ul style="list-style-type: none"> • Formulating policies, strategies, procedures etc. in respect of appraisal of loan proposal, sanction, disbursement, recovery, reschedule and write-off under the purview of the existing laws, rules and regulations. • Delegating lending authority among CEO and his subordinate executives prudently. • Framing policies for risk management and monitoring compliance of the guidelines of Bangladesh Bank regarding key risk management.
Internal control management	<ul style="list-style-type: none"> • Keeping vigilance on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan portfolio. • Establishing internal control system in such a way so that the internal audit process can be conducted independently from the management. • Reviewing reports submitted by its audit regarding compliance of recommendations made in internal and external audit reports and Bangladesh Bank inspection reports.

Major roles and responsibilities	Brief particulars
Human resources management and development	<ul style="list-style-type: none"> • Framing policies relating to recruitment, promotion, transfer, disciplinary measures, human resources development etc. and service rules. • Refraining from any interference into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. • Carrying out recruitment, promotion, transfer and punishment of the officers immediate two tiers below the CEO in compliance with the service rules. • Paying attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan proposals, and adoption of modern electronic and information technologies and introduction of effective Management Information System (MIS). • Establishing a Code of Ethics for every tier and promote healthy code of conducts for upholding a compliance culture.
Financial management	<ul style="list-style-type: none"> • Finalizing and approving annual budget and periodic financial statements. • Reviewing/monitoring the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures. • Framing policies and procedures for bank's purchase and procurement activities and accordingly approving Delegation of Authority to MD & CEO for expenditures. Decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business to be adopted with the approval of the Board. • Reviewing whether an Asset-Liability Committee (ALCO) has been formed and is working as per Bangladesh Bank guidelines.
Appointment of Chief Executive Officer (CEO)	<ul style="list-style-type: none"> • Appointing an honest, efficient, experienced and suitable CEO or Managing Director with the approval of Bangladesh Bank.
Formation of supporting committees	<ul style="list-style-type: none"> • Forming an executive committee, an audit committee and a risk management committee with the directors. Board can't form any other sub-committee except the mentioned three committees.

Responsibilities of the Chairman of the Board

To set out the following responsibilities, BRPD Circular No. 11 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 has been taken into consideration.

The overall responsibilities of the Chairman are to

- Ensure that the Board sets and implements the Bank's direction and strategy effectively.
- Act as the Bank's lead representative, explaining aims and policies to the shareholders.
- Ensure no participation in or interference into the administrative or operational and routine affairs of the Bank.

The specific responsibilities of the Chairman, among others, are to

- Provide overall leadership to the Board, setting vision and driving innovation, working closely with the CEO.
- Take a leading role in determining the composition and structure of the Board which will involve regular assessment of the:
 - size of the Board,
 - quality of interaction, harmony and involvement of the Directors.
- Set the Board's Agenda and plan Board Meetings.
- Chair all Board Meetings, directing debate towards consensus.
- Ensure that the Board receives appropriate, accurate, timely and clear information.

- Chair the AGM and other Shareholders' Meetings to foster effective dialogue with shareholders.
- Ensure that the views of shareholders are communicated to the Board as a whole.
- Work with Chairman of Board Committees.
- Conduct (if required) on-site inspection of any branch or financing activities under the purview of the oversight responsibilities of the Board.

Roles and Responsibilities of CEO, CFO, CS and Head of ICC

The Board of Directors of EBL clearly defines and approves the respective roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Control & Compliance (ICC).

To set out the following responsibilities of CEO, BRPD Circular Letter No. 18 dated 27 October 2013 issued by Bangladesh Bank and Corporate Governance Code issued by BSEC on 03 June 2018 have been taken into consideration.

- In terms of financial, business and administrative authorities vested upon him by the BoD, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and business targets by means of business plan and its efficient implementation and prudent administrative and financial management.

- The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the Bank.
- At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO shall point out if there is any deviation from the Bank Company Act 1991 and other relevant laws and regulations.
- The CEO shall report to Bangladesh Bank of issues in violation of the Bank Company Act 1991 or of other laws/regulations.
- The recruitment and promotion of all staffs of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved 'EBL people management policy'.
- The authority relating to transfer and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him. Besides, under the purview of the 'EBL people management policy' approved by the BoD, he shall nominate officers for training and other related issues.

Appointment of CFO, Head of ICC and CS

The Bank appointed a Chief Financial Officer, a Head of Internal Control & Compliance and a Company Secretary as per the policy of the Bank and other regulatory laws and regulations. They are well conversant in the field of financial, regulatory and corporate laws to carry out their assigned responsibilities.

Independence of Non-Executive Directors

All the Non-Executive Directors enjoy full freedom to carry out their coveted responsibilities. They attend Board meetings regularly and participate in the deliberation and discussions effectively. They get actively involved in setting strategic direction but do not participate in or interfere into the administrative or operational or routine affairs of the Bank. However, they ensure confidentiality of the Bank's agenda papers, discussions at the Board/Committee Meetings, Notes and Minutes.

Annual appraisal of the Board's performance

At AGM shareholders critically appraise the performance of the Board and evaluate financial position and performance of the Bank, its adequacy and effectiveness of internal control system and overall governance mechanism. The shareholders also ask questions and make queries to the BoD during AGM and the Chairman of BoD gives a patient hearing and responds to their queries.

The performance of the Board is appraised based on certain parameters such as shareholder return, share price, return on capital employed, earnings per share etc. of the Bank. The attendance of Directors and their active participation in the meeting on various agenda is ensured in every Board meeting. The Board approves annual budget each year and monitors the variance quarterly to ensure achievement of the target. The Board's performance is greatly dependent on the achievement of budgeted target. Besides, the performance reports of supporting committees of the Board are also placed in the Board meeting through which the performance of the Board members are regularly assessed.

Annual evaluation of MD & CEO by the Board

The Board of Directors of EBL clearly defines and approves the roles, responsibilities and duties of Chief Executive Officer (CEO). Based on these assigned responsibilities, BoD makes annual evaluation of MD & CEO. Furthermore, the performance evaluation of MD & CEO

is done by the Board through various reports featuring financial position and performance and

- Compliance status of various assignments given by the Board to CEO and his team from time to time.
- Variance analysis of Budget vs. Actual result and steps taken by CEO to achieve the budgeted target.
- Among the financial parameters, NPL ratio, Growth of Loan & Deposit, Return on Equity and Return on Assets, Cost to Income Ratio, Loans write off and its recovery, Capital to Risk Weighted Assets Ratio, Credit to Deposit Ratio etc. are the common ones.

Training of Directors

Training of Directors includes providing training and information on the latest update related to banking business such as relevant laws, policy guidelines, circulars, rules and regulations issued by the regulatory authorities; so that they can effectively discharge the responsibilities. Sometimes special discussion sessions are arranged with the experts on highly technical and complex issues. They also participate in the programs and seminars organized by various professional bodies at home and abroad on business, economic, technical, professional and corporate governance issues.

Directors' knowledge and expertise in Finance and Accounting

Two Directors in the Board obtained post-graduation major in Accounting from the University of Dhaka having requisite expertise in the field of accounting and finance. Other Directors, majority of whom are either successful entrepreneurs or seasoned professionals, are also well conversant in the field of business, economics and administration.

Compliance with corporate governance guidelines

The status of compliance of Corporate Governance Code issued by BSEC has been presented in page no. 112-121. A. Qasem & Co., Chartered Accountants, duly certified the compliance status of corporate governance code and issued a report which is presented in page no. 122.

Vision, Mission and Strategy of the Bank

- The vision and mission statements of the Bank approved by the Board of Directors are presented in page no. 13 of this report. The said statements are also disclosed in Bank's website and other related publications.
- Strategic priorities which are time to time directed by the Board have been presented in page no. 15 of this annual report.
- Our sector wise business objectives, strategies, priorities and future business outlooks have been elaborately described in "Management Discussion and Analysis" section of this report.

Board Committees and their Responsibilities

To ensure good governance in bank management, Bangladesh Bank issued a circular (BRPD Circular No. 11 dated 27 October 2013) allowing banks to form maximum three committees or sub-committees of the Board.

To ensure proper accountability and transparency, EBL has three Board committees namely Executive Committee, Audit Committee and Risk Management Committee to oversee and direct the operations, performance and strategic direction of the Bank. The composition of the said Board Committees is presented in "Corporate Directory" Section of this annual report.

Executive Committee (EC)

- **Appointment and composition:** In Compliance with Section 15 Kha (2) of Bank Company Act 1991 and BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of EBL has re-constituted the Executive Committee (EC) of the Board in 2022 with four members (maximum limit is seven members). None of them are the members of Audit Committee of the Board. The Company Secretary acts as the secretary of the committee.

The EC is comprised of 3 (three) Non-Executive Directors and Managing Director & CEO of the Bank. Details of EC members are stated in 'Corporate Directory' Section of this annual report.

- **Meeting and responsibilities of EC:** The EC of a larger sized BoD usually acts as a proxy for full BoD; attends a meeting with short notice and takes decisions to ensure smooth flow of banking businesses. However, any decision taken by the committee has to be subsequently ratified by the full Board.

Audit Committee (AC)

The Audit Committee of the Board carries out its functions based on the Terms of Reference (ToR) approved by the Board and is accountable to the Board of Directors. To make the quorum of the AC meeting at least 01 (one) Independent Director has to be present. The Company Secretary acts as the secretary of the committee.

- **Appointment and composition:** In compliance with Bangladesh Bank BRPD Circular No.11 dated 27 October 2013 and BSEC's Corporate Governance Code dated 03 June 2018, Audit Committee (AC) of EBL Board has been re-constituted by the BoD from time to time to review and oversee company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. independently. Details of AC members are stated in "Corporate Directory" Section of this annual report.
- **Chairman of the AC:** Chairman of the AC is an Independent Director who performs his duties with full freedom.
- **Members are Non-Executive Directors:** All members of the AC are Non-executive Directors. No Executive of the Bank is eligible to become a member of the AC. Also, no member of EC is nominated as the member of the AC.
- **Qualification of members of AC:** All members of the AC are financially literate and two members have post-graduation degree in Accounting and Business Administration. Moreover, all members of the AC have reasonable knowledge in banking business, its operations, and risks involved in it.
- **Terms of Reference (ToR) of AC:** The ToR of the AC has been framed in line with the provisions of BRPD Circular No. 11 dated 27 October 2013, Corporate Governance Code issued by BSEC on 03 June 2018, and other best practice corporate governance guidelines and standards. Some important roles and responsibilities of AC as per ToR have been described in "Report of the Audit Committee of the Board" section of this report.
- **Internal Control & Compliance Division's Access to AC:** Heads of Internal Control & Compliance (ICC) and Internal Audit have direct access to the AC as and when required. In addition, the AC meets the Head of ICC and the Head of Internal Audit at least once in a year, without management being present, to discuss any issues arising from the internal audits carried out.

- **Objectives and activities of the AC:** The AC regularly reviews the internal control system of the Bank and the quarterly, half yearly and annual financial statements of the Bank before submission to the Board for consideration. The objectives and activities of the AC have been described in "Report of the Audit Committee" section of this annual report.
- **Meeting of the Audit Committee:** The Audit Committee of EBL held 6 (six) meetings in 2022 and had detailed discussions and review sessions with the Head of ICC, Head of Internal Audit, External Auditors regarding their findings, observations and suggestions with corrective measures. The AC instructed the management to follow those suggestions and monitored accordingly from time to time.

The minutes of the Audit Committee meetings containing various suggestions and recommendations to the Management and the Board are placed to the Board for ratification on a regular basis. The major areas focused by the AC during the year 2022 have been presented in "Report of the Audit Committee of the Board" section of this annual report.

Risk Management Committee (RMC)

- **Appointment and composition:** In Compliance with BRPD Circular No. 11 dated 27 October 2013, the Board of Directors of EBL has re-constituted the Risk Management Committee of the Board in 2022 with five members. The RMC has been formed to minimize probable risks arisen during implementation of Board approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks.

All five members of this RMC are Non-Executive Directors; details of RMC members are stated in "Corporate Directory" Section of this annual report.
- **Roles and responsibilities of RMC:** It is the responsibility of RMC to identify and assess risk and guide management to formulate action plans for minimizing/controlling risks. The committee reviews the risk management policy and modify the same as per requirement. Some important roles and responsibilities of RMC have been described in "Report of the Risk Management Committee of the Board" section of this report.
- **Activities of RMC:** Major activities of RMC in 2022 have been described in "Report of the Risk Management Committee of the Board" section of this report.
- **Meeting of the RMC:** The committee is required to conduct at least four meetings in a year although it can be more as per requirement. The committee may call the CEO, Chief Risk Officer (CRO) or any executive to attend the committee meeting. The RMC held 4 (four) meetings during 2022 and had detailed discussions and review sessions with the CRO regarding their findings, observations and recommendations on issues of Bank affairs that need improvement. The major areas focused by the RMC during 2022 have been presented in "Report of the Risk Management Committee of the Board" section of this report.

Benefits provided to Directors and Managing Director

According to the Circulars and Guidelines issued by Bangladesh Bank, banks in Bangladesh can only provide the following facilities to the Directors:

- **Chairman:** The Chairman of the Board of Directors may be provided an office chamber, a private secretary, an office assistant, a telephone in office, a full time car and a mobile phone to be used within country. The Chairman of EBL did not avail any support staff and private secretary and any mobile phone from the Bank.
- **Directors:** Directors are entitled to fees and other benefits for attending the Board/sub-committee (EC/AC/RMC) meetings (The benefits provided to Directors of EBL have been mentioned in Note 33 to the Financial Statements).
- **Managing Director & CEO:** Managing Director is paid salary, allowances and other facilities according to his service contract approved by the Board and Bangladesh Bank (the benefits provided to MD & CEO of EBL have been mentioned in Note 32 to the Financial Statements).

EBL has fully complied with Bangladesh Bank Circulars and Guidelines.

Establishment and review of Internal Control System

EBL has a sound system of internal control to safeguard stakeholders' interest. The Board of Directors having ultimate responsibility of its operations has delegated to the Audit Committee for review of the adequacy and effectiveness of the system of internal control.

A review of internal control system has been presented in "Directors Report" of this annual report.

Risk management

The Risk Management Division (RMD) is responsible to oversee, monitor and report all risks in line with the risk appetite set by the Risk Management Committee (RMC) of the Board. The RMC of the Board reviews and monitors the overall risk management system of the Bank and updates to the Board from time to time. Risk management functions are subject to continuous scrutiny of the Internal Control & Compliance Division (ICCD) to ensure appropriateness and integrity of the risk management practices.

The risk management system of EBL has been described in "Risk Management" section of this report. Also the roles and responsibilities of RMC and major areas focused by RMC in 2022 have been presented in "Report of the Risk Management Committee of the Board" section of this report.

Appointment of external auditors

The shareholders of EBL in the 30th AGM held on 19 May 2022 appointed Howladar Yunus & Co., Chartered Accountants, as the statutory auditors for the year 2022.

Appointment of Independent Scrutinizer for the 31st AGM of EBL

'Mohammad Sanaullah & Associates' is appointed as an Independent Scrutinizer in compliance with the directive of BSEC dated 10 March 2021 to scrutinize the e-voting system and to ensure other rights of the shareholders in the ensuing 31st Annual General Meeting (AGM) of the Bank (EBL). Independent Scrutinizer shall have to submit the authenticated report on process of election & voting results to the Bangladesh Securities & Exchange Commission (BSEC) within 48 (forty eight) hours from the conclusion of Annual General Meeting (AGM) of the Bank (EBL).

Services not provided by external auditors

In compliance with the provision 7 of BSEC Corporate Governance Code, we declare that Howladar Yunus & Co., Chartered Accountants, was not engaged in any of the following services during 2022 while conducting statutory audit:

- Appraisal or valuation services or fairness opinions.
- Financial information system design and implementation.
- Book-keeping or other services related to accounting records or financial statements.
- Broker-dealer services.
- Actuarial services.
- Internal audit services or special audit services.
- Audit/certification services on compliance of corporate governance code issued by BSEC.
- Any service that the Audit Committee determines.
- Any other service that creates conflict of interest.

No partner or employee of Howladar Yunus & Co., Chartered Accountants, nor any family members of them held any share of EBL during the tenure of their audit assignment.

Highlights on Central Bank inspections

Crucial role of Central Bank Inspection is well recognized by the BoD and management of EBL. Bangladesh Bank conducted a comprehensive inspection in 2022 covering Head Office, some branches, core risks and departments of EBL like earlier years. Bangladesh Bank had 33 inspection reports during 2022. Our compliance status was very good regarding observations of inspection reports. Response on major issues had been provided in timely manner. The Board instructed management to comply with Bangladesh Bank's recommendations precisely.

Related party transactions

The Bank in its ordinary course of business undertook financial transactions with some entities or persons that fall within the definition of 'Related Party' as contained in IAS 24 (Related Party Disclosures) and relevant provisions of Bank Company Act 1991 and Bangladesh Bank BRPD Circular No. 12 dated 15 June 2022. Following Bangladesh Bank BRPD circular -12 dated 15 June 2022 (restricting banks from procuring goods or services from "related parties"), EBL discontinued procuring goods and services (i.e. courier, internet, refreshment items etc.) from respective related party entities except Unique Hotel & Resorts PLC and replaced all those by suitable alternatives by the end of 2022. However, EBL Skylounge situated at HSIA, Dhaka of which service is taken from Unique Hotel & Resorts PLC (UHRL) is yet to be replaced due to its unique nature of propositions and absence of ready and suitable alternatives. Considering the business sensitivity (especially cards business) and unavailability of suitable alternative for replacing UHRL, EBL applied and got permission from Bangladesh Bank to continue with the UHRL till 30th June 2023.

Please refer to Annexure C1 of financial statements for details of related party transactions.

Code of Conduct and Ethical Guidelines

EBL has separate Code of Conduct and Ethical Guidelines for the Board and employees of the Bank. The Code of Conduct outlines the values, ethical principles and expected behaviors for all EBL employees. Highlights of our Code of Conduct and Ethical Guidelines are as follows:

- **Prevent money laundering and transaction structuring:** Employees shall comply with local laws and regulations on money laundering and prevention of fraud. Any suspicious behavior of customers shall be reported immediately.
- **Honesty and integrity:** An employees must act honestly and with integrity at all times. He/she must act fairly and equitably when dealing with the public, customer and other employees.

- **Avoid conflicts of interest:** Employees shall not use their position in the Bank for personal gain or to obtain benefits for themselves and members of their families or friends.
- **Bribery:** It is contrary to the code to offer, promise and authorize either directly or indirectly, to pay any other person any financial or other advantage in order to secure an improper advantage, or direct business to any other person or entity.
- **Borrowings:** An employee shall not borrow money from any customer or employees of the Bank or from person(s) likely to have dealings with the Bank.
- **Outside employment:** Employees are not allowed to be employed elsewhere while they are with the Bank as full-time employees. Employees are not allowed to join the management of any company in order to avoid conflict of interests.
- **Speculation in stocks:** Employees and their dependents shall not speculate/trade in stocks, shares, securities or commodities of any description nor be connected with the formation or management of a joint-stock company.
- **Participation in political activities:** An employee shall not directly or indirectly participate in any political activities during employment with the Bank.
- **Representation to Directors:** An employee shall not make any personal representation to Directors of the Bank. All representations must be addressed to the Managing Director through proper channel.
- **Acceptance of Gift:** Money shall never be accepted as a gift. It is not allowed to accept gifts for the purpose of influencing a decision.
- **Habitual lateness:** Habitual lateness is not acceptable in EBL and it is considered to be an offense. If the employee continues to be late at office that will warrant immediate disciplinary action.
- **Password sharing:** Any user ID and password provided by the Bank to any employee shall be maintained with highest confidentiality. All employees of EBL shall take reasonable precautions to keep their user ID(s) and password(s) secure.
- **Customer complaints:** All employees shall give priority in resolving customer complaints quickly, fairly and record them accordingly. They shall exude empathy by responding to the customers' feelings. Employees will solve the problem in a right way.

Compliance of Code of Conduct and Ethical Guidelines

The Board of Directors complies with all applicable laws and regulations of the land and with the Memorandum and Articles of Association and the policies of the Bank adopted by the Board from time to time.

All the employees are committed to adhere to the Code of Conduct and are expected to demonstrate highest level of ethical standards. They are also expected to undertake at all times to comply with or adhere to all applicable laws and regulations of the country, policies and instructions of the Bank, wherever they operate.

Board's Review on Disaster Recovery Plan

ICT's Disaster Recovery Plan (DRP) is formulated to provide guidance during localized natural disasters such as fires, floods, earthquakes and or man-made disasters like power outages, connectivity failures, explosions etc. The approved DRP outlines comprehensive and consistent actions that need to be taken before, during, and after these disasters. There are two Disaster Recovery Sites (DRS) in EBL, the near DR is at Dilkusha, and the far DR is at

Jashore. Data backup and retention are done regularly at these sites to mitigate the risk of data loss based on the criticality of the system. In 2022 replication of the upgraded CBS has been completed for all the sites, and consistent data has been ensured. Like every year, in 2022, the Bank conducted a DR drill but with an extended scope to check whether the business can be resumed if the data center fails. Takeaways from DR Drills pave the way to make improvements in the plan and help build the mindset to reinstate essential operations seamlessly in case of disasters.

Board's Policy on ICT Governance

Efficient and effective governance of ICT requires a holistic approach. Being an essential part of enterprise governance, ICT governance ensures that stakeholder needs are considered, options are evaluated, directions are set through prioritization, and performance and compliance are monitored against agreed-on directions and objectives.

The Board of Directors has approved Information Security Policy and ICT Risk Management Policy for attaining the following governance objectives:

- Ensuring alignment with enterprise governance.
- Controlling the ICT environment through implementation of global standards.
- Being complied with regulatory requirements.
- Allocating rational amount of funds for ICT resources for current and future needs.
- Maintaining transparency in procurement procedures.

In essence, EBL's ICT governance policy encourages innovation and transformation for sustainable growth at a reasonable cost.

Effective Anti-Money Laundering and Anti-terrorism Program

EBL has set tone at the top by adopting Zero Tolerance stand against money laundering and terrorist financing. The Board and senior management have given utmost priority to Anti-Money Laundering and Anti-Terrorism Program. To build a vigorous anti-money laundering and anti-terrorism program, EBL has deployed necessary resource and manpower.

Central Compliance Committee (CCC) has been reconstructed with 14 crucial department/division heads so that they can actively contribute to AML/CFT compliance program. Triple C is chaired by CAMLCO who is responsible for overall AML & CFT Compliance of the bank. A dedicated department "Anti Money Laundering Department (AMLDD)", headed by Deputy CAMLCO, acts as an executive arm of Triple C.

The roles of Central Compliance Committee (Triple C) are to:

- Define and develop AML/CFT compliance policies, strategies & programs aligned with international and national standards and regulations and evaluate the same time to time.
- Supervise for effective implementation of AML/CFT annual program of Anti Money Laundering Department (AMLDD) held jointly with CAMLCO.
- Meet at least quarterly to review policies, assess overall compliance status of the Bank and issue directives in this regard.
- Submit half yearly Reports to MD & CEO on progress of implementation of AML/CFT related measures with recommendations.

- Direct AMLD to issue instructions for adherence by branches and departments relating to policy and procedures on KYC/CDD/EDD, Transaction Monitoring/Screening, etc. and nominate Branch Anti Money Laundering Compliance Officers (BAMLCOs)/ Department Anti Money Laundering Compliance Officers (DAMLCOs) having requisite skill sets, experience and rank.

Triple C meetings have been held quarterly and decisions taken in those meetings have been implemented timely. Specialized trainings have been arranged for BAMLCOs/DAMLCOs for AML/CFT measures.

AMLD has on boarded an automated sanction screening and transaction monitoring software (AML System Velocity) to establish a robust monitoring system. Currently, eight sanction lists; UN, OFAC SDN, OFAC non-SDN, EU, UK, Canadian, Australian and a local sanction list are incorporated in the system for sanction screening. Moreover, 60 transaction monitoring rules and 58 transaction monitoring reports are incorporated in transaction monitoring system to identify suspicious/unusual transactions. To put it in a nutshell, AML System Velocity has enhanced monitoring, reporting, and escalation of suspicious transactions.

In compliance with BFIU Circular No 24 dated 10 December 2019, EBL has introduced Board approved "EBL Prevention of Trade Based Money Laundering Policy" (in short TBML Policy) to bring the trade transactions under greater scrutiny.

Whistleblowing and Anti-Fraud Program

Whistleblowing and Anti-fraud program is a tool for bank to fight against fraud-forgery and corruption. EBL has been encouraging whistleblowing for any unusual misdeed or offence observed by employees. As per Speak up Policy of EBL, employees are encouraged, guided and protected for blowing whistle against any unusual activities they may encounter. Whistleblower can report his/her concern in person, in writing, via email or over telephone and in anonymity.

In order to develop an environment that assists in preventing fraud, including misappropriation, abuse & corruption and theft risks across the Bank, EBL has prepared and implemented Fraud and Theft Risk Prevention and Management Policy. This policy has outlined the measures to prevent fraud and theft to safeguard the bank.

Internal Control & Compliance Division (ICCD) under supervision of Head of ICC establishes and maintains an effective internal control system throughout the Bank with respect to fraud/theft risk. In addition, ICCD conducts surprise audit or investigations along with regular audit as instructed by the Board or Audit Committee of the Bank and submits reports with observations and recommendations to the Audit Committee at regular interval.

Compliance with Secretarial Standards

The Institute of Chartered Secretaries of Bangladesh (ICSB) has framed and issued Secretarial standards to streamline and standardize the diverse secretarial practices. ICSB recognizing the need for integration, harmonization and standardization of diverse secretarial practices, has constituted the Secretarial Standard on Board (SSB) for implementation of Secretarial Standards of Board of Directors (BSS-1), Secretarial Standards on General Meeting (BSS-2), Secretarial Standard on Minutes (BSS-3) and Secretarial Standard on Dividend (BSS-4) with the objective of formulating Bangladesh Secretarial Standards.

The Board of Directors of EBL in the Board Meeting held on 27 December 2017 discussed and accorded approval to the

Management's proposal for adopting the Bangladesh Secretarial Standards (BSS) of ICSB.

Governance of Board of Directors of Subsidiary Companies

EBL has fully complied with the following provisions of BSEC Corporate Governance Code regarding governance of Board of Directors of Subsidiary Companies:

- At least one Independent Director of EBL is a Director on the Board of the subsidiary Company.
- The minutes of the Board meetings of the subsidiary companies are being placed for review in the following Board meeting of EBL.
- The Board of Directors of EBL reviews the affairs of the subsidiary companies and it has been duly stated in minutes of the respective Board meeting.
- The Audit Committee of EBL reviews the Financial Statements, the investments in particular made by the subsidiary companies.

Human capital

Employee first is the bracing motto of EBL. Our core brand has always been our employees, appreciated for their passion to perform. For us employees are the best brand. Our Human Resources Department is also the first in Bangladesh to achieve ISO certification for its commitment to quality HR practice in people management.

The details discussion on the Bank's human capital has been presented in "eblHR: The Trendsetter in Caring HR Practices" section under "Management Discussion & Analysis" of this report.

Communication with stakeholders

- **Communication with shareholders:** The assigned desk under Company Secretariat plays an important role to make effective communication with its shareholders and other stakeholders. Shareholders and other stakeholders of the Bank may contact to this Department during office hour for any sort of information and queries. Common services include but not limited to allow or rejection of transfer or transmission of shares, issue of duplicate certificates, allotment of shares issued from time to time, opening and operation of bank accounts for payment of dividend, redemption of paper shares and the listing of securities on stock exchanges etc. Furthermore, EBL provides updated information in its website from time to time for the shareholders and other stakeholders of the Bank.
- **Policy on ensuring participation of shareholders at AGM:** To ensure effective participation of shareholders in AGM, EBL publishes notice of AGM in daily newspapers with necessary details within reasonable time-frame. The AGM normally takes place in a well-known place and at convenient time. Annual reports are circulated as per provision of Companies Act 1994 and related Notification issued by BSEC, so that shareholders get sufficient time to go through the report and can freely provide their valuable comments and suggestions in the AGM. During COVID-19 Pandemic, EBL convenes its AGM by using Digital Platform in order to avoid large gathering by ensuring voting and other rights of shareholders.

The Glimpses of the 30th AGM have been presented in "Stakeholders Information" section of this annual report.

Unclaimed dividends

Unclaimed dividend is the residual amount of declared dividend which has not yet been paid to or claimed by the shareholders. As on 31 December 2022, unclaimed dividend amount of EBL was BDT 35,810,491.

Disclosures of dividend information to the shareholders

Investors' relation department of EBL publishes/discloses dividend related information in the Annual Report, official website, daily newspaper as well as online news portal from time to time in a befitting manner in order to meet up the regulatory requirements and also to facilitate to the shareholders of the Bank (EBL).

- Published the Dividend Distribution Policy of EBL in the Annual Report and Website of the Bank.
- Published year-wise summary of unpaid or unclaimed dividend of EBL in the website of the Bank.
- Disclosed summary of unpaid or unclaimed dividend of the Bank in the Annual Report.
- Presented information of unpaid or unclaimed dividend in the Annual/ Quarterly financial statements of the Bank.
- Published dividend distribution compliance report in the website of the Bank (EBL).
- Intimated to the shareholders for payment of cash dividend & distribution of bonus shares for the year 2021 through publishing daily newspaper and online news portal.

Environmental and social obligations

We believe that every small "GREEN" step taken today would go a long way in building a greener future. As an environment responsive Bank we initiated Go Green campaign. EBL is the first Bank to claim refinance from the Central Bank for carbon credits. A detailed description regarding environmental and social obligation has been presented in "Sustainability Report" and "Corporate Social Responsibility" sections of this Annual Report.

Internal Controls: the watchdog of transparency and accountability

In an increasingly digital world, the risk and control environment struggles to keep pace with the abrupt changes that undermine the efficacy of established control processes. To ensure a robust control environment that meets financial, operational, regulatory and legal requirements, the Internal Control & Compliance Division (ICCD) of EBL has been entrusted with assessing whether the risk management, control and governance processes of the bank is adequate and functioning in a manner to ensure:

- Adequacy and effectiveness of risk management systems.
- Dissemination of significant financial, managerial and operational information in an accurate, reliable and timely manner.
- All the activities of the employees are in compliance with policies, standards, procedures, laws and regulations.
- Use of acquired resources economically, efficiently and diligently.
- Need-based interaction with various governance groups.
- Meeting targets of planned activities, goals and objectives.
- Continuous improvement in the quality and efficacy of the bank's control processes.

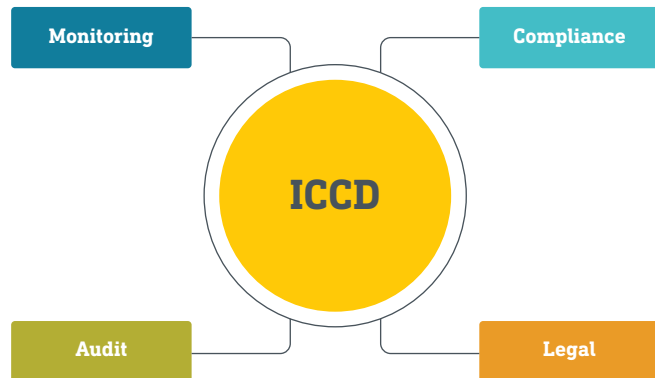
At EBL, the key objective of internal control and compliance is to ensure sustainable improvement in performance through appropriate and adequate use of governance structures. Establishing robust internal controls and ensuring an effective control framework has been one of the top priorities for EBL.

The principal objectives of Bank's internal control include:

- **Operational objectives:** Attainment of the Bank's mission and vision as per its code of business conduct.
- **Reporting objectives:** Accuracy, timeliness and comprehensiveness in reporting – both financial and non-financial; internal and external.
- **Compliance objectives:** Conducting activities and initiating appropriate actions to ensure regulatory compliance.

Structure of ICCD: As per 'Guidelines on Internal Control & Compliance in Banks' issued by Bangladesh Bank vide BRPD Circular No. 06 dated 04 September 2016, the Head of ICCD is reporting to the Managing Director & CEO. However, the Head of Audit, despite being a part of ICCD, is reporting directly to and is responsible to the Audit Committee of the Board.

Depending on the size and complexity of operations of the Bank, ICCD of EBL comprises of four departments namely: Audit, Monitoring, Compliance and Legal.



Audit Department: Internal Audit is an integral part of good corporate governance and plays an important role in enhancing management and accountability both in financial and non-financial affairs of the bank. It is the key component in EBL's assurance structure. While all assurance mechanisms are important, coordination of various assurance activities provides a holistic environment in which internal audit features prominently. Internal audit provides key stakeholders with a range of risk-based audit activities to assess whether the bank is in line with compliance norms and good governance standards. Internal stakeholders include the Board of Directors, Audit Committee, Chief Executive Officer and senior executives while external stakeholders are shareholders, regulators, customers or the general public at large.

Independent internal audit functions of EBL provide risk based review of the effectiveness of governance, risk management and control processes by:

- Providing independent and unbiased assessment of bank's operations.
- Offering information to management on the effectiveness of governance, risk management and control processes.

- Acting as a catalyst for improvements in governance, risk management and control processes.
- Advising management what and when it needs to know.

Internal audit works to support the Bank by:

- Reviewing bank's achievement of objectives.
- Assessing if decisions are properly authorized.
- Evaluating the reliability and integrity of information.
- Ensuring assets are safeguarded.
- Assessing compliance with laws, regulations, policies and contracts.
- Considering the efficiency, effectiveness, economy and ethics of business activities.
- Reviewing opportunities for fraud and forgery.
- Following-up previous audits to assess if remedial action has been effectively implemented.
- Looking for better ways of doing things and sharing these insights with other areas within the bank.

Independence of audit

Even though internal audit is a part of the Bank, reporting structures are designed in such a way that allow it to operate without inappropriate interference. The internal audit function of EBL is typically established by the authority of the Board of Directors and Bangladesh Bank regulations. Its responsibilities are defined in the audit policy & process guidelines and internal audit charter of the Bank which is approved by the Board of Directors. The internal audit charter is the mandate for internal audit to conduct its work and require:

- Full, free, and unrestricted access to all records, data, personnel and assets at the time they are relevant for performance of internal audit work.
- Free and unrestricted access to the Chair of the Audit Committee.

Delivery of Audit department in 2022

In 2022, Audit department conducted audit of all of 85 branches as planned. The audit of 32 divisions/departments and 3 subsidiaries was conducted against the planned audit of 34 departments and 4 subsidiaries of the Bank. After finalization of audit report, audit rating is calculated based on audit findings as well as EBL Audit Policy & Process Guidelines. Those audit ratings are informed to the branches/divisions/departments with audit report.

In addition to the branch, department/division and subsidiary audits, the audit department performed some audits in 2022 such as 06 core risk audit, Post Import Finance (PIF) audit as per BRPD circular letter no. 12, dated 13th June 2021, online FEX monitoring system as per the circular FEOD/IMPORT TRADE/103/2018-948 dated 11 March 2018, special audit on cyber security and vulnerability assessment, surprise audits on 08 branches, special AML audit and cash incentive audit. In 2022, all of the branches got satisfactory audit rating and most of the divisions/departments got satisfactory audit rating.

Major audit findings include, but not limited to, different types of operational lapses due to human error, non-compliance of internal policies or circulars, lack of thorough knowledge about relevant laws and regulations etc. The deficiencies identified during the audits are notified to the appropriate level (business/support heads) and significant audit findings are reported to the Managing Director & CEO and to the Audit Committee of the Board.

Highlights of audit conducted in 2022



Internal audit amidst disruptive technological advancements

The digital landscape is evolving at a rapid pace, and disruptive innovation is likely to continue to generate profound advancements over the next decade. The radical digital transformation may come in the form of Edge Computing, Digital-only Banks, Cybersecurity, Artificial Intelligence, Big Data Analytics, Biometrics, Block-chain, Conversational Commerce, Dark Web, Internet of Things (IoT), and Robotic Process Automation (among others).

EBL gears up the skillset of the internal audit function taking future business and technology strategies into consideration. Information System Audit team is formed with skilled staffs having professional certifications and technical expertise and industry skills in information and cybersecurity.

Monitoring department: The Monitoring Department ensures overall efficiency of EBL's internal control mechanism on a perpetual basis through monitoring of departments and branches of EBL. This Department protects and enhances EBL's brand value by assuring the appropriate practice of internal control system and tools, provides advice and update to the senior management and the Board. Control activities are designed and implemented to address the risks generated from operational process that the Bank identified through the risk assessment process.

Monitoring consists of the following interrelated elements:

- Establishing a better control and compliance culture within EBL;
- Risk recognition, assessment and mitigation;
- Implementation of control activities and segregation of duties;
- Information and communication; and
- Operational activities and corrective measure for deficiencies.

Some of the major tools and functions used by monitoring department are:

- Off-site Supervision through system generated reports and archives.
- Implementation status of all policy/process guideline/internal and external circulars/management instructions etc.
- GAP analysis to introduce new policy/control tools for various departments.
- Departmental Control Function Checklists (DCFCL) for department/branch.
- Quarterly Operations Report (QOR) monitoring.
- Loan Documentation Checklist (LDCL).
- Prime Risk Indicator (PRI).
- Branch/department spot check/ surprise check etc.
- Counterparty limit (Banks and NBFIs) and Dealers' limits.
- Value at risk (VaR), exchange position limit, forward swap gap limit, CRR & SLR.
- Self-assessment of anti-fraud internal controls report to Bangladesh Bank as per DOS-10.

All monitoring functions are adequately documented and reported on a timely basis to the appropriate level of management.

Compliance department: Compliance department is entrusted with the responsibility of upholding compliance culture throughout the Bank by following certain rules, regulations, guidelines and policies set by regulators and the bank itself. This department ensures compliance of compulsory laws, rules, and guidelines in every units of the Bank and provides required guidances and keeps liaison with regulators at all levels and informs the concerned units/departments regarding the regulatory changes.

Some major roles of this department are as follows:

- Work as contact point of Bangladesh Bank and other regulators;
- Ensure compliance of all regulatory guidances of Bangladesh Bank.
- Respond to queries of Bangladesh Bank and ensure meticulous compliance of their recommendations;
- Ensure compliance of internal & external audit observations and follow-up if necessary;
- Ensure compliance of various queries of regulatory bodies like- Tax Authority, Anti-Corruption Commission, Ministry of Finance, Law enforcing agencies and other regulators;
- Advise and guide departments and branches in resolving various compliance issues;
- Checking whether the appropriate policies include [a] top level review, [b] appropriate activity controls for different departments and divisions, [c] system of approval and authorizations, [d] appropriate segregation of duties and personnel are not assigned conflicting responsibilities.

Legal department: Legal department of ICCD safeguards the Bank by ensuring legal support to all of its branches and departments. It performs drafting, vetting and streamlining of various agreements and contracts for all business and support functions of the Bank. It is addressing all the legal issues/disputes relating to recovery of loan from defaulted customers. It deals with the cases filed against the Bank pending in the Supreme Court of Bangladesh and its subordinated courts, e.g. Judge Courts, Magistrate Courts, and Courts under "The Consumer Right Protection Act, 2009". It also ensures appropriate legal assistance on a diverse range of substantive and procedural questions of law. It performs drafting, vetting and streamlining of various agreements, contracts, policies, guidelines, process manual and operational manual for all business and support functions of the Bank.

The fields in which this Department works are as follows: (1) Litigations – monitoring Cases failed by and against the Bank, (2) Filing Cases, GD, FIR/Azakar on the issues not related to recovery of loan from defaulted customer, (3) Power of Attorney-Issue PA & Cancellation, (4) Drafting - Agreements/contracts/AMCs/MoUs, (5) Vetting: Agreements/contracts/Guarantees; Guidelines, Manuals, Policies, Property related documents, (6) Legal Opinion: Passing Legal Opinion in relating to operation, ownership of Land and property, and other issues involving lease and business, (7) Reporting: Reporting to Bangladesh Bank and other regulators of the Bank, (8) Enlistment: Enlistment of panel lawyers, (9) Verification of Legal Instruments, (10) Processing/Registration of Logo & Trade Mark.

Redressal of Investors Complaints

Investor complaints redressal mechanism refers to the process of addressing and resolving grievances raised by investors in relation to their investments. EBL, arguably the most compliant bank in the country, is always respectful to the legitimate rights of the investors, and address all lawful complaints and queries of investors. Hence, a mechanism is put in place to ensure that investors' interests are protected and their complaints are resolved in a timely and efficient manner. The mechanism involves providing investors with a channel to raise their complaints, such as a dedicated helpline, email address, and online portal through stock exchanges. The complaints are then registered and investigated by the concerned department, and appropriate action is taken to resolve the issue. It plays an important role in maintaining the confidence of investors in brand EBL and promoting a transparent and fair investment environment. The Company Secretary of EBL plays a pivotal role as the Chief Compliance Officer to resolve queries/complaints of the shareholders & investors of the bank.

Common areas of redressal

			
Transfer & transmission of share	Non receipt of dividend	Non receipt of annual report	Information on quarterly & annual Financial Statements of the Bank
			
Matters relating to demat of shares	Updating of bank account for payment of dividend	Issuance of shareholding certificate, dividend certificate & others	Re-issue of dividend warrant
			
Clarification of PSI	Revalidation of dividend warrants	Resolution of succession issues as per respective laws	Any other issue raised by the shareholders of the bank

EBL's mechanism for redressal

The management of the Bank has assigned a designated officer to receive complaints from the shareholders. The investors/shareholders of the Bank can make their complaints through the following modes:

- Email address
- Dedicated helpline
- Through Online portal of Stock Exchanges
- Courier, etc.

The Process for Redressal of Investors' Complaints

- **Lodging a Complaint**
The investor has to first lodge a complaint to the Bank through the above-mentioned modes or to the designated email at sharedepartment@ebl-bd.com;
- **Acknowledgement**
The concerned officer acknowledge the receipt of the complaint, and maintains a complaints register to resolve the queries of the shareholders.
- **Investigation**
The concerned officer/authority investigate the complaint and verify the details provided by the investor. It may involve contacting the concerned parties, examining relevant documents, and conducting other necessary checks.

- **Communication**
The concerned officer communicate with the investor regarding the status of the complaint and any further information or clarification required.
- **Resolution**
Based on the findings of the investigation, the Bank then take appropriate action to resolve the complaint.
- **Closure**
Once the complaint has been resolved to the satisfaction of the investor, then the issue is closed.

Investors' complaints/queries are received through the following addresses:



Registered Office Address

Eastern Bank Limited
100 Gulshan Avenue
Dhaka-1212
Phone: +88 09666777325
e-mail: info@ebl-bd.com
Web: www.ebl.com.bd



1st contact point

Share Department
Eastern Bank Limited (EBL)
Z Tower (6th Floor)
Holding No.04, Road No. 132
Gulshan-1, Dhaka-1212.
E-mail: sharedepartment@ebl-bd.com
Telephone: 02-222292260
Mobile No. 01819-412340



Escalation point

Md. Abdullah Al Mamun FCS
Company Secretary
Eastern Bank Limited
Head Office
100 Gulshan Avenue
Dhaka-1212
E-mail: abdullah.al.mamun@ebl-bd.com
Mobile No. 01817-543805

Redressal of investors' complaints during the year 2022

- We received request from the shareholders for demat of 1,39,200 shares and confirmed demat of all the shares accordingly.
- Credited 11,92,33,058 bonus shares to the respective BO accounts of shareholders.
- Re-issued pay orders as requested by the shareholders.
- Issued dividend notice to the shareholders of the bank after holding AGM for income tax purpose.
- Met up any other requirements of the shareholders under direct supervision of company secretary.

Synopsis of Q & A session of the last AGM

At the 30th Annual General Meeting (AGM) of EBL, few shareholders of the Bank made raised various questions on audited financial statements of the Bank and put forward their suggestions. The shareholders lauded management for consistent business and financial performance and dividend payout during a challenging year like 2021. Some issues of queries and suggestions are outlined below:

- Causes of decrease of interest income compared to those of the previous year 2020.
- Drivers of Deposit growth of the Bank in 2021.
- Causes of increase of NPL in 2021 compared to that of the previous year 2020.
- Causes of decrease of interest expense as well as Cost of fund of the bank in 2021.
- Drivers of growth in Contingent Liability & Commitment in 2021 from that of the previous year 2020.
- Underlying drivers of Operating income growth of the bank in 2021.
- Non-Interest Earning Asset increased from that of the previous year 2020.

On behalf of the BoD, Managing Director & CEO of the Bank answered the questions of the shareholders explaining with relevant facts & figures to their satisfaction.

BSEC Code of Corporate Governance: Our Compliance Status

Status of Compliance with the conditions imposed through Bangladesh Securities and Exchange Commission's (BSEC) Notification No. BSEC/CMRRCD/2006-158/ 207/Admin/80 dated 03 June 2018 is as follows (as per Annexure-C):

Report under Condition No. 9.00:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1.	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of Directors in the Company's Board shall be Independent Directors.	✓		
1(2) (b)	Independent Director means a Director-			
1(2)(b)(i)	Who does not hold any Share in the Company or holds less than One Percent (1%) Shares of the total Paid-Up Shares of the Company;	✓		
1(2)(b)(ii)	Who is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies;	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) Holder, Director or Officer of any Stock Exchange;	✓		
1(2)(b)(vi)	Who is not a Shareholder, Director excepting Independent Director or officer of any member or TREC Holder of Stock Exchange or an Intermediary of the Capital Market;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit firm or Audit Firm engaged in Internal Audit Services or audit firm conducting special Audit or Professional certifying compliance of this Code.	✓		
1(2)(b)(viii)	Who is not Independent Director in more than 5 (five) listed Companies.	✓		
1(2)(b)(ix)	Who has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI).	✓		
1(2) (b) (x)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		
1(2) (c)	The Independent Director (s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1(3)(b)	Independent Director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk.100.00 million or of a listed Company; or			N/A
1(3)(b)(iii)	Former official of the Government or Statutory or Autonomous or Regulatory Body in the position not below 5th Grade of the National Pay Scale, who has at least educational background of Bachelor Degree in economics or commerce or business or law; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive Directors of the Company;	✓		
1(4)(d)	The Board shall clearly define respective Roles and Responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes of the Board Meeting.	✓		
1(5)	The Directors Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		Please refer to MD&A Section
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		

Condition No.	Title	Compliance Status (Put ✓ / in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Discussion on interest income, expense, operating and net profit provided.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		Please refer to Annexure C & C1
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			No such instance
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			No such instance
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			No such significant variance occurred during the financial year under review.
1(5)(x)	A statement of remuneration paid to the Directors including Independent Directors;	✓		Please refer to Note 33 of FS.
1(5)(xi)	A statement that the financial statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer Company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		Departure has been adequately explained in Note 2.1 to the Financial Statements.
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5)(xvi)	A statement that minority Shareholders have been protected from abusive actions by, or in the interest of, controlling Shareholders acting either directly or indirectly and have effective means of redress;	✓		Please refer to Directors' Responsibility Statement
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		No doubts upon EBL's ability to continue as a going concern.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		Please refer to Directors Report
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1(5)(xxiii)	A Report on the pattern of Shareholding disclosing the aggregate number of Shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiii)(c)	Executives; and	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (name-wise details);	✓		Please refer to Note 14.1 of the FS.
1(5)(xxiv)(a)	A brief Resume of the Director;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the Directorship and the membership of committees of the Board;	✓		Please refer to Annexure C of the FS.
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		Please refer to Managing Director & CEO's Review and MD&A Section.
1(5)(xxv)(a)	Accounting Policies and estimation for preparation of Financial Statements;	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company; and	✓		
1(5)(xxv)(g)	Future Plan or Projection or forecast for Company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the Shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or Certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The Report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
1(6)	The Company shall conduct the Board Meetings and record the Minutes of the Meetings as well as keep required Books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company;			Please refer to the Condition No. 6
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company.			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
2.	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the subsidiary Company;	✓		
2(c)	The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;	✓		
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company;	✓		
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary Company.	✓		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time;	✓		
3(1)(d)	The Board shall clearly define respective Roles, Responsibilities and Duties of the CFO, the HIAC and the CS;	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange (s).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		Please refer to the Declaration by CEO & CFO on Financial Statements
3(3)(a)(ii)	Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee			
4(i)	Audit Committee; and	✓		

Condition No.	Title	Compliance Status (Put ✓ / in the appropriate column)		Remarks
		Complied	Not complied	
4(ii)	Nomination and Remuneration Committee.	-		Please refer to the Condition No. 6
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive Directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director ;	✓		
5(2)(c)	All members of the Audit Committee should be 'Financially Literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;			No such instance
5(2)(e)	The Company Secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The Quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director ;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least four meetings in a financial year:	✓		
5(4)(b)	The Quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		

Condition No.	Title	Compliance Status (Put ✓ / in the appropriate column)		Remarks
		Complied	Not complied	
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			No such event
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall Report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately Report to the Board on the following findings, if any:	✓		
5(6)(a)(ii)(a)	Report on Conflicts of Interests;	-		No such instance
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements;	-		No such instance
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory compliances including Securities related Laws, Rules and Regulations; and	-		No such instance
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	-		No such instance
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall Report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-		No such instance
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	✓		
6.	Nomination and Remuneration Committee (NRC)	Not applicable for Banking Company as per guidelines of Bangladesh Bank		
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee of the Board;	-		

Condition No.	Title	Compliance Status (Put ✓ / in the appropriate column)		Remarks
		Complied	Not complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors, top level executive;	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5) (b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All members of the Committee shall be non-executive Directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	-		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders:	-		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the Shareholders	-		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	-		

Condition No.	Title	Compliance Status (Put ✓ / in the appropriate column)		Remarks
		Complied	Not complied	
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering following:	-		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;	-		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	-		
6(5)(b)(i)(c)	Remuneration to Directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;	-		
6(5)(b)(ii)	Devising a Policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	-		
6(5)(b)(iii)	Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	-		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board;	-		
6(5)(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	-		
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;	-		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	-		
7.	External or Statutory Auditors			
7 (1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial Information Systems design and implementation;	✓		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-Dealer Services;	✓		
7(1)(v)	Actuarial Services;	✓		
7(1)(vi)	Internal Audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	✓		
8.	Maintaining website by the Company			
8(1)	The Company shall have an Official Website linked with the website of the Stock Exchanges.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not complied	
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.	✓		
9 (3)	The Directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors Report whether the Company has complied with these conditions or not.	✓		

**Report to the Shareholders of Eastern Bank Limited
on compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Eastern Bank Limited (EBL) for the year ended on 31st December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

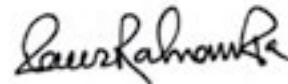
Such compliance with the Corporate Governance Code is the responsibility of the bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any conditions of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The bank has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- (b) The bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the bank as required under the Companies Act, 1994, the Securities Laws and other relevant laws;
- (d) The governance of the bank is highly satisfactory.

For **A. Qasem & CO.**
Chartered Accountants



Partner
Ziaur Rahman Zia FCA
Enrollment No.: 1259

Place: Dhaka
Dated: 18 April 2023

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/046

BAPLC

Date of issue: January 18, 2023

Renewed Certificate

This is to certify that

EASTERN BANK LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2023.




Secretary General

Going Concern and Viability

Key financial indicators

Particulars	2022	2021	2020	2019	2018
Return on average assets	1.21%	1.28%	1.22%	1.30%	1.15%
Return on average equity	15.46%	15.51%	15.04%	16.52%	13.83%
Cost to income ratio	43.53%	38.99%	45.58%	43.76%	45.63%
Capital to risk weighted assets ratio	14.61%	14.08%	15.23%	14.74%	12.16%
NPL ratio	2.78%	3.70%	2.72%	3.35%	2.35%
EPS (BDT) not restated	4.76	4.88	5.05	4.94	4.17

Good governance practices

Board of Directors of EBL plays a pivotal role in shaping the governance structure and practices through their choice of strategy and leadership to drive the Bank to growth path. The management of EBL as an extended wing of the Board executes policies and procedures set by the Board. Our well-functioning Board provides judicious guidance and support to MD & CEO and his team to carry out business. We uphold strong and effective corporate governance practices to cultivate a culture of integrity, transparency, sound financial management, which ultimately leads to sustainable business and financial performance. The Bank management proactively supports establishing simple and efficient processes focusing on compliance and relevant regulations in order for sustainable value creation. These efforts have well been recognized by the ICMAB Best Corporate Award and the ICSB National Award for Corporate Governance Excellence.

Consistency in dividend payment

Dividend	2022	2021	2020	2019	2018
Cash dividend (%)	12.50	12.50	17.50	15.00	20.00
Stock dividend (%)	12.50	12.50	17.50	-	10.00
Total	25.00%	25.00%	35.00%	15.00%	30.00%

While we are pledge-bound in protecting shareholders' interest, we give utmost importance in maintaining a fine balance between consistency of dividend payment and strengthening the capital base for sustainable business growth. EBL's consistent dividend payment in compliance with various regulatory conditions and growth prospects shows the long-term vision and firm commitment to its shareholders.

Regulatory compliance

EBL is, arguably, one of the most compliant banks in the industry. We do responsible business complying with applicable laws, rules and regulations. Following key ratios set by Bangladesh Bank are properly complied with.

Ratios	Regulatory limit	2022	Status
AD ratio	≤87%	77.83%	Complied
MCO (DBO)	≤16.5%	14.68%	Complied
LCR (DBO)	≥100%	104.36%	Complied
NSFR (DBO)	>100%	105.53%	Complied
Capital market exposure (Solo)	≤25%	24.65%	Complied
Leverage ratio (Solo)	≥3%	5.57%	Complied

Capital management

Particulars	BDT in million	
	2022	2021
Minimum capital requirement	27,902	25,339
Maintenance of capital	40,761	35,674
Surplus	12,859	10,335
CRAR	14.61%	14.08%

The Bank has been maintaining adequate capital consistently above its regulatory requirement. Minimum capital requirement of the Bank as of 31 December 2022 was BDT 27,902 million whereas EBL maintained BDT 40,761 million that led to CRAR 14.61% of which core capital to RWA was 10.73% and supplementary capital to RWA was 3.88% that indicates how efficiently and optimally EBL manages its capital and maintains a strong capital base to meet up regulatory requirements and cushion business growth.

Credit rating

CRISL has reaffirmed long term rating "AA+" and short-term rating "ST-1" to EBL on 28 June 2022. The rating indicates strong fundamentals of the Bank such as good profitability, good liquidity, Basel-III compliant capital adequacy (with strong core capital), diversified business portfolio, good non-funded business, good market image, sound IT infrastructure, experienced top management, efficient operational performance etc. Even during the pandemic, the Bank showed its resilient performance.

Data security

Foundation of banking lies in nurturing trust and credibility. As the banking transaction moves towards cashless, now it is very crucial for us to ensure that managing cybersecurity issues is in right place to protect data and confidentiality. We have taken several preventive controls to safeguard the Bank from data breach. To provide customers with the comfort and reliability to use digital channels for transactions, our all-out efforts to maintain transactional security is undefeated. Our PCI-DSS certification for consecutive seven years recognizes our constant effort to minimize vulnerabilities in cardholder data domain for providing reliability to customers for using our payment cards. Our achievement of ISO/IEC 27001:2013 certification for the fourth time in a row recognizes our compliance with Information Security Management Systems (ISMS), a risk management framework developed jointly by ISO and IEC. With the rise of digitization, cyber resilience is an important feature for the banks. Winning Financial Institution Cyber Drill 2022 at the National Cyber Drill 2022 reconfirms our preparation for cyber security related incident handling.

Strong brand image

EBL is known for its consistent and sustainable growth over the years. Our continuous effort to offer innovative service and products along with service excellence has made us a strong financial brand in the market. Recognition from various local and international bodies validates this. To name a few, Bank of the Year for two consecutive years 2020-2021 by The Banker, Best Partner for Equipment Trade in South Asia under Global Trade Finance Program by IFC, Best Domestic Bank in the 2021 by Asiamoney, Fintech Innovation of the year for 2021 by FinTech, ICMA Best Corporate Award, Superbrands Award for 2018-2020 by the Superbrands Bangladesh etc. Also, EBL is also well-accepted by the multi-lateral Institutions such as- DEG, FMO, ADB, IFC, PROPARGO etc. for its proven track record of success.

Putting people first

Satisfied employees have higher productivity and provide better customer service. EBL has created an equitable, accessible and discrimination free working environment which provides equal opportunity, ensures work life balance, creates employee engagement, helps in personal development, and offers health and safety for its employees which in return increases Bank's productivity and reduces conflict between employees and management. This has eventually reduced turnover with enhanced loyalty towards the Bank along with retention of talents. Our people truly hold the flagship of the Bank and they try to provide finest service to our customers that has created long lasting bondage. As a part of recognition, EBL has received Bangladesh Best Employer Brand Award by the globally renowned Employer Branding Institute.

Customer service excellence

We are committed to provide convenient and standardized customer service consistently. In doing so we have been enhancing our service excellence through maximum use of technology and process re-engineering. As we realized that digitization is very much under way to change the country's entire banking landscape, we have made us equipped to emerge as one of the leaders in digital banking. It has helped us in improving customer experience through better connectivity in a comprehensive manner. We value customer feedback which helps us in understanding ever changing customer needs and meet up customers' expectations. This helps us in creating and maintaining strong bondage with our customers.

There is no significant doubt upon the Bank's ability to continue as a going concern. EBL has neither intention nor the need to liquidate or curtail materially the scale of its operations and the Bank will continue to operate for the foreseeable future. Hence, the financial statements of the Bank have been prepared on going concern basis.