

The background of the image is a soft, golden-hour landscape. In the foreground, there is a dense forest of evergreen trees, their tops slightly obscured by a light mist or fog. In the background, a large, rounded mountain peak rises against a pale, hazy sky. The overall color palette is warm and muted, dominated by shades of beige, cream, and light brown, with a subtle glow from the sun, likely low on the horizon, creating a serene and atmospheric scene.

# **GOVERNANCE**

## **REPORTS**



# Report of the Audit Committee of the Board

Good governance goes beyond compliance; it is built on trust, integrity, independence, and effective oversight. The Audit Committee of the Board (ACB) serves as the guardrail of the Bank, ensuring that financial reporting is accurate, internal controls remain robust, and accountability is more than just a regulatory obligation. Through careful evaluation and monitoring, the ACB strengthens financial reporting and internal controls safeguarding the bank's reputation. With a dedication to transparency and accountability, it boosts confidence among stakeholders.

But, governance is also about resilience. The ACB, by strengthening internal controls, helps the Bank navigate uncertainty while maintaining its commitment to transparency. This is not just about meeting standards; it is about setting them right.

This report has been prepared in compliance with Condition 5(7) of the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03

June 2018, titled "Corporate Governance Code 2018", along with its subsequent amendments.

## Composition of the Audit Committee and meeting attendance in 2024

The Audit Committee comprises of 04 (four) Directors with expertise in Accounting, Finance, Economics, Banking and Strategy, adheres to the requirements of the Code of Corporate Governance issued by Bangladesh Bank and BSEC. Chaired by an Independent Director having extensive knowledge, experience and insight, the Committee ensures effective oversight. Its collective expertise strengthens governance, reinforcing accountability and transparency in the Bank's operations.

The following table provides details of the Committee members, their educational backgrounds, and their attendance records for the year 2024:

| SL | Name                              | Status with the Bank | Status with the Committee | Educational Qualification  | Meeting Attendance |
|----|-----------------------------------|----------------------|---------------------------|----------------------------|--------------------|
| 1  | Khondkar Atique-e-Rabbani<br>FCA* | Independent Director | Chairman                  | FCA                        | 6/6                |
| 2  | Mufakkarul Islam Khasru           | Director             | Member                    | MBA (IBA)                  | 6/6                |
| 3  | Gazi Md. Shakhawat Hossain        | Director             | Member                    | M.com (Accounting)         | 6/6                |
| 4  | Ruslan Nasir                      | Director             | Member                    | MBA                        | 2/6                |
| 5  | Dr. Toufic Ahmad Choudhury **     | Independent Director | -                         | Ph. D, Master in Economics | 4/4                |

\* Khondkar Atique-e-Rabbani FCA, Independent Director, joined EBL Board on 31 January 2024 and Audit Committee on 29 February 2024. He was nominated as Chairman of the Audit Committee on 02 June 2024.

\*\* Dr. Toufic Ahmad Choudhury completed his term and was a member of the Audit committee till 02 September 2024.

In accordance with the applicable rules and regulations, the Board of Directors of Eastern Bank PLC. has approved the appointment of an Independent Director, following the consent obtained from the Bangladesh Securities and Exchange Commission (BSEC). We are waiting for approval from Bangladesh Bank.

The Company Secretary of the Bank serves as the secretary of the Audit Committee of the Board.

## Participation of non-members

The Managing Director, Head of ICC, Head of Audit, and CFO attend Audit Committee meetings upon invitation, ensuring management's representation and facilitating informed discussions.

## Access to the committee

As an administrative part of ICC, the Head of Audit reports directly to the Audit Committee of the Board, ensuring independence and accountability. The Head of Audit has unrestricted access to the Committee on any matter requiring attention.

## Committee governance

The Audit Committee plays a crucial role in ensuring that the Board remains well-informed and aligned with financial reporting requirements, internal control measures, and external audit findings. To maintain efficiency and strategic oversight:

- Committee meetings precede Board meetings, allowing for timely review and structured recommendations.

- The Board receives Committee agendas and meeting minutes to ensure transparency and continuity.
- The Committee Secretary liaises regularly with the Chair to fulfill governance obligations, incorporate stakeholder inputs, and track progress on key action items and priorities.

## Roles and responsibilities of the Audit Committee

The Audit Committee diligently fulfills its oversight responsibilities in accordance with the directives of the Board, ensuring compliance with the Corporate Governance Code of BSEC, Guidelines of Bangladesh Bank and pertinent laws and directives issued by regulatory authorities.

### 1. Internal control

- Evaluate the Bank's compliance culture, ensuring employees understand their responsibilities.
- Assess the adequacy and effectiveness of Management Information Systems (MIS).

- Oversee the implementation of internal control improvement measures recommended by auditors.
- Review reports on fraud, forgery, and internal control deficiencies, ensuring management takes corrective actions.

## 2. Financial reporting & disclosure

- Ensure completeness and accuracy of financial statements, aligning with rules, regulations and financial reporting standards.
- Engage with the Bangladesh Bank inspection team, external auditors, and management before submission to the Board for approval.
- Scrutinize quarterly and half-yearly financial statements before submission to Board for approval.
- Review Management Discussion & Analysis (MD&A) for the Annual Report.
- Assess significant related-party transactions (RPTs) for compliance and transparency.
- Ensure proceeds from Initial Public Offering (IPO) or Rights Share Offer are utilized as per approved disclosures.

## 3. Internal audit & control framework

- Safeguard the independence of internal audit functions.
- Review internal audit activities, structure, and operations to prevent unjustified restrictions or limitations.
- Assess the annual internal audit plan and its effectiveness.
- Ensure management acts on implementation of audit recommendations to address irregularities.

## 4. External audit & oversight

- Recommend appointment, re-appointment, and removal of external auditors in the AGM along with investigating any factor leading to auditor resignation.
- Assess the independence and objectivity of external auditors, preventing conflicts of interest.
- Hold pre-audit and post-audit meetings, including annual independent discussions without management presence.
- Ensure timely resolution of external audit findings and detected irregularities.

## 5. Compliance with laws & regulatory standards

- Monitor compliance with laws and regulations set by regulatory authorities, and internal policies.
- Ensure management adheres to regulatory directives and governance frameworks.

## 6. Reporting & other responsibilities

- Submit quarterly compliance reports to the Board, highlighting audit observations, fraud, and anomalies identified by internal and external auditors and Bangladesh Bank inspection team.
- Provide evaluation reports on internal and external auditors.
- Conduct self-assessment of the Committee's effectiveness and oversee Board-delegated assignments.

## Nomination & Remuneration Committee (NRC)

The Audit Committee of the Board undertakes the additional responsibility of performing all functions of the Nomination and Remuneration Committee (NRC) as per its Terms of Reference (ToR). It presents its decisions to the Board for ratification in accordance with BRPD Letter No. 21, dated 12 May 2024. The Committee operates independently and remains accountable to both the Board and Shareholders in fulfilling its NRC-related responsibilities.

## Reporting to the Board

The Audit Committee ensures regular and precise communication with the Board of Directors, providing updates after each meeting. Committee's meeting minutes, along with its suggestions and recommendations, are regularly submitted to the Board of Directors for ratification, ensuring informed decision-making and effective oversight.

Additionally, the Committee promptly notifies the Board of any critical occurrences, including:

- Any identified conflicts of interest within the bank.
- Suspected or detected fraud, irregularities, or material weaknesses in internal controls.
- Any suspected infringement of laws, including securities-related regulations.
- Any other matters the Committee deems necessary for Board attention.

## Meetings of the Audit Committee

In 2024, the Audit Committee convened six meetings, surpassing Bangladesh Bank's requirement of at least four meetings annually. These sessions facilitated in-depth discussions and reviews with the Head of Audit, Head of Internal Control & Compliance, and External Auditors to assess key findings and remedial actions. The Committee provided clear directives to management for implementing recommendations and ensuring effective monitoring of corrective measures.

Meeting dates are outlined below:

| SL | Meetings                    | Date of Meetings |
|----|-----------------------------|------------------|
| 1  | 149 Audit Committee Meeting | 10 March 2024    |
| 2  | 150 Audit Committee Meeting | 01 April 2024    |
| 3  | 151 Audit Committee Meeting | 14 May 2024      |
| 4  | 152 Audit Committee Meeting | 31 July 2024     |
| 5  | 153 Audit Committee Meeting | 30 October 2024  |
| 6  | 154 Audit Committee Meeting | 26 November 2024 |

## Major issues reviewed by the Audit Committee in 2024

In 2024, the Audit Committee conducted a comprehensive review of critical areas to strengthen financial integrity and regulatory compliance. Key areas of focus included, but were not limited to:

| Major areas  | Audit Committee's meeting no. |     |     |     |     |     |
|--|-------------------------------|-----|-----|-----|-----|-----|
|  | 149                           | 150 | 151 | 152 | 153 | 154 |
| <b>Reporting</b>   |                               |     |     |     |     |     |
| • Draft annual, half yearly and quarterly financial statements.  | √                             |     | √   | √   | √   |     |
| • Operating expense variances.   |                               |     | √   | √   | √   |     |
| <b>Internal audit</b>  |                               |     |     |     |     |     |
| • Summary of internal audit reports, including high risk audit findings across branches, departments, and subsidiaries.          |                               | √   | √   | √   | √   | √   |
| • Summary of Cyber Security audit including high risk issues.  |                               |     |     |     |     |     |
| <b>External audit</b>  |                               |     |     |     |     |     |
| • Recommendation for external and corporate governance auditors' appointment and remuneration.                                   | √                             |     |     |     |     |     |
| • Management Letter and its subsequent compliance.   |                               |     |     | √   |     |     |
| <b>Internal control</b>  |                               |     |     |     |     |     |
| • Policies relating to various functions.  |                               |     |     | √   | √   | √   |
| • Business required document for automated process of DCFCL & KRI  |                               | √   |     |     |     |     |
| <b>Compliance issues &amp; others</b>  |                               |     |     |     |     |     |
| • Bangladesh Bank inspection and compliance reports.   |                               | √   |     | √   |     | √   |
| • Annual Health Report -2023.  |                               |     |     |     | √   |     |
| • Quarterly Operation Report and Loan Documentation Checklist.   |                               | √   |     | √   | √   |     |
| • List of corporate banking portfolio credit policy exceptions   |                               | √   |     | √   |     |     |
| • Half-yearly complaints received by the Bank  |                               | √   |     |     | √   |     |
| • BB circular relating to formation and duties & responsibilities of the Board of Directors & the sub-committees (including NRC) | √                             |     | √   | √   |     |     |

### Internal audit and effective implementation of internal controls

The independence of the Internal Audit function is maintained by ensuring that the Head of Internal Audit reports directly to the Audit Committee Chair. The audit scope aligns with Audit Committee directives and regulatory guidelines, focusing on a risk-based audit plan in accordance with internal audit standards. Performance is assessed through periodic reports, summarizing key findings and recommendations. The Head of Internal Audit also has direct access to the Audit Committee Chair, with regular meetings held—both with and without management presence.

The Audit Committee ensures that Internal Auditors have unrestricted access to personnel, information, processes, properties, records, and systems, allowing them to execute their responsibilities with full objectivity and independence.

### Focus of future activities

The Audit Committee aspires to focus on the following activities:

- Overseeing financial crime risk and strengthening the financial crime control framework, including proactive management by business units.
- Monitoring the Bank's operational resilience and implementing enhancements to the operating model.
- Overseeing treasury risk to strengthen the Bank's capital base and liquidity management capabilities.

- Ensuring the robustness and innovation of internal audit activities in identifying and mitigating emerging risks.
- Supervising risk governance and controls, including the Bank's cybersecurity framework, digitalization, automation with Artificial Intelligence (AI) and the related technologies as well as ensuring customer data security.
- Enforcing strict compliance with internal audit, external audit, and Bangladesh Bank (BB) inspection requirements.

### Acknowledgement

The Audit Committee extends its sincere appreciation to the Board of Directors, management, and auditors for their steadfast support and collaboration. The Committee also expresses its deep gratitude to regulatory bodies, particularly Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), for their guidance and oversight, which have been instrumental in fulfilling its responsibilities effectively.

On behalf of the Audit Committee,

**Sd/-**  
**Khondkar Atique-e-Rabbani FCA**  
 Chairman, Audit Committee of the Board

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

In banking, risk and return are the twin ingredients for business decisions and are crucial in shaping business and financial strategies. The Risk Management Committee of the Board (RMC) is a specialized committee of the Board of Directors (BoD), responsible for overseeing EBL's overall risk management strategy. It ensures that risks are effectively identified, assessed, and mitigated. The RMC of the Board is committed to maintain a robust risk management framework that fosters sustainability and enhance the Bank's resilience in the long run.

## Formulation of the committee

Pursuant to Section 15 Kha (3) of the Bank Company Act, 1991 (amended up to 2023) and in compliance with Bangladesh Bank's guidelines, the Board of Directors formed the Risk Management Committee (RMC) of the Board on 7 November 2013 which was last reconstituted on 2 June

2024. The committee plays a critical role in mitigating risks arising from the strategies and policies formulated by the Board.

The objective of the committee is to ensure proper risk governance by overseeing, directing and establishing policies to mitigate potential risks arising during the implementation of policies, procedures and strategies. A key focus of the RMC of the Board is the periodic review of capital adequacy and provisions against identified risks.

## Composition and Qualification of members of RMC

The RMC of the Board comprises four (4) non-executive directors nominated by the Board of Directors in compliance with the relevant provisions of Bangladesh Bank. 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  | Gazi Md. Shakhawat Hossain       | Director             | Chairman                  | M.Com (Accounting)           | 6/6                |
| 2  | Mufakkarul Islam Khasru          | Director             | Member                    | MBA (IBA)                    | 6/6                |
| 3  | Mahreen Nasir*                   | Director             | Member                    | M.Eng. in Telecommunications | 2/3                |
| 4  | Barrister K.M. Tanjib-ul Alam**  | Independent Director | Member                    | Bar-at-Law                   | 1/3                |
| 5  | Mir Nasir Hossain***             | Director             | -                         | M.Com (Accounting)           | 2/2                |
| 6  | Zara Namreen****                 | Director             | -                         | M.Sc in Business Finance     | 1/3                |
| 7  | Dr. Toufic Ahmad Choudhury ***** | Independent Director | -                         | Ph. D, Master in Economics   | 3/4                |

\* Mahreen Nasir is a member of the RMC since 02 June 2024.

\*\* Barrister K.M. Tanjib-ul Alam is a member of the RMC since 02 June 2024.

\*\*\* Mir Nasir Hossain retired at the 32<sup>nd</sup> AGM held on 29 April 2024.

\*\*\*\* Zara Namreen was a member of the RMC till 02 June 2024.

\*\*\*\*\* Dr. Toufic Ahmad Choudhury completed his term and was a member of the Audit committee till 02 September 2024.

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

## Participation of non-members

Representatives from the Risk Management Team participated in the meetings of the RMC of the Board during 2024. The Managing Director, Additional Managing Director, Deputy Managing Director & Chief Risk Officer, Head of Risk Management Division (RMD), Head of Planning, Strategy and Governance, Head of Special Asset Management Division (SAMD), Head of Legal attended the committee meetings, along with other relevant members of management, as determined or invited by the committee.

## Committee governance

To ensure effective discharge of its responsibilities, the RMC of the Board approves an annual calendar aligned with its Terms of Reference (ToR) in advance. The Company Secretary and the Chief Risk Officer assist the Chairman of the Committee in drafting the agenda for each meeting. Following each meeting, the Chairman of the Committee presents a formal report to the Board outlining the discussions, decisions and recommendations, along with other issues that need to be brought to the Board's attention.

## Roles and responsibilities of RMC

The roles and responsibilities of RMC have been framed in accordance with Bangladesh Bank's provisions, the Risk

Management Guidelines for Banks (vide DOS Circular no. 04, dated 8 October 2018) and other best practices. Some key roles and responsibilities are highlighted below:

- It is the responsibility of RMC to identify and assess risks and guide management in formulating strategies to minimize or control risks. The committee (RMC) reviews the risk management policy and modifies it as required from time to time.
- To mitigate risks, the RMC ensures that a suitable risk governance structure is in place. It monitors the activities of various management committees 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.
- The RMC reviews the Bank's risk management policy and guidelines at least once a year, make necessary modifications as required, and submits them to the Board of Directors for consideration. Additionally, the committee reviews the status and quality of the loan portfolio and provides guidance to management as needed.
- The committee monitors the implementation status of the Bank's risk management policy and examines whether remedial measures have been taken to minimize credit risk, market risk, and operational risk.



- The committee reviews various decisions and recommendations made by different risk committees of management for onward submission to the Board of Directors.
- The committee ensures compliance with directives and guidelines issued by regulators from time to time.
- It ensures the articulation and review of risk appetite and limits, recommending them to the Board for subsequent review and approval.
- The committee comprehensively analyzes existing and potential risk issues in meetings, takes appropriate decisions for sufficient risk mitigation, incorporates them into meeting minutes, and ensures follow-up on decisions for proper implementation.

### Meetings of the RMC in 2024

With a Bangladesh Bank mandate of holding at least 4 meetings in a year, EBL RMC held 6 (Six) meetings during 2024 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  | 48 <sup>th</sup> RMC Meeting | 28 February 2024 |
| 2  | 49 <sup>th</sup> RMC Meeting | 18 March 2024    |
| 3  | 50 <sup>th</sup> RMC Meeting | 29 May 2024      |
| 4  | 51 <sup>st</sup> RMC Meeting | 29 August 2024   |
| 5  | 52 <sup>nd</sup> RMC Meeting | 30 October 2024  |
| 6  | 53 <sup>rd</sup> RMC Meeting | 18 December 2024 |

### Major areas focused by RMC in 2024

In 2024, a total of 63 agendas were discussed in 6 (six) meetings of RMC followed by periodic update on the implementation status of RMC meeting decisions. Major issues and areas of interest are noted below:

- Reviewed monthly Risk Management Reports, half yearly Comprehensive Risk Management Reports (CRMR) and recommendations of the Executive Risk Management Committee (ERMC) made between November 2023 and November 2024, and endorsed them with certain directions for onward submission to Bangladesh Bank (BB).
- Reviewed Stress Test Reports from the quarter ending December 2023 to the quarter ending September 2024 and endorsed them for onward submission to BB.
- Reviewed and approved the Terms of Reference (ToR) of the Executive Risk Management Committee (ERMC).
- Reviewed and approved the Terms of Reference (ToR) of the Credit Risk Management Committee (CRMC).
- Reviewed the SRP (Supervisory Review Process) return for 2023 for onward submission to the Board of Directors for consideration.
- Reviewed risk performance against approved Risk Matrix (Key Risk Indicators) for the year ending December 2023, the half-year ending June 2024, and month-end positions from January to October 2024.
- Reviewed reports on EBL's Risk Management Policies and the effectiveness of risk management functions in the Bank for the year 2024.

- Reviewed and endorsed the Bank's risk appetite/internal limits for 2024 across major risk areas for submission to the Board of Directors for approval. RMC recommended growth in thrust sectors and advised caution in certain sectors considering their inherent and emerging risks.
- Reviewed risk performance against the risk appetite at quarterly interval and endorsed exposures exceeding the risk appetite with the advice to bring them within the prescribed limits.
- Reviewed the Internal Audit Report On Post Import Finance (PIF) for 2024 in Compliance with BRPD Circular 12, Dated 13 June 2021.
- Periodically reviewed the Top 50 credit exposures (Group) of EBL in terms of limits offered to counterparties and advised management to closely monitor account performance, with special attention to vulnerable accounts.
- RMC put heightened focus on collection and recovery from delinquent accounts and reviewed the implementation status of strategies adopted in meetings. Throughout the year, RMC regularly monitored the position of classified, special mention, written-off, and compromised settlement accounts, along with recovery status and the progress of lawsuits.
- Reviewed and endorsed the Enterprise Risk Management (ERM) Guideline, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Key Risk Indicators (KRI) limits, and the Terms of Reference for the Sustainable Finance Committee.

### Recommendations to the Board

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

### Future roadmap

RMC meetings are always conducted through constructive dialogue, disseminating various suggestions and recommendations to management, which are also placed before the Board. The RMC has laid increased emphasis on the impact of global economic developments as well as major regulatory amendments. The committee is mindful of the need to foster its inquisitorial capacity regarding stressed assets and their recovery, and to maintain an 'effective and aware' risk culture and discipline. Considering these, the RMC has increased its focus on implementing a risk control strategy to mitigate future uncertainty. In 2025, the committee will continue to monitor the execution of the transition initiatives underway and their impact on the risk and control environment.

### Acknowledgement

The Risk Management Committee of EBL's Board of Directors extends its heartfelt appreciation to the members of the Board, the management team, and the various Risk Committees for their unwavering and constructive support. We look forward to continued collaboration in strengthening the Bank's risk governance and control practices.

On behalf of the Risk Management Committee,

Sd/-

**Gazi Md. Shakhawat Hossain**

Chairman of the Risk Management Committee (RMC)

# Report of the EBL Shariah Supervisory Committee (EBL-SSC)

## To the Shareholders of Eastern Bank PLC.

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

By the grace of the Almighty Allah, EBL has started Islamic Banking operations from August 2024. As per bylaws of the Shariah Supervisory Committee of EBL, the committee is responsible for overseeing, reviewing, and supervising Islamic Banking activities to ensure full compliance with Shariah rules and principles. The fatwas, and rulings of the Shariah supervisory committee will be binding on the Bank (EBL). Hence, we always consider the Shariah compliance as the cornerstone for all our Islamic Banking operations.

## Formation of the committee

In accordance with the 'Guidelines for Islamic Banking' (BRPD Circular No. 15, dated 09.11.2009) of Bangladesh Bank and vide letter No. BRPD(IBS)/801/2024-1201 dated 07/02/2024, the Board of Directors of the Bank, in its 752<sup>nd</sup> meeting held on 29 February 2024, reconstituted EBL Shariah Supervisory Committee (EBL-SSC).

## Composition of the committee

| SL. | Name                            | Status with the Committee | Educational Qualification | Meeting Attendance |
|-----|---------------------------------|---------------------------|---------------------------|--------------------|
| 1.  | Mufti Shahed Rahmani            | Chairman                  | Dowra-e-Hadith            | 5/5                |
| 2.  | Mawlana Shah Mohammad Waliullah | Member Secretary          | Kamil, M.A.               | 5/5                |
| 3.  | Dr. Mohammad Monzur-E-Elahi     | Member                    | M.A., Ph.D.               | 5/5                |

## Meetings of the Committee

The Shariah Supervisory Committee held five meetings in 2024.

| SL. | Meetings                    | Date of the Meeting |
|-----|-----------------------------|---------------------|
| 1   | 3 <sup>rd</sup> SSC Meeting | 13 March 2024       |
| 2   | 4 <sup>th</sup> SSC Meeting | 25 April 2024       |
| 3   | 5 <sup>th</sup> SSC Meeting | 22 August 2024      |
| 4   | 6 <sup>th</sup> SSC Meeting | 07 October 2024     |
| 5   | 7 <sup>th</sup> SSC Meeting | 24 December 2024    |

Respective officials of the Bank related to agenda joined the meeting on invitation.

## Role and Responsibilities

To assess whether the Bank's Islamic banking activities are conducted in accordance with Shariah principles or not, and to provide feedback and recommendations to the Board and shareholders, when necessary.

- To examine and scrutinize documents, papers, agreements of Islamic banking as and when required.
- To support the Board of Directors of EBL by providing guidance on Shariah-related matters, helping establish a banking framework based on Islamic Shariah principles, values, and justice.
- To make recommendations on Shariah principles sought by the Bank.
- To identify obstacles in conducting business in accordance with Shariah law and recommend measures to the management and Board for developing procedures to address and overcome these barriers.
- To recommend topics for the Bank's training programs that will help employees gain a strong understanding of Shariah matters and issues.

## Major areas focused in 2024

The key focus areas in 2024 which were reviewed and scrutinized by the Shariah Supervisory Committee:

- Operational Guidelines for Islamic Banking.
- PPG of deposit products, financing products, treasury products, Islamic LC and trade financing products and Shariah guidelines for letter of credit operations and post import financing.
- Contracts and terms & conditions for opening Islamic deposit account(s) and sample account opening form of (Al-wadiah and Mudarabah based deposits) for individual & non-individual customers.
- Fund Management Policy, Takeover Policy and Buying Agent Policy of EBL Islamic Banking.
- Agreements, Contracts and related Shariah Documents for Murabahah Financing, Diminishing Musharakah Financing, Continuous Musharakah Financing, Qard Financing, etc.
- Framework of rate of return of Islamic Banking under weightage method as well as approval of profit-sharing ratio (PSR), weightage schedule and provisional profit rate for mudarabah depositors.
- Schedule of charges of the Islamic Banking (Islamic Retail, Islamic SME, Islamic Corporate and Islamic Debit & Prepaid Cards).

## Opinion of EBL-SSC

The Management of Eastern Bank PLC. is responsible for ensuring that Islamic Banking business is conducted in accordance with the Shariah rules and principles. SSC is responsible to form an independent opinion, based on the review of the Islamic Banking operations and to report the findings to the shareholders.

The committee has reviewed the principles and the contracts relating to the transactions and applications introduced by 'EBL Islamic Banking' during the year 2024. It involved a sample-based



assessment of each type of transaction, the relevant documentation and procedures adopted by the Islamic Banking. Necessary information was gathered to ensure that the committee obtained sufficient evidence and reasonable assurance that EBL Islamic Banking has adhered to Shariah rules and principles.

- The agreements, contracts, transactions and dealings entered into by the Islamic Banking during the year 2024 that we have reviewed are in compliance with Shariah principles.
- Transactions with the conventional part of the Bank have been made duly complying with the Shariah principles.
- Distribution of profit to the Mudaraba depositors conforms to the basis that has been approved by us in accordance with Shariah rules and principles.
- No earnings found that has been realized from the sources or by means prohibited by Shariah rules and principles.

EBL Islamic Banking does not pay Zakah on behalf of its shareholders or depositors. Hence, individual shareholders and depositors are advised to calculate their own Zakah and distribute accordingly to the right beneficiaries.

### **Recommendations from EBL-SSC**

The committee has recommended the following measures to further enhance the quality of Bank's Islamic banking services:

- Continue conducting knowledge sharing session through training, seminars and workshops for educating employees about Islamic banking products & services which will reduce knowledge gap.
- Strengthen trust and credibility through transparent communication with customers.
- Implement proactive measures to identify, mitigate, and eliminate any Shariah violations.

### **Acknowledgement**

The Shariah Supervisory Committee extends its cordial appreciation to the esteemed members of the Board, and management for their invaluable support.

The Committee has appreciated the following steps and initiatives of the Bank during the year for expanding Islamic Banking services-

- Formulation of Comprehensive Operational Guidelines for EBL Islamic Banking.
- Development of Shariah-Compliant Documentation for EBL Islamic Banking.
- Having Transparency in the profit distribution system for depositors.
- Acquisition of an Authorized Dealer (AD) License received from Bangladesh Bank for the Centralized Islamic Trade Finance Unit.
- Preparation of Shariah Guidelines for Letter of Credit operations and Post-Import Financing.

We beg Almighty Allah to grant us all the success and straightforwardness.

Our success comes only from Allah.

On behalf of the EBL Shairah Supervisory Committee,

**Sd/-**

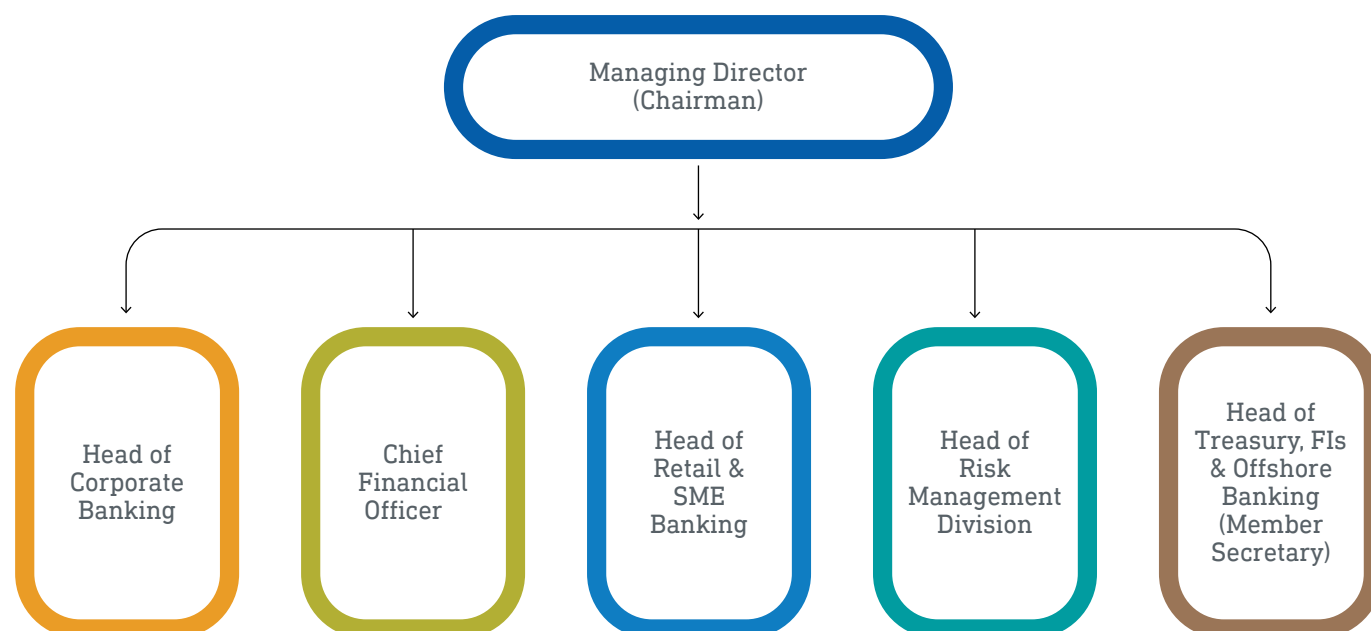
**Mufti Shahed Rahmani**

Chairman of Shariah Supervisory Committee

# Report of the Asset Liability Committee (ALCO)

Asset Liability Committee (ALCO) occupies a center stage in managing assets and liabilities of a Bank to ensure financial stability with acceptable risks. Operating at the management level, ALCO provides critical oversight and management information for evaluating both on and off-balance-sheet risks. The committee aligns its strategies, policies, and procedures with the bank's

objectives, risk tolerance, and regulatory requirements. One of its primary functions is to maintain adequate liquidity while optimizing the spread between interest income and interest expenses, thereby ensuring sustainable profitability and financial health. The composition details of ALCO can be found in the 'Management Committees' section. The organogram of ALCO is as follows:



## ALM (Asset-liability management) Desk

ALM desk plays a crucial role in managing Bank's liquidity and interest rate risk by continuously monitoring and adjusting the balance sheet to ensure regulatory compliance and financial stability. It provides key insights to senior management on market dynamics and potential risks while striving to optimize profitability within defined risk parameters.

The ALM Desk manages money market activities, oversees asset-liability maturity profiles, and monitors market trends for strategic decision-making. It prepares ALCO packs, records meeting minutes,

assesses balance sheet mismatches, and forecasts cash flows. The desk also does interest rate and spread analysis, manages liquidity and market risks, tracks market developments, evaluates competition, and identifies target markets for business growth.

## Meetings of the ALCO

ALCO meetings are typically held once a month. However, if necessary, the ALCO Chairman may convene emergency meetings to address any specific strategic issue arising in the market. ALCO meeting comprises of the ALCO chairman, Member secretary, ALCO members and invited guests.

| Major areas                 | Roles and responsibilities  |
|-----------------------------|---|
| ALCO management & reporting | <ul style="list-style-type: none"> <li>Ensure proper documentation of ALCO meeting records and monitor the execution of decisions.</li> <li>Oversee the implementation and execution of asset-liability management (ALM) strategies.</li> <li>Ensure compliance with regulatory guidelines and internal risk policies.</li> <li>Review and approve ALM reports, including liquidity position, interest rate risk, and balance sheet structure.</li> <li>Conduct regular ALCO meetings to analyze market trends, economic indicators, and their impact on the bank's financial position.</li> <li>Communicate ALM performance and risk exposures to senior management and the board of directors.</li> </ul> |
| Balance sheet planning      | <ul style="list-style-type: none"> <li>Balance sheet management to ensure optimal mix of assets and liabilities.</li> <li>Align balance sheet growth with profitability, liquidity, and capital adequacy objectives.</li> <li>Monitor and adjust the composition of loans, deposits, and investments to maintain financial stability.</li> <li>Plan for capital allocation and funding strategies to meet future business needs.</li> </ul>   |



| Major areas                     | Roles and responsibilities   |
|---------------------------------|--|
| Core asset-liability management | <ul style="list-style-type: none"> <li>Identify, measure, and manage mismatches in assets and liabilities to mitigate financial risks.</li> <li>Optimize funding and resource allocation to maximize profitability while minimizing risk.</li> <li>Maintain a diversified funding base to reduce reliance on volatile short-term funding.</li> <li>Ensure effective duration matching of assets and liabilities to mitigate interest rate risk.</li> </ul>   |
| Liquidity risk management       | <p>Liquidity management strategy</p> <ul style="list-style-type: none"> <li>Monitor and manage the bank's liquidity position to ensure adequate funding for operational and strategic needs.</li> <li>Establish liquidity contingency plans to address unexpected funding crises.</li> <li>Maintain liquidity buffers as per regulatory requirements.</li> </ul> <p>Liquidity management under stress situation</p> <ul style="list-style-type: none"> <li>Complying predecided contingency funding plan.</li> <li>Review contingency funding plan on regular interval.</li> <li>Monitor liquidity ratios and their skewedness towards contingency situation described in the contingency funding plan.</li> </ul> |
| Interest rate risk management   | <ul style="list-style-type: none"> <li>Assess the impact of interest rate fluctuations on earnings and capital.</li> <li>Utilize gap analysis, duration analysis, and stress testing to measure interest rate risk exposure.</li> <li>Recommend strategies such as hedging, asset re-pricing, and duration adjustments to manage risk.</li> <li>Align the Bank's interest rate risk policies with market trends and economic forecasts.</li> </ul>   |
| Fund transfer pricing           | <ul style="list-style-type: none"> <li>Develop and implement effective FTP frameworks to allocate costs and returns across business units.</li> <li>Ensure fair pricing of funds between asset-generating and liability-generating units.</li> <li>Monitor and adjust FTP rates to reflect market conditions, risk factors, and regulatory requirements.</li> <li>Promote transparency in internal fund allocation to drive profitability and risk management.</li> </ul>  |

### Major areas focused by ALCO in 2024

- Ensuring adequate liquidity through monitoring and managing duration gaps to mitigate interest rate risks.
- Expanding retail CASA and corporate transactional accounts to contain overall cost of funds.
- Introducing Islamic Banking Segment with tailored investment and deposit products to expand market reach.
- Strengthening USD liquidity by increasing export-based business and expanding the remittance portfolio.

| 31 December 2024 |                                |                                |                                 |                                  | 1 <sup>st</sup> Fortnight of Dec'24 | 2 <sup>nd</sup> Fortnight of Dec'24 |
|------------------|--------------------------------|--------------------------------|---------------------------------|----------------------------------|-------------------------------------|-------------------------------------|
| ALM Risk Ratios  | 80.19%                         | 190.17%                        | 119.00%                         | 13.28%                           | 11.65%                              | 8.05%                               |
|                  | Advance to Deposit Ratio (ADR) | Liquidity Coverage Ratio (LCR) | Net Stable Funding Ratio (NSFR) | Maximum Cumulative Outflow (MCO) | Wholesale Borrowing Limit (WBL)     |                                     |
| BB Limit         | ≤87%                           | ≥100%                          | >100%                           | ≤16.50%                          | ≤80%                                |                                     |

On behalf of the Asset Liability Committee

**Sd/-**

**Ali Reza Iftekhhar**

Managing Director

Chairman of the Asset Liability Committee

# Report of the Executive Risk Management Committee (ERMC)

The Executive Risk Management Committee (ERMC) of Eastern Bank PLC. was formed to assess the overall effectiveness of risk management processes in line with the Bangladesh Bank's directives to strengthen the Bank's risk management framework. The committee plays a crucial role in identifying, evaluating and mitigating risks that could impact the Bank's financial stability, reputation, regulatory compliance, operational efficiency and strategic objective.

The committee is responsible for ensuring the effectiveness of the Bank's Core Risks Management and capital management under the Basel Accords as directed by Bangladesh Bank. This includes establishing effective risk tolerance limits and triggers, refining risk mitigation strategies and ensuring risk taking activities align with the Bank's risk appetite and strategic objectives.

## Composition of the committee

The committee comprises a diverse group of key officials, ensuring a well-rounded approach to oversight. The Chief Risk Officer (CRO) serves as the Chairman of the committee, while the Head of ICC and CAMLCO acts as Co-Chairman. The Head of Risk Management Division (RMD) serves as the Member Secretary of the committee.

The composition of the Committee is as follows:

| SL. | Designation                               | Position in ERMC |
|-----|---|------------------|
| 1   | DMD & Chief Risk Officer (CRO)            | Chairman         |
| 2   | DMD & Head ICC                            | Co-Chairman      |
| 3   | Additional Managing Director              | Member           |
| 4   | DMD & Head of Corporate Banking           | Member           |
| 5   | DMD, Head of Retail & SME                 | Member           |
| 6   | DMD, Treasury, FIs and Offshore Banking   | Member           |
| 7   | DMD, Operations                           | Member           |
| 8   | Chief Financial Officer                   | Member           |
| 9   | Chief Technology Officer                  | Member           |
| 10  | Head, Human Resources                     | Member           |
| 11  | Head of Planning, Strategy and Governance | Member           |
| 12  | Head of Special Asset Management          | Member           |
| 13  | Head of Credit Risk Management            | Member           |
| 14  | Head of Risk Management Division          | Member Secretary |
| 15  | Head of Credit Administration             | Member           |

## Non-members composition

The Head of Audit and the Head of Business Information Systems have a standing invitation to attend ERMC meetings. Additionally, upon invitation, members may bring guests to attend the meeting.

## Meetings of ERMC in 2024

ERMC meetings are held monthly; however, if required, the Chairman may call unscheduled emergency meetings. In the absence of the Chairman, the Head of ICC & CAMLCO presides over the meeting. The Terms of Reference (TOR), approved by Risk Management Committee (RMC) of the Board, outline the responsibilities of ERMC. Presence of at least two-thirds of the members in the meeting is necessary to fulfill the quorum. If any member is absent due to pre-set obligations, medical reasons, or leave, they are required to nominate an alternate representative.

There were 12 meetings of ERMC held throughout the year. The dates are as follows:

| Meeting Number    | Meeting dates     |
|-------------------|-------------------|
| Meeting Number 1  | 31 January 2024   |
| Meeting Number 2  | 29 February 2024  |
| Meeting Number 3  | 31 March 2024     |
| Meeting Number 4  | 30 April 2024     |
| Meeting Number 5  | 30 May 2024       |
| Meeting Number 6  | 26 June 2024      |
| Meeting Number 7  | 31 July 2024      |
| Meeting Number 8  | 25 August 2024    |
| Meeting Number 9  | 25 September 2024 |
| Meeting Number 10 | 31 October 2024   |
| Meeting Number 11 | 27 November 2024  |
| Meeting Number 12 | 30 December 2024  |

## Roles and responsibilities of the committee

1. The accountability of ERMC is limited to submitting recommendations or reports to the competent authority (MD or RMC of the Board). If any decision is made based on these recommendations, ERMC is responsible for supervising its timely and effective implementation through the respective department or division.
2. ERMC reviews and recommends risk assessment and management policies, methodologies, guidelines and procedures/manuals in line with Bangladesh Bank directives for identifying, measuring, and monitoring risks.
3. The Committee supervises the assessment and maintenance of adequate capital and provision to support risk-taking. Through the RMD, the Committee also reviews and recommends maintaining supervisory capital as part of the Supervisory Review Process (SRP) in addition to regulatory capital.



4. To support the Bank's risk management functions the Committee provides direction and support in developing an effective information system/MIS and data management capabilities.
5. The Committee establishes principles for identifying, measuring, managing, and reporting Bank-wide and potential risks (Credit, Market, Liquidity & Funding, Operational, Reputational, Business, Environmental, ICT etc.) and recommends measures to control and mitigate them.
6. The Committee periodically reviews Key Risk Indicators (KRIs) across all departments and divisions and advises corrective actions where deviations take place.
7. The Committee annually oversees all risks to ensure exposures remain within Board-approved limits while maintaining adequate controls for reasonable risk-adjusted returns.
8. ERM is authorized to request information or explanations on any risk-related issues in any format from any individual, unit, department, or division. In such cases, the respective respondents must provide accurate and timely information.
9. ERM ensures arrangement of the Bank's Annual Risk Conference.

## Major areas focused by ERM in 2024

- Reviewed all risk-related reports throughout the year and implemented mitigating measures.
- EBL Relationship Management Application (RMA) policy was reviewed by the Audit Committee of the Board and approved by the Board of Directors.
- ERM reviewed Product Program Guidelines (PPGs) for Corporate Banking, Retail & SME Banking and the Cards division.
- Reviewed Risk Control Self-Assessment (RCSA) processes for Corporate, CRM, and Operations.
- Ensured periodic follow-ups across key risk sectors.

On behalf of the Executive Risk Management Committee,

**Sd/-**

**Mostafa Sarwar**

Head of CRM & Acting Chief Risk Officer  
Chairman, ERM

# 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 (amendment up to date), 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 named 'Directors Report 2024' 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 2024 and Management Discussion and Analysis (MD&A) section with relevant analytics and outlook.
- Any recommended reserve in the balance sheet: An amount of BDT 1,509 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 17.5% cash dividend and 17.5% stock dividend for the completed year 2024.
- Any event after balance sheet date which may affect company's financial condition: Nothing significant.
- Any change in Bank's activities, subsidiaries' activities etc.: EBL has launched its Islamic Banking on 22 August 2024 to meet growing demand for Shariah-compliant financial services, serving a community rooted in Islamic values, principles, and trust.

In compliance with BSEC Corporate Governance Code dated 03 June 2018 (amended upto 2023) 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 2024.
- Segment-wise or product-wise performance: Business segment-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" and "Comparative analysis of financial performance (2019-2024)" part of the Directors Report 2024.
- Discussion on continuity of any extra-ordinary gain or loss: EBL has not experienced any extra-ordinary gain or loss in 2024. EBL's Five Year Progression presented in the "Information for Stakeholders" section provides 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 2024.
- 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 4,020 million through issuance of 7-year non-convertible subordinated bonds in 2015, 2019 and 2023 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 33 to the Financial Statements 2024.
- 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 2024 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditor, A. Qasem & 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 auditor, A. Qasem & Co., Chartered Accountants also provided their opinion on the same by issuing an unqualified 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 made on prudent ground. 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 2024.



- 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 2024.
- 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 2024 have been adequately discussed in the Directors Report 2024 and Management Discussion & Analysis section.
- Summarization of last five year's key operating and financial data: Please see 'Five-year Progression of Financials' in the section of "Information for Stakeholders".
- Declaration of dividend or not: Declared 17.5% cash dividend and 17.5% stock dividend for the year 2024.
- Declaration of bonus share or stock dividend as interim dividend: No bonus share or stock dividend was declared as interim dividend in 2024.
- Number of Board meetings and directors' attendance in 2024: 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 2024.
- 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 'Profile of Directors of the Board' section of this report and Annexure C of the Financial Statements 2024.
- Management's discussion and analysis signed by MD: Please see 'Managing Director's Review' and 'Management Discussion and Analysis' section of this annual report.
- Certification by the MD and CFO: The certification by MD 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 M M Rahman & 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 those prescribed practices is presented in Corporate Governance Report.

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2024 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

**Sd/-**

**Md. Showkat Ali Chowdhury**

Chairman of the Board of Directors

# Directors Responsibility Statement to Establish Appropriate System of Internal Control

The Board of Directors of Eastern Bank PLC. (EBL) acknowledges its responsibility to establish a strong internal control system and has delegated the overall supervision role to the Audit Committee. The Audit Committee meets at regular intervals to fulfill its responsibilities as assigned by the statutes and the Board of Directors. The Board actively reviews internal audit report, management report, Bangladesh Bank inspection report, and various other reports generated by internal departments to ensure compliance and management due diligence. It verifies the effectiveness of the Bank's internal control systems using various tools, emphasizing continuous risk identification and mitigation.

This control system not only helps the Bank achieve its goals but also ensures compliance with local laws, regulations, and internal/external policies, reducing the risk of unexpected loss or damage. Additionally, EBL conducts anti-fraud control self-assessments twice a year, following Bangladesh Bank's DOS Circular Letter No. 10 dated 09 May 2017. The results are shared with Bangladesh Bank to confirm our compliance status.

Details have been discussed under Directors Report 2024, Report of the Audit Committee of the Board, and Corporate Governance Report.

On behalf of the Board of Directors

**Sd/-**

**Md. Showkat Ali Chowdhury**

Chairman of the Board of Directors

# Directors Statement on Adequacy of Internal Control System

Eastern Bank PLC. (EBL) has implemented a strong internal control system aimed at ensuring compliance with regulations and upholding sound corporate governance. The internal control and compliance division conducts periodic audits and ensures adherence to corporate and business laws, as well as established internal policies. The Board of Directors follows up on the status of the Bank's governance practices using various tools, including a comprehensive internal control strategy, and relevant legislations such as the Bank Company Act, 1991 (amendment up to date), the Companies Act, 1994 (amendment up to date), and various Securities Laws.

The Board has delegated its responsibilities to three committees namely the Executive Committee, Audit Committee, and Risk Management Committee. These committees play a crucial role in overseeing accounting records, ensuring accurate and fair financial representation, effective risk management, and strengthening internal controls.

The audit committee of the Board oversees the effectiveness of internal control systems, ensuring compliance with laws, ethical codes, and best practices. EBL has so far established various written policies including the Internal Control & Compliance Policy, EBL Compliance Policy, EBL Audit Policy & Process Guideline, Fraud & Theft Prevention and Management Policy, Incident Reporting Process Guideline, EBL Money Laundering & Terrorist Financing Risk Management Policy (AML Policy), and AML Solution End User Guide, among others. These policies, guidelines, and manuals are updated at regular intervals and communicated to all employees.

An internal audit & compliance mechanism evaluates and monitors the operational activities, with an approved risk-based audit plan. The Board reviews the internal control and compliance system, providing recommendations for improvement.

The Board reviews internal control's soundness, does continuous monitoring, and assures the accuracy of financial records. Financial statements, prepared on a going concern basis, are considered reliable by the Board, complying with international financial reporting standards and relevant regulatory guidelines.

On behalf of the Board of Directors

**Sd/-**

**Md. Showkat Ali Chowdhury**

Chairman of the Board of Directors



# Statement of Non-Compliance with Mandatory Requirements and Regulatory Statutes

We are pleased to inform our esteemed shareholders that, upon a comprehensive review of our operations for the year 2024, Eastern Bank PLC. (EBL) has found no known instances of non-compliance with applicable regulatory statutes that may have material impact on the Bank's ability to create value in the short, medium and long term for the shareholders.

In the ever-evolving regulatory landscape of the financial industry, maintaining compliance is a top most priority for EBL. Our Internal Control & Compliance team remains vigilant in staying abreast of regulatory changes, and we continue to invest in strong internal controls to ensure ongoing adherence to the ethical standards and regulatory requirements.

We put importance of regulatory compliance in maintaining the trust and confidence of our shareholders, and we are committed to uphold these standards in all aspects of our business operations.

We thank you for your continued support and trust in EBL.

**Sd/-**

**Md. Abdullah Al Mamun FCS**

Company Secretary

# Statement on Ethics and Business Code of Conduct

Our corporate governance philosophy is rooted in responsible value creation, ensuring fairness, and compliance with laws and best practices. Transparency and accountability, guided by the principle 'when in doubt, disclose,' define our commitment to stakeholders. Having embraced a trusteeship model and maintained a strong system of control and risk management, we have established a business model intertwined with responsible asset liability management and operational resilience.

EBL upholds a strong compliance culture through its Code of Conduct and Ethical Guidelines, applicable to employees with focus on anti-money laundering laws, promoting honesty and integrity, avoiding conflicts of interest, and prohibiting bribery. These code and guidelines emphasize responsible business and financial practices, discourage speculation in stocks, prohibit participation in active politics, and outline ethical principles for handling customer complaints. We are committed to maintain the highest standards of conduct and integrity across all levels of the Bank.

The Managing Director, as the head of the management team, is accountable to the Board for running the Bank in line with established policies and regulatory guidelines. Management's key duties include safeguarding stakeholder interests, implementing Board approved policies and strategic direction, and maintaining a strong internal control system to ensure legal and regulatory compliance.

EBL's Code of Conduct serves as both an internal guideline and external commitment of corporate values to its stakeholders. It articulates the mission, vision, and values while defining expected behaviors from employees in dealing with internal and external stakeholders. The code sets ethical benchmarks for measuring individual and organizational performance, acting as a central reference for employees in day-to-day decision-making and navigating ethical dilemmas. It stands as a valuable resource, aiding employees in accessing relevant documents, services, and resources to maintain ethical code of business and operation across EBL.

On behalf of the Board of Directors

**Sd/-**

**Md. Showkat Ali Chowdhury**

Chairman of the Board of Directors

# Statement on Protection of the Interest of Minority Shareholders

Eastern Bank PLC. (EBL) is committed to ensure protection of shareholders' interests, particularly the interests of minority shareholders. EBL adheres to all applicable national laws and regulations, particularly the provisions of the Bank Company Act 1991, The Companies Act 1994, Corporate Governance Code 2018, Memorandum & Articles of Association, and other applicable provisions related to minority shareholders' interests.

Shareholders' legitimate concerns are promptly addressed with a commitment to lawful resolution through our "Redressal of Investors Complaints" mechanism. We have strong governance mechanisms and practices aimed at ensuring integrity, fairness, and accountability, thereby enhancing stakeholders' confidence.

The management of the Bank has assigned a designated officer to receive complaints from shareholders. Investors/shareholders of the Bank can lodge their complaints through various channels, including email, dedicated helpline, online portal of Stock Exchanges, courier, etc. A well-established process is in place for the redressal of investors' complaints. Details are presented in page 92

Through ongoing communication and information dissemination, we uphold our commitment to safeguarding the interests of all shareholders, including minorities.

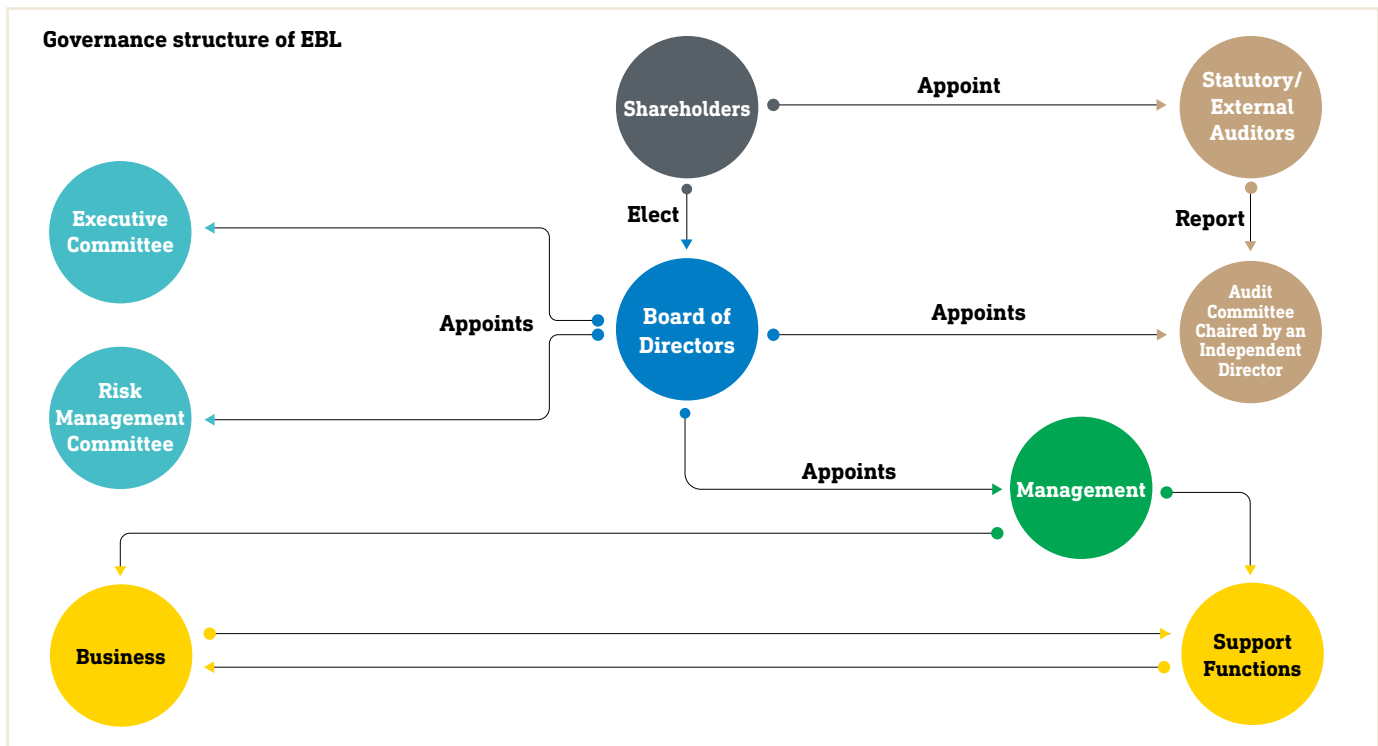
# Corporate Governance Report

EBL's corporate governance practices prioritize varied stakeholder interests through ethical and responsible business conduct, adhering to legal and regulatory compliance in all its business and operational processes. The Board approves governance policies and practices, delegates authority to committees and management to ensure operational integrity, ethical standards, transparency, accountability, and foster a culture of integrity across the organization. As a publicly listed company, EBL meticulously discloses its governance practices annually in its report, with compliance status duly certified by professional accountants or chartered secretaries, as required by the BSEC Code of Corporate Governance. Compliance certificate can be viewed in the page 167.

## Governance structure

Board of Directors occupies the center stage of our governance framework 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 responsibility 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.



The Bank makes sure that strong ethical values and rules are followed in the businesses and fosters a culture of honesty, respect and openness. EBL has a set of rules and code of conducts that everyone who works here has to follow. These rules make sure everyone treats each other, suppliers, shareholders, and investors fairly.

## Guiding philosophy of governance practices

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 for 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.

## 1. Board of Directors, Chairman and CEO/MD

### 1.1 Company's policy on appointment of Directors

#### Policy on appointment of Directors

Directors are appointed as per respective provisions, sections and regulations of the following:

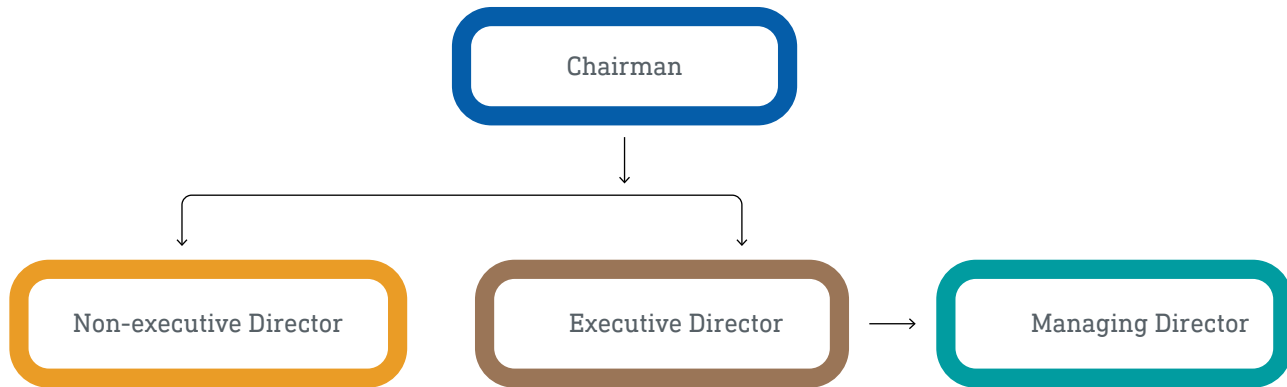
- Companies Act
- Bank Company Act
- Bangladesh Bank
- Bangladesh Securities & Exchange Commission and
- Articles of Association of the Bank (EBL)

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, marketing, administration and law. Their rich and diverse backgrounds have given the Board a vantage point in directing and monitoring the Bank to achieve its desired goals.

#### Structure of the Board

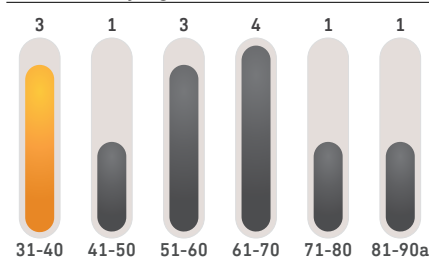
According to Clause 94 of the Articles of Association of EBL, the Board of Directors (BoD) currently comprises 13 (Thirteen) directors among whom 12 (twelve) are Non-executive directors including the Chairman and 1 (one) is the Managing Director (Ex-Officio). BoD of the Bank appointed 2 (two) Independent Directors in compliance with the BSEC Corporate Governance Code and Section 15 of Bank Company Act 1991.

#### Leadership structure of EBL

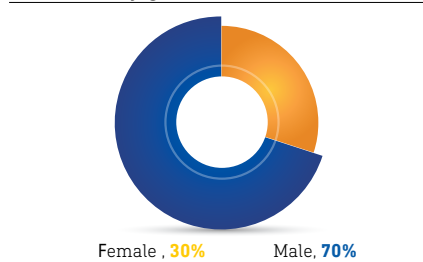


#### Diversity of the Board

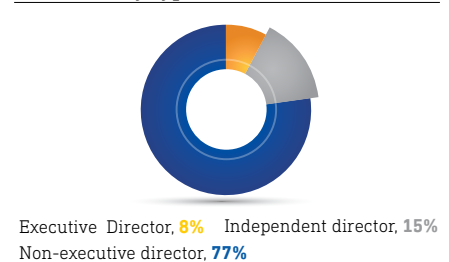
##### Directors by age



##### Directors by gender



##### Directors by type



#### 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 32<sup>nd</sup> Annual General Meeting (AGM) held on April 29, 2024. Being eligible for re-election, following directors were re-elected/elected by the shareholders in the same AGM.

| SL | Name of Director  | Mode of Change |
|----|---|----------------|
| 1  | Md. Showkat Ali Chowdhury<br>Representing: Namreen Enterprise Ltd | Re-elected     |
| 2  | M. Ghaziul Haque  | Re-elected     |
| 3  | Salina Ali<br>Representing: Borak Real Estate Ltd.                | Re-elected     |
| 4  | Mir Nasir Hossain<br>Representing: Mir Holdings Limited           | Retired        |
| 5  | Mahreen Nasir<br>Representing: Mir Holdings Limited               | Newly 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.

- Anis Ahmed
- Ruslan Nasir
- Mufakharul Islam Khasru
- Gazi Md. Shakhawat Hossain



## 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 the guidelines of Bangladesh Bank:

| Major roles and responsibilities           | Brief Particulars   |
|--|---|
| Work planning and strategic management     | <ul style="list-style-type: none"> <li>• Determining the objectives and goals and chalk out strategies and work plans.</li> <li>• Making strategies relating to structural change for enhancement of institutional efficiency and other relevant policy matters.</li> <li>• Analyzing/monitoring the status of implementation of the work plans.</li> <li>• Setting the Key Performance Indicators (KPIs) for MD &amp; officers immediate two tiers below MD, and have it evaluated from time to time.</li> </ul>   |
| Credit and risk management                 | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Delegating lending authority to MD and his designated executives prudently.</li> <li>• Framing policies for risk management and monitoring compliance of the guidelines of Bangladesh Bank regarding key risk management.</li> </ul>  |
| Internal control management                | <ul style="list-style-type: none"> <li>• Keeping vigilance on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan portfolio.</li> <li>• Establishing internal control system in such a way that the internal audit process can be conducted independently from the management.</li> <li>• Reviewing reports submitted by its audit regarding compliance of recommendations made in internal and external audit reports and Bangladesh Bank inspection reports.</li> </ul>   |
| Human resources management and development | <ul style="list-style-type: none"> <li>• Framing policies relating to recruitment, promotion, transfer, disciplinary measures, human resources development etc. and service rules.</li> <li>• 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.</li> <li>• Carrying out recruitment, promotion, transfer and punishment of the officers- immediate two tiers below the MD in compliance with the service rules.</li> <li>• 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).</li> <li>• Establishing a Code of Ethics for every tier and promote healthy code of conducts for upholding a compliance culture.</li> </ul> |
| Financial management                       | <ul style="list-style-type: none"> <li>• Finalizing and approving annual budget and periodic financial statements.</li> <li>• 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.</li> <li>• Framing policies and procedures for bank's purchase and procurement activities and accordingly approving Delegation of Authority to MD 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.</li> <li>• Reviewing whether an Asset-Liability Committee (ALCO) has been formed and is working as per Bangladesh Bank guidelines.</li> </ul>   |
| Appointment of Managing Director (MD)      | <ul style="list-style-type: none"> <li>• Appointing an honest, efficient, experienced and suitable Managing Director with the approval of Bangladesh Bank.</li> </ul>   |
| Formation of supporting committees         | <ul style="list-style-type: none"> <li>• Forming an executive committee, an audit committee and a risk management committee with the directors. Board cannot form any other sub-committee except the mentioned three committees.</li> </ul>   |

**Skills, competencies and experience of the Board**

| Name                           | Status with Bank     | Educational Qualification   | Experience/Skill  | Executive committee | Audit Committee | RMC    |
|--------------------------------|----------------------|---|---|---------------------|-----------------|--------|
| Md. Showkat Ali Chowdhury      | Chairman             | Graduation, University of Chittagong  | A renowned businessman and a founding director of EBL   |                     |                 |        |
| M. Ghaziul Haque               | Director             | Graduation from Chittagong College (Under University of Dhaka)  | Chairman of MGH Group and a founding director of EBL  |                     |                 |        |
| Anis Ahmed                     | Director             | MBA from Arkansas State University, USA and BSc. in Finance from University of Utah   | Founder and Group CEO of MGH Group  | Member              |                 |        |
| Salina Ali                     | Director             | Honors and Master's in Sociology (University of Dhaka)  | Salina Ali is the Chairperson of Unique Group, a leading business conglomerate in Bangladesh  | Member              |                 |        |
| Mufakkarul Islam Khasru        | Director             | MBA (IBA), University of Dhaka and B.Com, Government College of Commerce, Chattogram  | Managing Director of Finlay Properties Limited, an affiliate of JF (Bangladesh) Limited   |                     | Member          | Member |
| Gazi Md. Shakhawat Hossain     | Director             | Master's in Accounting, University of Dhaka   | CEO of Borak Real Estate Ltd.   |                     | Member          | Member |
| K.J.S. Banu                    | Director             | Master's in Bengali, University of Dhaka  | Director of Samorita Hospital Ltd. and involved in various social development projects in Dhaka and Chattogram and has professional interest in Banking & Healthcare sector.  |                     |                 |        |
| Zara Namreen                   | Director             | MSc. from Queen Mary University of London.  | Executive Director of JF (Bangladesh) Limited and associated with business enterprises such as Namreen Enterprise Limited, Z.N. Enterprise Limited and S.N. Corporation. She is the Managing Director of Finlay Bazar Limited.                                  | Member              |                 |        |
| Ruslan Nasir                   | Director             | MBA from Rotman School of Management, University of Toronto and Bachelor of Engineering from Carleton University, Canada  | Deputy Managing Director of Mir Ceramic Limited and Director of several enterprises including Mir Telecom Limited, Mir Holdings Limited, Bangla Telecom Limited and Coloasia Limited.   |                     | Member          |        |
| Mahreen Nasir                  | Director             | M.Eng. in Telecommunications from Concordia University, Canada and a Bachelor's in Electrical and Electronics Engineering from Ahsanullah University of Science and Technology (AUST) | Director of Mir Holdings Limited, Mir Telecom Limited, Coloasia Limited, Mir Ceramic Limited, Bangla Telecom Limited, and BTS Communications (BD) Limited   |                     |                 | Member |
| Barrister K. M. Tanjib-ul Alam | Independent Director | Bar-at-Law, Lincoln's Inn, UK and LLB honors from University of London  | An international arbitrator and a leading corporate and constitutional lawyer and a Senior Advocate of Supreme Court of Bangladesh.   |                     |                 | Member |
| Khondkar Atique-e-Rabbani FCA  | Independent Director | Chartered Accountant (FCA) and B Tech Honors Degree in Statistics from University of Bradford, UK   | Managing Director of The Computers Limited  |                     | Member          |        |
| Ali Reza Iftekhar              | Managing Director    | MBA, Graduation in Marketing from University of Dhaka   | A stellar performer throughout his career spanning over 3 decades, he was awarded "CEO of the Year 2012" at Asian HR Leadership Award held in Dubai. In 2022, the World Business Outlook magazine awarded him the "Best Banking CEO of the Year" of Bangladesh. | Member              |                 |        |



## Ownership composition

As on 31 December 2024, the Directors of EBL held 30.67% of total shares whereas General Public, Institutions & Foreign investors held 24.16%, 44.68% and 0.49% respectively:

| SL. | Composition       | 31-12-2024        |                   | 31-12-2023        |                   |
|-----|-------------------|-------------------|-------------------|-------------------|-------------------|
|     |                   | No of shares held | % Of total Shares | No of shares held | % Of total Shares |
| 1   | Directors         | 416,494,935       | 30.67%            | 370,217,723       | 30.67%            |
| 2   | General Public    | 328,192,021       | 24.16%            | 266,204,206       | 22.05%            |
| 3   | Institutions      | 606,825,873       | 44.68%            | 567,517,404       | 47.01%            |
| 4   | Foreign Investors | 6,626,225         | 0.49%             | 3,295,382         | 0.27%             |
|     | Total             | 1,358,139,054     | 100%              | 1,207,234,715     | 100%              |

## 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             | 31-12-2024        |                   |
|-----|---|----------------------|-------------------|-------------------|
|     |   |                      | No of shares held | % of total shares |
| 1   | Md. Showkat Ali Chowdhury<br>Representing Namreen Enterprise Ltd.           | Chairman             | 53,839,454        | 3.97%             |
| 2   | M. Ghaziul Haque  | Director             | 43,611,207        | 3.21%             |
| 3   | Anis Ahmed<br>Representing MGH Healthcare Ltd.                              | Director             | 27,703,207        | 2.04%             |
| 4   | Salina Ali<br>Representing Borak Real Estate Ltd.                           | Director             | 65,144,660        | 4.79%             |
| 5   | K. J. S. Banu   | Director             | 36,298,045        | 2.67%             |
| 6   | Gazi Md. Shakhawat Hossain<br>Representing Purnima Construction (Pvt.) Ltd. | Director             | 41,027,567        | 3.03%             |
| 7   | Mufakkharul Islam Khasru<br>Representing ZS Holding Ltd.                    | Director             | 27,169,488        | 2.00%             |
| 8   | Zara Namreen<br>Representing Namreen Power Ltd.                             | Director             | 27,169,488        | 2.00%             |
| 9   | Ruslan Nasir<br>Representing Coloasia Ltd.                                  | Director             | 53,978,250        | 3.97%             |
| 10  | Mahreen Nasir<br>Representing Mir Holdings Ltd.                             | Director             | 40,553,569        | 2.99%             |
| 11  | Barrister K.M. Tanjib-ul Alam   | Independent Director | -                 | -                 |
| 12  | Khondkar Atique-e-Rabbani FCA   | Independent Director | -                 | -                 |
| 13  | Ali Reza Iftekhar   | Managing Director    | -                 | -                 |
|     | Total   |                      | 416,494,935       | 30.67%            |

## Free Float Shareholding

As on 31 December 2024, the Directors of EBL held 30.67% of total shares whereas General Public, Institutions & Foreign investors held 24.16%, 44.68% and 0.49% respectively:

| Particulars  | 31-12-2024        |                   | 31-12-2023        |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | No of shares held | % Of total Shares | No of shares held | % Of total Shares |
| 1. Total number of Shares  |                   | 1,358,139,054     |                   | 1,207,234,715     |
| Less: a. Shares held by Directors  | 416,494,935       |                   | 370,217,723       |                   |
| b. Shares held by Government   | NIL               |                   | NIL               |                   |
| c. Strategic shareholding by private Corporate Bodies/Individuals (Holding more than 5% shares by an individual/company, be considered as Strategic) | 135,449,611       |                   | 120,399,655       |                   |
| d. Shares held by Associate Companies (Cross Holding)  | NIL               |                   | NIL               |                   |
| e. Any other Locked-in Shares (Directors Personal Holding)   | 68,829,047        |                   | 70,098,793        |                   |
| 2. Sub-total (a to e)  |                   | 620,773,593       |                   | 560,716,171       |
| Total Free Float Shares (1-2)  |                   | 737,365,461       |                   | 646,518,544       |

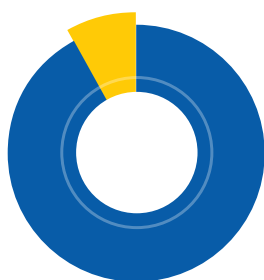
## Shareholding of MD, CS, CFO, Head of ICC and top 5 Salaried Executives

Please refer to Note 14.1 to the Financial Statements of 2024.

### 1.2 Adequate representation of non-executive directors

#### Non-Executive Directors

Given the heavily regulated nature of banking, non-executive directors play a vital role in maintaining financial stability, protecting depositors' interests, and ensuring the bank adheres to both local and international standards. All the Directors of EBL including the Chairman are Non-Executive Directors except the Managing Director.



Executive Director, 92%

Non-Executive Director, 8%

### 1.3 Independent Director

EBL encourages effective representation of independent directors in its Board to infuse diverse knowledge and core competencies relevant to banking business. The BoD has appointed 02 (two) independent directors in compliance with relevant Corporate Governance Code of BSEC. The independent directors being conversant in the field of financial, information technology, 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.

| Name of Independent Director   | Educational qualification  | Compliance on Corporate Governance Code of BSEC |
|--------------------------------|--|---|
| Barrister K. M. Tanjib-ul Alam | Bar-at-Law, Lincoln's Inn, UK.<br>LLB honors from University of London                           | Complied on condition no. 1(3) (b)(v)           |
| Khondkar Atique-e-Rabbani FCA  | Chartered Accountant (FCA)<br>B Tech Honors Degree in Statistics from University of Bradford, UK | Complied on condition no. 1(3) (b)(i) & (b)(v)  |

#### Roles, Responsibilities and Accountabilities of the Independent Director

- He/she will ensure proper compliance with the Bank Company Act 1991, and other acts, rules and regulations relevant to the management of the bank.
- He/she will appropriately inform Bangladesh Bank any information regarding violation of the Bank Company Act 1991, or any other Act/regulation by the board of directors.
- He/she will participate in board meetings and provide thoughtful opinions on the memorandum presented at board meetings. If any memorandum is presented by the independent director, it must be considered important by the board.
- If he/she is included in any sub-committee(s) of the board he/she will properly fulfill the roles, responsibilities, and directives of those committees as member.
- If the opinion of the independent director is not given appropriate importance by the board or its sub-committees, or

if any inappropriate practice is observed in banking operations, he/she will inform the Banking Regulation and Policy Department, including the Department of Offsite Supervision of the Bangladesh Bank, in writing.

- If any complaint is substantiated against the independent director or if adverse opinions regarding negligence in his/her duties are found in any inspection conducted by the Bangladesh Bank, action will be taken against him/her in accordance with the Bank Company Act, 1991.
- The Chairman/President of the Audit Committee must be elected from the independent directors. The term of the Chairman/President of the Audit Committee shall be three (3) years. An independent director cannot hold the position of Chairman/President of the Audit Committee consecutively for two terms.
- He/she shall always strive for the protection of the interests of depositors and ordinary shareholders (excluding directors) on the board.

### 1.4 Chairman to be independent of MD/CEO

#### Separation of Chairman and Managing Director roles

In compliance with the guidelines of Bangladesh Bank and BSEC, 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 Managing Director.

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 MD'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.

MD, 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.

### 1.5 Responsibilities of the Chairman of the Board and independence of non-executive Directors

#### Responsibilities of the Chairman

To fix following responsibilities, guidelines of Bangladesh Bank and BSEC have been taken into consideration.

|   |   |
|---|---|
| <b>The overall responsibilities of the Chairman</b> | Ensures that the Board sets and implements the Bank's direction and strategy effectively.                           |
|   | Acts as the Bank's lead representative, explaining policies and aspirations to the shareholders.                    |
|   | Ensures 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 MD.
- 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.

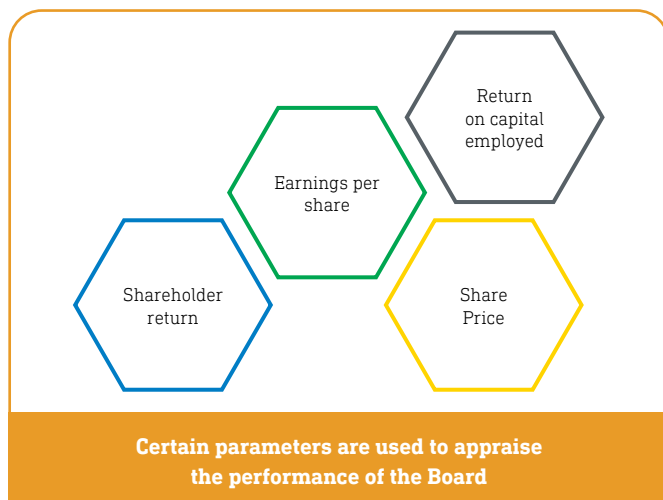
### Independence of Non-Executive Directors

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.

### 1.6 Annual appraisal of the Boards performance

#### 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 patience hearing and responds to their queries.



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.

### 1.7 Annual evaluation of the MD/CEO by the Board

#### Annual evaluation of MD by the Board

The Board of Directors of EBL clearly defines and approves the roles, responsibilities and duties of MD. Based on these assigned responsibilities, BoD makes annual evaluation of MD.

|                                       |  |
|---------------------------------------|--|
| Performance evaluation of MD by Board | Evaluating various reports featuring financial position and performance.   |
|                                       | Scrutinizing compliance status of various assignments given by the Board to MD and his team from time to time.   |
|                                       | Variance analysis of budget vs. actual result and steps taken by MD 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 that are used to evaluate. |

#### Roles and responsibilities of MD

To set out the following responsibilities of MD, guidelines of Bangladesh Bank and BSEC have been taken into consideration.

- In terms of financial, business and administrative authorities vested upon him by the BoD, the MD 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 MD 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 MD shall point out if there is any deviation from the Bank Company Act 1991 and other relevant laws and regulations.
- The MD 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 MD. 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 MD, 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.

#### Roles and responsibilities of CFO, CS and HIAC

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

#### Roles and responsibilities of CFO

**Committee representations:** Apart from discharging routine and ad-hoc responsibilities, this position is required to represent in a number of key management committees including MANCOM, ALCO, Investment Committee, Purchase Committee, ERM etc.

**Financial reporting, planning & analysis:** Supervising preparation and reporting of periodic financial statements including Annual Report of the Bank and the Group and regulatory reports (to BB/BSEC) in compliance with applicable financial reporting standards and relevant regulatory guidelines/circulars. Setting direction for the bank as well as business units through budget, strategic business plans and the variances analyzed and shared. Sharing performance and profitability status of branches and business units with required insights for better alignment of business unit goals with that of EBL.

**Management of payables, tax and fixed assets:** Supervising processing of all payables in line with budgetary control practices; managing fixed assets and tax/vat ensuring proper due diligence.



**Reporting to strategic partners:** Supervising quarterly Covenants report to various multilateral agencies like ADB, IFC, DEG, FMO, PROPARGO and Yearly Eligibility Certification for IPPF, IFC, DEG and due diligence reports on ad-hoc basis.

**Supervision and Monitoring of subsidiaries' reporting:** To ensure fair and accurate financial reporting of the parent (EBL) as a Group and to uphold the reputation of EBL, reasonable amount of supervision and control has to be exercised upon certain performances and financial reporting practices by subsidiaries and representative offices.

## Roles & responsibilities of Company Secretary

### Corporate governance & Board affairs

The Company Secretary (CS) upholds ethical practices and ensures compliance with the Code of Corporate Governance, acting as the custodian of good governance. He manages all Board and Committee affairs, guiding the Board on governance practices, responsibilities, and fiduciary duties. CS also ensures timely implementation and monitoring of all Board and Committee decisions and resolutions.

### Board and committee management

The Company Secretary coordinates and facilitates Board, Committee, and Shareholders' meetings (AGM/EGM) in line with laws and internal policies. He also oversees the operations of key Board Committees—such as Audit, Risk Management, Executive, and Nomination & Remuneration Committees—ensuring they function effectively as per their charters and regulatory guidelines. He is also looking after the affairs of the Management Committee and EBL Foundation.

### Regulatory compliance & reporting

The Company Secretary ensures timely compliance with all applicable laws and regulations, including the Bank Companies Act 1991, The Companies Act 1994, BSEC rules and directives, DSE/CSE listing regulations, and Bangladesh Bank circulars and prudential guidelines. He prepares and submits various regulatory reports and disclosures such as shareholding patterns, price-sensitive information, corporate governance compliance, and dividend declarations, and handles responses to queries, notices, and inspections from regulatory bodies including Bangladesh Bank, BSEC, RJSC, and others.

### Shareholder and investor services

The Company Secretary manages shareholder communication, grievance resolution, dividend distribution, and other corporate actions. He also oversees investor relations activities, including the publication of annual reports, regulatory disclosures, and statutory notices, while organizing AGMs/EGMs, handling proxy solicitation, and ensuring transparent communication with shareholders.

### Record management

The Company Secretary maintains all statutory books and registers, including those of shareholders and directors. He ensures proper custody and archival of Board papers, resolutions, legal documents, and other corporate records.

### Publication, disclosure & communication

The Company Secretary ensures timely publication of financial results, governance disclosures, and regulatory announcements through the bank's website and newspapers. He also manages external communications with stakeholders in line with regulatory requirements.

### Oversight of subsidiaries

The Company Secretary supervises and monitors the corporate governance and compliance affairs of the Bank's subsidiaries. He ensures their operations align with the parent bank's governance framework and reporting requirements, while coordinating Board meetings and implementation of decisions across the subsidiaries.

## Roles and responsibilities of HIAC

### Key responsibilities

- Developing Risk Based Internal Audit Plan (RBIAP) for the year and obtain Audit Committee's approval before start of the New Year and monitoring the implementation of the same.
- Develop, implement and maintain the Internal Audit Policies & Process Guidelines including Audit Charter and champion the Internal Audit Function throughout the Bank.
- Ensure Internal Audit teams comply with the Internal Audit Policies & Process Guidelines, EBL ICC Policies and BB Guidelines on Internal Control & Compliance in banks.
- Support proper professional development for Internal Audit staff, including proper training, counselling and implementation of a transparent appraisal system.
- Present the significant Internal Audit findings to the Chairman and members of the Audit Committee of the Board at certain interval. Ensure that all recommendations made by the Audit Committee are duly implemented.
- Ensuring that Audit engagement planning, reviewing, execution of audit and Reporting are made as per audit policy and process of the bank

### Supervision of staff

Ensure that the team assigned possess the requisite knowledge, skills and other competencies required to complete the audit assignment. Ensure that the whole team is working without any fear & influence from anybody else to uphold the independence.

### Professional conduct & development

Ensure appropriate training and conduct regular counselling sessions with the employees.

### Stakeholder management and regulatory relationship

Ensuring proper support, co-operation and co-ordinations to internal divisions/departments/branches, develop and maintain relationship with professional & regulatory bodies.

## Disclosure on duality of positions

In compliance with Rule 3(1)(c) of the Corporate Governance Code 2018, issued by the Bangladesh Securities and Exchange Commission (BSEC), the senior management team members of EBL — including the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC) — do not hold any executive position in any other organization while serving in their respective roles at EBL.

## 1.8 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.

## 1.9 Directors' knowledge and expertise in Finance and Accounting

Three Directors in the Board 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, Law, ICT and administration.

## 1.10 Number of meetings of the Board

### 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 2024, a total of 22 Board Meetings were held; the attendance records are as follows:

| SL | Name                       | Position | No. of Meetings attended |
|----|----------------------------|----------|--------------------------|
| 1. | Md. Showkat Ali Chowdhury  | Chairman | 21/22                    |
| 2. | M. Ghaziul Haque           | Director | 01/22                    |
| 3. | Anis Ahmed                 | Director | 11/22                    |
| 4. | Salina Ali                 | Director | 12/22                    |
| 5. | K. J. S. Banu              | Director | 21/22                    |
| 6. | Gazi Md. Shakhawat Hossain | Director | 19/22                    |

| SL  | Name                          | Position             | No. of Meetings attended |
|-----|-------------------------------|----------------------|--------------------------|
| 7.  | Mufakkarul Islam Khasru       | Director             | 18/22                    |
| 8.  | Zara Namreen                  | Director             | 16/22                    |
| 9.  | Ruslan Nasir                  | Director             | 13/22                    |
| 10. | Mahreen Nasir*                | Director             | 12/14                    |
| 11. | Barrister K.M. Tanjib-ul Alam | Independent Director | 12/22                    |
| 12. | Khondkar Atique-e-Rabbani FCA | Independent Director | 21/22                    |
| 13. | Ali Reza Iftekhar             | Managing Director    | 20/22                    |

\* Mahreen Nasir is a member of the Board since 9 May 2024

### Quorum for meeting:

Quorum is the minimum number of persons required to enable a meeting go into session. At EBL, the quorum for the meeting of the Board of Directors shall be 4 (four). If the required number of directors are not in Bangladesh, meeting may be held in present of 3 (three) directors for quorum.

### Key activities performed by Board in 2024

To ensure good governance in bank management, it is essential to have a specific demarcation of responsibilities and authorities among the board of directors and management committee over the bank's affairs. In Sections 15Kha and 15Ga of the Bank Company Act, 1991, the board of directors is entrusted with adopting and implementing policies, risk management, internal audit and control, and ensuring their implementation.

The key activities performed by Board during the year 2024 include:

- Capital Plan and business strategy of the Bank.
- Business budget of the bank for the year 2024.
- Adoption of the quarterly financial statements and annual financial statements of the Bank.
- Declaration of dividend for the shareholders of the Bank.
- Adoption of the directors report 2024.
- Approval of chairman's statement, Directors' report and directors' responsibility statement for the annual report of the Bank.
- Convening of the annual general meeting.
- Approval of Audit plan for the year 2024.
- Approval of amendments to the various policies/manuals of the bank.
- Recommendation for appointment of external auditors and corporate governance auditors of EBL.
- Appointment of cash incentive auditors for the bank.
- Approval of Annual health report of EBL.
- Approval of recovery plan of EBL for the year 2024.
- Review and approval of report on risk management policies



of EBL.

- Review and approval of risk appetites of EBL for the year 2024.
- Review and disclosure of nature of business interest of directors and management of the Bank.
- Approval of proposals that are beyond the powers of management of the Bank.

### 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.

Information on Composition, role, meetings, attendance, etc. of other Board committees

| Name                          | Status with Bank        | Executive Committee (EC) | EC Meeting Attendance | Risk Management Committee (RMC) | RMC Meeting Attendance | Audit Committee (AC) | AC Meeting Attendance |
|-------------------------------|-------------------------|--------------------------|-----------------------|---------------------------------|------------------------|----------------------|-----------------------|
| Salina Ali                    | Director                | Chairman                 | -                     |                                 |                        | -                    | -                     |
| Anis Ahmed                    | Director                | Member                   | -                     | -                               | -                      | -                    | -                     |
| Zara Namreen                  | Director                | Member                   | -                     | -                               | -                      | -                    | -                     |
| Ali Reza Iftekhar             | Managing Director       | Member                   | -                     | -                               | -                      | -                    | -                     |
| Gazi Md. Shakhawat Hossain    | Director                | -                        | -                     | Chairman                        | 6/6                    | Member               | 6/6                   |
| Mufakkarul Islam Khasru       | Director                | -                        | -                     | Member                          | 6/6                    | Member               | 6/6                   |
| Mahreen Nasir                 | Director                | -                        | -                     | Member                          | 2/6                    | -                    | -                     |
| Barrister K.M. Tanjib-ul Alam | Independent Director    | -                        | -                     | Member                          | 1/6                    | -                    | -                     |
| Khondkar Atique-e-Rabbani FCA | Independent Director    | -                        | -                     | -                               | -                      | Chairman             | 6/6                   |
| Ruslan Nasir                  | Director                | -                        | -                     | -                               | -                      | Member               | 2/6                   |
| Mir Nasir Hossain             | Ex Director             |                          |                       | Ex Chairman                     | 2/2                    |                      |                       |
| Dr. Toufic Ahmad Choudhury    | Ex Independent Director |                          |                       | Ex Member                       | 3/4                    | Ex Member            | 4/4                   |

### Board Committees and their responsibilities

To ensure good governance in bank management, Bangladesh Bank issued a circular 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.

#### Executive Committee (EC)

**Appointment and composition:** In Compliance with Section 15 Kha (2) of Bank Company Act 1991 and guidelines of Bangladesh Bank, the Board of Directors of EBL has re-constituted the Executive Committee (EC) of the Board in 2024 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 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)

Details of Audit Committee has been presented in "Report of the Audit Committee of the Board" in page 96 and later section of this Corporate Governance Report page 124.

## Risk Management Committee

**Appointment and composition:** In Compliance with guidelines of Bangladesh Bank, the Board of Directors of EBL has re-constituted the Risk Management Committee of the Board in 2024 with four 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 four 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 2024 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 MD, Chief Risk Officer (CRO) or any other executive to attend the committee meeting. The RMC held 6 (six) meetings during 2024 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 2024 have been presented in "Report of the Risk Management Committee of the Board" section of this report.

### 1.11 Reports on compliance with best practices on Corporate Governance

#### Compliance with corporate governance guidelines

| Compliance status  | Page reference |
|--|----------------|
| Corporate Governance Code issued by BSEC   | 136            |
| Bangladesh Bank  | 145            |
| Companies Act-1994 (amended up to 2020)  | 157            |
| Bangladesh Secretarial Standards (BSS)   | 158            |
| Certificate of compliance status of corporate governance code by M M Rahman & Co., Chartered Accountants | 167            |

### Governance of Board of Directors of Subsidiary Companies

EBL has 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 the minutes of the respective Board meeting.
- The Audit Committee of EBL reviews the Financial Statements, the investments in particular made by the subsidiary companies.

### 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.

### Appointment of Independent Scrutinizer for the 33<sup>rd</sup> AGM of EBL

Mohammad Sanaullah & Associates has been 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 33<sup>rd</sup> Annual General Meeting (AGM) of the Bank (EBL). Independent Scrutinizer shall have to submit the authenticated report on process of election & voting results to Bangladesh Securities & Exchange Commission (BSEC) within 48 (forty-eight) hours from the conclusion of Annual General Meeting (AGM) of the Bank (EBL).

## 2. Vision / mission and strategy

### 2.1 Board approved vision / mission statements

- The vision and mission statement of the Bank approved by the Board of Directors is presented in page 14-15 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 17 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.

### 2.2 Business objectives and areas of business focus

Details of business objectives and areas of business focus have been presented in page 215 in "Strategy and Resource Allocation Plan"

### 2.3 Strategies for achieving the business objectives

To achieve business objectives, various strategies are formulated aligning with vision, mission and strategic priorities. Details of



strategies to achieve the company's business objectives have been presented in page 218.

- Deposit related strategy
- Loan & advance related strategy
- Export and Import related strategy

Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues

We operate with a clear understanding of the Bank's strategic goals, cultural identity, and ethical boundaries. Details of risk assessment, monitoring and reporting have been presented in page 179.

The code of conduct provides ethical standards that serve as criteria for evaluating the performance of individuals and the Bank as a whole for addressing integrity and ethical issues. Details of "Code of Conduct and Ethical Guidelines" has been presented in page 16.

Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management

BoD plays a central role in shaping the strategic direction of the organization and ensuring that risk is appropriately identified, assessed, and managed. Details of Governance structure of risk management, Risk management committees, role of Board and risk culture at EBL have been presented in page 172.

## **3. Audit Committees**

### **3.1 Appointment and Composition**

In compliance with the guidelines of Bangladesh Bank and BSEC's Corporate Governance Code, 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. 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. Details of AC members are stated in "Corporate Directory" Section of this annual report.

#### **3.1.1 Chairman of the Audit Committee**

Khondkar Atique-e-Rabbani FCA is Chairman of the Audit Committee and independent Director of the bank. He earned B Tech (Hons) in Statistics from University of Bradford, UK. He is a fellow member of the Institute of Chartered Accountants of Bangladesh.

More information about him is available in the Directors' Profile page 24.

#### **3.1.2 Specific terms of reference**

The ToR of the AC has been framed in line with the provisions of Bangladesh Bank, BSEC's Corporate Governance Code 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" section of this report, page 96.

#### **3.1.3 Members are Non-Executive Directors**

All of the members of the Audit Committee are non-executive director. No Executive of the Bank is eligible to become a member of the AC. Details of the members have been presented in page 96.

#### **3.1.4 Qualification of members**

All members of the Audit Committee (AC) are financially literate with degree in accounting, engineering and business administration. Moreover, all members of the AC have reasonable knowledge in banking business, its operations, and risks involved in it. Mentionable, two Directors in the Audit Committee having expert knowledge of finance and accounting.

Name and educational backgrounds of the committee members have been presented in page 96.

#### **3.1.5 Direct access of Head of internal audit to Audit committee**

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.

The Internal Audit function's independence is ensured with the Head of Internal Audit reporting directly to the Audit Committee Chair.

#### **3.1.6 Meeting of the Audit Committee**

The Audit Committee of EBL held 6 (six) meetings in 2024 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 2024 have been presented in "Report of the Audit Committee" section of this annual report in page 96.

## **3.2 Objectives & Activities**

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 (page 96).

#### **3.2.2 Review of internal controls**

The Audit Committee continuously assesses the effectiveness of internal controls to ensure they are functioning properly. They regularly evaluate the Bank's internal control systems by examining the responses to any lapses or deficiencies noted in reports from the Internal Control and Compliance Division. Additionally, the Committee reviews the recommendations from the ICCD and management's responses to ensure that any identified issues are addressed promptly and effectively. Details of Audit committee's role in effective internal control has been presented in "Internal audit and effective implementation of internal controls" section of page 100.

### 3.2.3 Role in ensuring compliance

EBL strives to fully comply with all banking laws and regulations, including timely regulatory reporting. By maintaining compliance, EBL aims to ensure regulatory compliance as well as sustainable financial growth within the banking sector. Audit committee reviews compliance with laws and regulations set by the regulatory authorities and internal policies approved by the Board to ensure management's adherence.

### 3.2.4 Involvement in the review of the external audit function

The Audit Committee (AC) recommends the appointment, re-appointment, and removal of external auditors for shareholder approval at the Annual General Meeting (AGM). This includes overseeing the selection of new auditors and investigating any factors that may lead to an auditor's resignation. Additionally, the AC manages the relationship with external auditors, approving their remuneration, assessing their independence, and ensuring there are no conflicts of interest.

The AC holds regular meetings with the external auditors for pre-audit planning and post-audit discussions. These meetings include an annual session without management being present, specifically to address audit-related matters. The AC also reviews the auditors' findings and ensures that management takes prompt action to address any identified irregularities.

#### Appointment of external auditors

The shareholders of EBL in the 32<sup>nd</sup> AGM held on 29 April 2024 appointed A. Qasem & Co. Chartered Accountants, as the statutory auditors for the year 2024.

#### Services not provided by external auditors

In compliance with the provision 7 of BSEC Corporate Governance Code, we declare that A. Qasem & Co., Chartered Accountants, was not engaged in any of the following services during 2024 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 A. Qasem & Co., Chartered Accountants, nor any family members of them held any share of EBL during the tenure of their audit assignment.

### 3.2.5 Involvement in selection of appropriate accounting policies

The AC ensures compliance with prevailing rules, regulations, and financial reporting standards along with evaluating the completeness and accuracy of the financial statements. Based on the Audit committee's recommendation, the Board also ensures that the Bank's financial statements prepared for each financial year sets out a true and fair view in accordance with prevailing rules, International Financial Reporting Standards, and the requirements of the Companies Act, 1994 (amended up to date) and Bank Company Act 1991 (amended up to date).

### 3.2.6 Review of annual and interim financial releases

Audit committee is also responsible for scrutinizing quarterly and half-yearly financial statements with management prior to submission to Board for approval. Additionally, AC collaborates with management and external auditors to review annual financial statements before submission to the Board for approval.

## 4. Internal control & risk management

### 4.1 Directors' responsibility to establish appropriate system of internal control

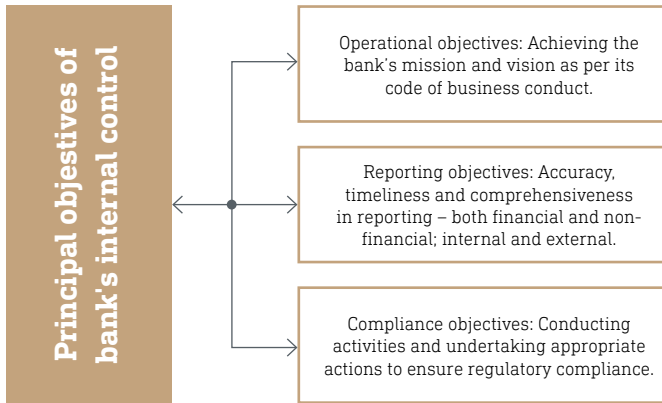
The Board of Directors of Eastern Bank PLC (EBL) acknowledges the responsibility of maintaining a strong internal control system and has assigned supervisory duties to the Audit Committee. The Board actively monitors the effectiveness of internal controls, focusing on ongoing risk identification and mitigation.

Statement of Directors' responsibility to establish appropriate system of internal control has been presented in page 109.

### 4.2 Internal control system

In an increasingly digitized 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 the assessment of whether the risk management, control and governance processes of the bank is adequate and functioning in a manner to ensure:

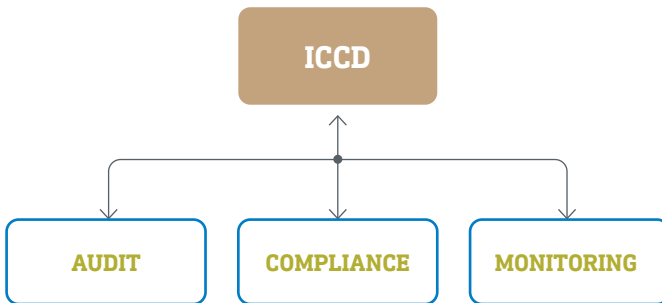
- Adequacy and effectiveness of risk management systems.
- Dissemination of significant financial, managerial and operational information in an accurate, reliable and timely manner.
- All the activities of the employees are in compliance with policies, standards, procedures, laws and regulations.
- Use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



### 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. 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 three departments namely: Audit, Compliance and Monitoring.



### Internal Audit Department

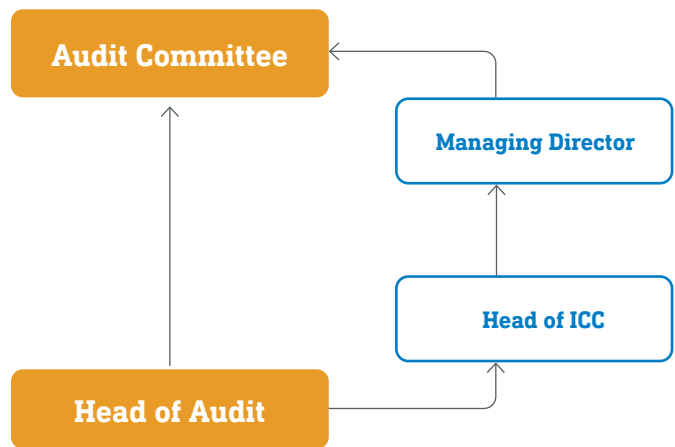
Internal Audit is an integral part of corporate governance framework and plays an important role in enhancing management and accountability both in financial and non-financial affairs of the Bank. It is the key component in EBL's assurance structure. While all assurance mechanisms are important, coordination 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, Managing Director and senior executives while external stakeholders are shareholders, regulators, customers and the general public at large.

The department has a diverse range of roles including audit of Retail & SME Banking- branches & sub-branches, agent banking, Corporate banking, credit risk & administration, trade operations, treasury, AML, core risks, information systems, subsidiaries, centralized operations and regulatory assignments entrusted by regulator on need basis.

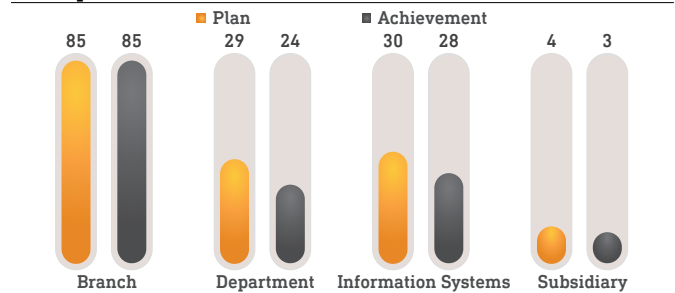
### Independence of audit

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 BoD and BB 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.



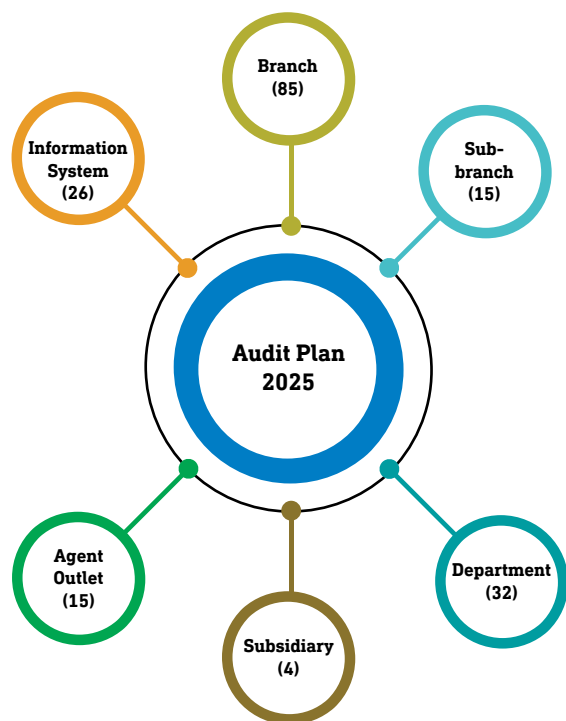
### Audit plan vs. achievement in 2024



Additionally, Internal Audit department conducted additional audit activities in 2024 such as audit of 6 core risks (CRM, AML, FX, ALM, ICT & ICC), audit of 10 sub-branches, 07 surprise audit of branches, 07 special AML audit of branches, 15 agent outlets audit, quarterly PIF audit, cash incentive, etc.

### Risk based internal audit plan for 2025

After thorough discussion and analysis, with prime focus on risk based audit approach, internal audit plan 2025 of EBL and its subsidiaries was prepared and presented by head of internal audit to the ACB.



Additionally, special assignments instructed by the regulator and senior management on need basis will be conducted. Internal audit submits periodic internal reports and summaries thereof to the senior management, MD as well as the Chairman of the Audit Committee. The head of internal audit provides at least quarterly updates to the Audit Committee or more frequently as appropriate. Internal audit, monitoring and compliance department coordinate its operations with the activities of the external auditor for maximum effect.

### Internal audit in the era of 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 will continue over the next decade through 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 enhances the skillset of the internal audit function by aligning with future business and technology strategies. The Information System Audit team comprises skilled staff with professional certifications, technical expertise, and industry knowledge in information and cybersecurity.

### Monitoring Department

Monitoring Department contributes to ensure overall efficiency of EBL's internal control mechanism on a perpetual basis through monitoring of departments and branches. This department is entrusted to protect and enhance EBL's brand value by assuring the appropriate practice of internal control system and tools, provide advice and comprehensions 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 activities

Management reviews: Reports are submitted to Audit Committee of the Board and senior management on a regular basis regarding operations exceptions and deficiencies of documentations.

**Activity controls:** Department or division level management receives and reviews standard performance and exception reports periodically. Functional reviews occur more frequently than top-level reviews and usually are more detailed. Departments like Business Units (Corporate, Retail & SME), Credit Risk Management, Treasury, Operations are the major areas under monitoring department's surveillance.

**Physical controls:** Physical controls generally focus on restricting access to tangible assets, including cash and securities. Control activities include physical limitations, dual control for custodians and periodic checking of portfolio.

**Compliance with exposure limits:** An important aspect of internal controls is a process for reviewing compliance with all limits and follow-up on instances of non-compliance. Compliance with limits for borrowers and other counterparties reduces the Bank's credit risk and helps to diversify its risk profile. Implementation of effective monitoring system helps EBL to maintain low non-performing asset in its asset portfolio.

**Approvals and authorizations:** Requiring approval and authorization for transactions over certain limits ensures that an appropriate level of management is aware of the transaction or situation and helps to establish accountability.

**Verifications and reconciliations:** Verifications of transaction details and activities and the output of risk management models used by EBL are important control activities. Periodic reconciliations, comparing transactions to account records and statements, help identify activities and records that need to rectify. Consequently, the results of these verifications are reported to the appropriate levels of management whenever any deviation from approved process occurs.

### Applied scope for Monitoring

#### Offsite supervision

Monitoring Team supervises regular operational activities of the Bank without physical presence to the department with the help of IT platform like core banking system, business object, data management system, e-doc software etc.

#### Regulatory

1. Department Control Function Checklist (Daily/Weekly/Monthly/ Quarterly)
2. Quarterly Operations Report.
3. Loan documentation Checklist
4. Self- Assessment of Anti-Fraud Internal Controls Report to Bangladesh Bank as per DOS-10

#### Spot visit

Monitoring team visits Division/Departments/Branches physically to check whether control process, documentation, vouchers and other activities are conducted complying with applicable process guidelines.



## Compliance Department

Compliance department is entrusted with the responsibility of upholding compliance culture throughout the bank by following rules, regulations, guidelines and policies from regulators and bank itself. This department ensures compliance of compulsory laws, rules, and guidelines in every unit of the bank and provide required guidance. This department 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 proper enactment of all regulatory policies 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 queries of regulatory bodies like-National Board of Revenue, Anti-Corruption Commission, Ministry of Finance, Law enforcing agencies and other regulators;
- Advise and guide departments and branches in resolving 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.

### 4.3 Reviewing the adequacy of the system of internal controls

The BoD has implemented a strong internal control system for upholding sound corporate governance. It acts as the backbone of risk management, ensuring compliance with laws and regulations, safeguarding assets, preventing fraud, and maintaining the accuracy and integrity of financial and operational information. The Board reviews internal control's soundness, does continuous monitoring, and assures the accuracy of financial records. Financial statements, prepared on a going concern basis as at 31 December 2024, are considered reliable by the Board, complying with international financial reporting standards and relevant regulatory guidelines. Details are in page 109 (Directors Statement on Adequacy of Internal Control System)

### 4.4 Identification of risks

Banks operate in a dynamic and highly regulated environment, making them vulnerable to a wide array of risks. These risks can arise from both internal operations and external factors. Effective risk identification is the cornerstone of a robust risk management framework, helping banks to proactively mitigate potential threats to their stability, profitability, and reputation.

Identifying both internal and external risks is essential for a bank's long-term resilience and compliance. A comprehensive risk identification process enables early warning mechanisms,

informed decision-making, and the development of effective mitigation strategies.

| Quantitative Risks   | Qualitative Risks  | Emerging Risk   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• Credit risk</li> <li>• Market risk</li> <li>• Liquidity and funding risk</li> <li>• Strategic risk</li> </ul> | <ul style="list-style-type: none"> <li>• Operational risk</li> <li>• Reputational risk</li> <li>• Environmental &amp; social risk</li> </ul> | <ul style="list-style-type: none"> <li>• Forex crisis</li> <li>• War Situation</li> </ul> |

EBL's organizational structure follows the Three Lines of Defense ("3LoD") model with a clear definition of roles and responsibilities for all risk types.

#### The First Line of Defense ("First LoD")

Business units and operational staff.

**Responsibility:**

Owns and manages risk directly

**Role:**

They are responsible for identifying, assessing, controlling, and mitigating risks as part of their daily responsibilities. This includes adhering to policies and procedures, ensuring internal controls are functioning effectively, and escalating risks where appropriate.

#### The Second Line of Defense ("Second LoD")

Risk Management and Compliance Department

**Responsibility:**

Oversees and facilitates risk management and compliance.

**Role:**

The second line provides guidance, monitoring, and support to ensure that the first line is operating within the bank's risk appetite. This includes developing risk policies, monitoring adherence, and providing independent risk oversight. It also includes compliance with regulatory requirements.

#### The Third Line of Defense ("Third LoD")

Independent Internal Audit and Assurance

**Responsibility:**

Provides independent assurance.

**Role:**

Internal Audit operates independently of the first and second lines and reports directly to the Audit Committee of Board. It evaluates the effectiveness of governance, risk management, and control processes, providing assurance that the first and second lines are functioning as intended.

More on identification and mitigation of these risks are provided in the "Risk Management Report" in page 173.

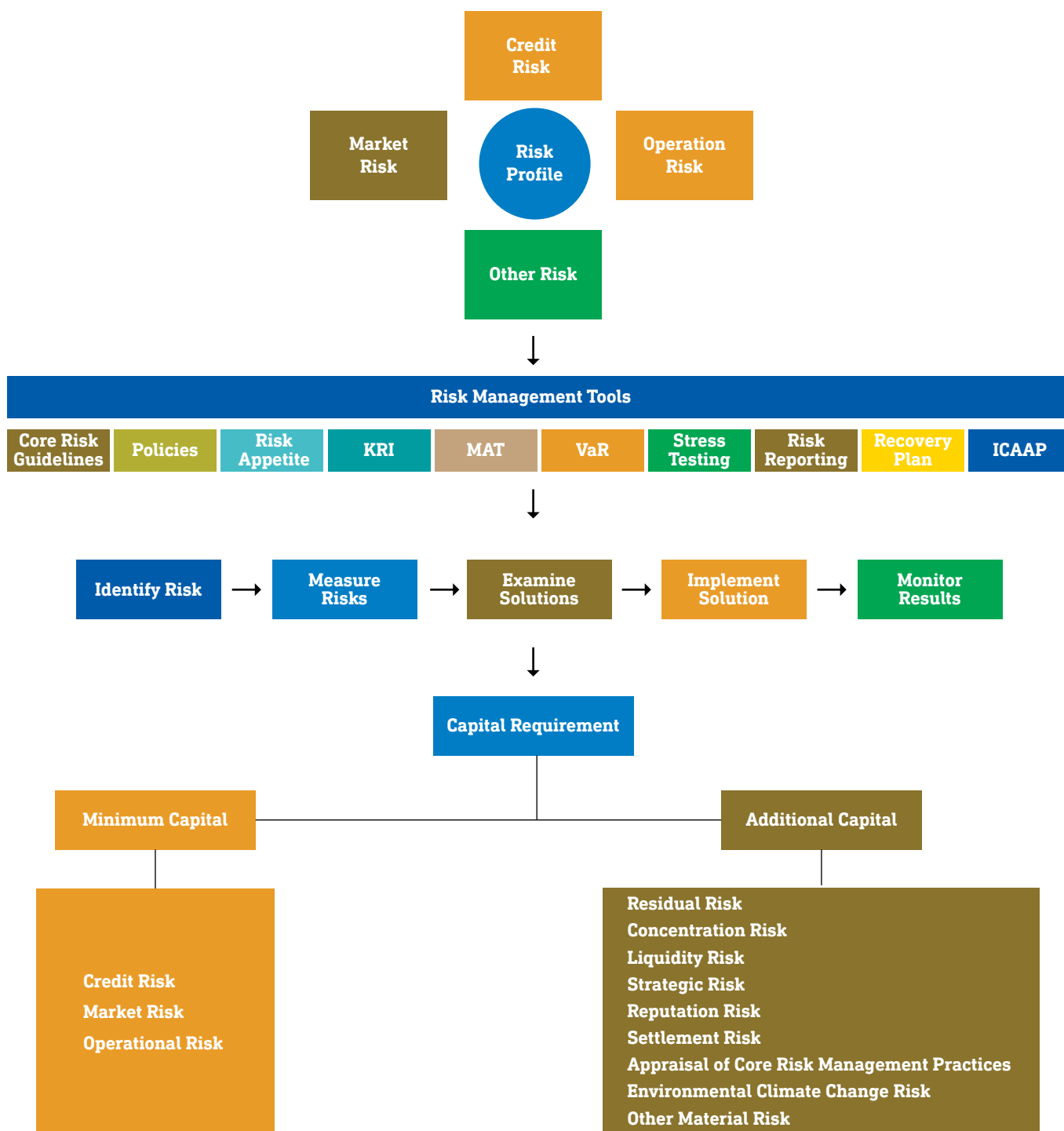
We have provided disclosure on risk reporting in page 184.

### 4.5 Strategies adopted to manage and mitigate the risks

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.

To adhere to regulatory standards and global best practices, EBL has developed risk mitigation strategies based on the policies and guidelines of Bangladesh Bank and its own risk appetite, limits, standards, reporting procedures, Key Risk Indicator (KRI), Management Action Trigger (MAT), and capital allocation in accordance with the Basel framework, including Stress Testing. Below diagram explains the process flow. Details on Risk mitigation methodologies along with risk management and mitigation tactics have been presented in "Risk Management" section of this report in page 180.



## 5. Ethics and Compliance

### 5.1 Ethics and values

#### 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. Details of "Code of Conduct and Ethical Guidelines" are presented in page 16.

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.

### 5.2 Communication of the statement of ethics & business practices to all directors and employees

The statement of ethics and business practices are communicated to all directors and employees to ensure awareness and understanding of corporate culture. The following way EBL keeps updated and create awareness on the matter:

1. **Mail communication:** The statements are shared via e-mail and made accessible on the company intranet.
2. **Training:** Regular training sessions are conducted to discuss on the matters described in the statement in detail and address any questions.
3. **Acknowledgment:** All employees are required to acknowledge their receipt and understanding of the statement, either through a digital confirmation or a signed document while joining EBL.
4. **Ongoing Communication:** Updates or revisions to the statements are communicated promptly to ensure everyone remains informed.

This approach ensures that all staff members are aware of the ethical standards expected of them and understand the importance of adhering to these principles.

### 5.3 Commitment to establish high level of ethics and compliance

The Board of Directors is unwavering in its commitment to fostering a culture of high ethical standards, integrity, and strict compliance within the organization. BoD recognizes that a strong ethical foundation and adherence to applicable laws and regulations are essential to maintaining the trust of our stakeholders, safeguarding the bank's reputation, and ensuring long-term sustainability. For EBL, ethics and compliance are not merely regulatory obligations, but core values that define who we are and how we do business.

Please refer to "Statement on Ethics and Business Code of Conduct" page 110 of this Annual report.

### 5.4 Whistle blowing policy

#### Whistleblowing policy 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 or suspected 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. More on speak up policy has been presented in the section "eblHR: Transforming the Future Workforce of EBL" in page 320.

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.

#### Effective anti-money laundering and antiterrorist financing program

EBL has established a definitive stance against money laundering and terrorist financing, demonstrating a commitment to a Zero Tolerance approach. The Board and senior management have placed utmost priority to the Anti-Money Laundering (AML) and Anti-Terrorism Compliance Program. To build a vigorous antimoney 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.

Responsibilities of the Central Compliance Committee (Triple C):

- 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 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 implemented 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. In 2024 EBL AMLD has reviewed and updated "EBL Prevention of Trade Based Money Laundering Policy" (TBML Policy).

## 5.5 Directors' interest in significant contracts and arrangements

### 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. However, EBL Skylounge situated at HSIA, Dhaka for 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 30<sup>th</sup> June 2025.

### 5.6 Related Parties

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.

Please refer to Annexure C1 of financial statements for details of related party transactions. (Page 432)

### 5.7 Business continuity plan or disaster recovery

Ensuring operational resilience is a top priority for EBL, enabling uninterrupted services even during unforeseen events. These events may include natural disasters such as fires, floods, and earthquakes, as well as man-made disruptions like power outages, connectivity failures, and explosions. EBL's approved Disaster

Recovery Plan (DRP) provides a comprehensive framework of actions to be executed before, during, and after crises, ensuring swift and effective responses.

EBL's disaster recovery capabilities are supported by two geographically dispersed Disaster Recovery Sites (DRS): Dilkusha serves as the near DRS for immediate restoration, while Jashore functions as the far DRS for long-term continuity. Tailored data backup and retention strategies have been implemented, minimizing the risk of information loss and aligning with the criticality of each system.

Annual disaster recovery (DR) drills are conducted by EBL to simulate real-world disruptions. In the latest exercise, EBL successfully tested its ability to resume critical operations—including core banking systems, card management systems, BACH2, BEFTN, Skybanking, and OBDX—during a complete data center failure. These simulations provide valuable insights for continuous enhancement of the DRP, reinforcing EBL's robust and adaptive approach to navigating challenges and maintaining seamless service continuity.

### 5.8 Board's policy on IT governance

The BoD has established a comprehensive framework for IT governance to ensure the effective management of Information Technology as a cornerstone of innovation, operational efficiency, and sustainable growth. IT governance is seamlessly aligned with enterprise governance, adopting a holistic approach that considers stakeholder expectations, evaluates strategic options, establishes priorities, and monitors performance and compliance against defined objectives.

The Information Security Policy and ICT Risk Management Policy have been approved to achieve the following governance objectives:

- Aligning IT governance with enterprise governance principles.
- Ensuring oversight of the IT environment through global standards implementation.
- Maintaining strict compliance with regulatory requirements.
- Allocating IT resources judiciously to meet present and future needs.
- Ensuring transparency in procurement processes.

This policy framework promotes robust IT governance, enabling technological advancements and operational excellence while fostering innovation and ensuring sustainable growth in a structured and accountable manner.

### The responsibility those charged with governance take for promoting and enabling innovation

In today's rapidly evolving business landscape, innovation is no more a competitive advantage—it is a necessity. Board of Directors and senior leadership, play a critical role in fostering a culture of innovation while ensuring that it aligns with the Bank's strategic objectives, risk appetite, and ethical values. How BoD promotes innovation are stated below:



| Strategic Direction and Vision   | Enabling a Culture of Innovation  | Talent and Capability Development  | Ethical and Responsible Innovation  |
|--|---|--|---|
| <ul style="list-style-type: none"> <li>• Encouraging the pursuit of new technologies and processes that improve customer experiences and operational efficiency</li> <li>• Supporting investment in development, and digital transformation initiatives</li> <li>• Provide oversight of innovation initiatives to ensure they are pursued responsibly and sustainably</li> </ul> | <ul style="list-style-type: none"> <li>• Encouraging cross-functional collaboration and knowledge-sharing across departments and with external partners</li> <li>• Supporting policies that empower employees at all levels to contribute ideas and challenge the status quo</li> </ul> | <ul style="list-style-type: none"> <li>• Attracting and retaining talent with digital, analytical, and creative skillsets</li> <li>• Investing in continuous learning and upskilling programs to prepare the workforce for future demands</li> </ul> | <ul style="list-style-type: none"> <li>• Ensuring that innovation practices align with the organization's core values and regulatory obligations</li> <li>• Monitoring for potential risks such as data privacy concerns, cybersecurity threats, and unintended societal impacts of new technologies</li> <li>• Supporting inclusive innovation that considers environmental, social, and governance (ESG) factors</li> </ul> |

### How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders

Our culture, ethics, and values form the foundation of how we operate, make decisions, and engage with our stakeholders. These intangible elements deeply influence how it utilizes and impacts the six capitals—financial, manufactured, intellectual, human, social and relationship, and natural capital. EBL has a culture that promotes integrity, accountability, transparency, and transparency. These values guide decision-making processes and shape the organization's relationships, ensuring that growth and performance are achieved in a responsible and sustainable manner. This is communicated to all directors and employees to ensure awareness and understanding of corporate culture.

Reflections on the Capitals are listed below:

- **Financial Capital:** Prudent capital allocation and risk management reflect our commitment to financial sustainability and regulatory compliance. Transparent financial reporting and fair pricing helps us to build stakeholder confidence and long-term investor trust.
- **Manufactured Capital:** Branch networks, digital platforms, and FinTech infrastructure are deployed to enhance accessibility, security, and service delivery, reflecting a culture of innovation and inclusion.
- **Intellectual Capital:** Our good governance is built on ethical practices, commitment to values, and adherence to laws and regulations.
- **Human Capital:** Employees are trained to act with integrity and professionalism, reflecting our commitment to ethical.
- **Social and Relationship Capital:** We foster financial literacy, and responsible lending which shows our commitment to promote inclusive banking
- **Natural Capital:** By adopting ESG frameworks and climate disclosure practices, we demonstrate responsibility toward environmental stewardship.

Details on how these elements influence the relationship with our key stakeholders (key concerns) have been discussed in "Stakeholders Engagement" in page 242.

## 6. Nomination and remuneration committee

### 6.1 Role and responsibilities

#### Roles and responsibilities of the NRC committee

According to Bangladesh Bank BRPD Circular No. 02, issued on February 11, 2024, each bank is required to establish three committees alongside the Board of Directors: the Executive Committee, the Audit Committee, and the Risk Management Committee. The circular explicitly prohibits the formation of any additional permanent, temporary, or sub-committees beyond these three.

However, through BRPD Letter No. 21, dated May 12, 2024, Bangladesh Bank entrusted the Audit Committee of the Board with the additional responsibility of carrying out the functions of the Nomination and Remuneration Committee (NRC). Since then, EBL's Audit Committee has been performing all NRC functions. The Terms of Reference (ToR) for this expanded role has been developed and approved by the Board, and the Audit Committee has undertaken the roles and responsibilities of the NRC accordingly.

The NRC is responsible for overseeing, among others, the following matters and make report with recommendation to the Board:

- 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 independent directors and top level executives;
- Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- Identifying persons who are qualified to become directors in compliance with the respective rules & regulations, and who may be appointed in top level executive positions in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- Formulating the criteria for evaluation of performance of independent directors and the Board;
- Identifying the bank's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria

- f. Developing, recommending and reviewing annually bank's human resources and training policies

## 6.2 Composition of the committee

The NRC (responsibility entrusted with the Audit Committee) is comprised of four Directors, including one independent director all of whom are non-executive directors, with expertise in Accounting, Finance, Economics, Banking, and Strategy, adheres to the requirements of the Code of Corporate Governance issued

| Particular           | Key Policies  |
|----------------------|---|
| Board of Directors   | BRPD Circular No. 02, Dated: February 11, 2024: Formation & Responsibilities of Board of Directors of a Bank Company                            |
| Independent Director | BRPD Circular No. 03, dated February 14, 2024: Appointment, roles, responsibilities, and Honorarium of Independent Directors of Bank Companies. |
| Managing Director    | BRPD Circular No. 05 Dated 27 February 2024: Appointment and Responsibilities of Managing Director/Chief Executive Officer of a Bank-Company.   |
| Employees            | As per "People Management Policy" of EBL  |

The Board of Directors receives an honorarium for attending Board, Executive Committee, Audit Committee, and Risk Management Committee meetings, as per BRPD Circular No. 02 dated February 11, 2024. No other remuneration is provided.

Independent Directors receive a fixed monthly remuneration in addition to the honorarium for attending Board, Executive Committee, Audit Committee, and Risk Management Committee meetings, subject to tax deduction, as per BRPD Circular No. 03 dated February 14, 2024.

The Managing Director's remuneration and responsibilities are governed by BRPD Circular No. 05 dated February 27, 2024. Additionally, salaries and other job benefits for employees are regulated by EBL's People Management Policy.

## 6.4 Committee meetings and work performed

The Audit Committee held six meetings in 2024, surpassing the Bangladesh Bank's minimum requirement of four meetings per year. Throughout the year, the Committee thoroughly fulfilled its roles and responsibilities in accordance with applicable regulations and its Terms of Reference (ToR).

## 6.5 Remuneration of directors, chairman, chief executive and senior executives.

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

### Benefits provided to 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 fulltime car and a mobile phone to be used within country. The Chairman of EBL did not accept any support staff and private secretary and any mobile phone from the Bank.

### Benefits provided to Directors

Directors are entitled to fees and other benefits for attending the Board/sub-committee (EC/AC/RMC) meetings (The benefits

by Bangladesh Bank and BSEC. The committee is chaired by an Independent Director having extensive knowledge, experience and insight.

## 6.3 Remuneration of directors, senior management and employees

Key policies for the remuneration of Directors, Independent Directors, Senior Management, and Employees include, but are not limited to, the following:

provided to Directors of EBL have been mentioned in Note No. 33. of the Financial Statements).

### Benefits provided to Managing Director

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 of EBL have been mentioned in Note No 32 to the Financial Statements).

EBL has fully complied with Bangladesh Bank Circulars and Guidelines regarding benefits provided to Managing Director.

## How remuneration and incentives are linked to value creation in the short, medium and long term

EBL offers a competitive financial benefit package that includes increment, festival bonus, performance bonus, employee home loan, employee car loan, retirement benefits etc. All these benefits are streamlined and have been specified in our People Management Policy. Our competitive remuneration and incentive structure play a critical role in aligning employee behavior with the Bank's vision, strategy, and long-term value creation goals. Our balanced approach to compensation helps to ensure that short-term performance does not come at the expense of long-term sustainability, ethical conduct, or responsible use of resources.

Various type of employee benefits include:

- Financial benefits
  - Increment
  - Performance bonus
  - Home Loan
  - Car loan
  - Retirement benefit
  - Festival bonus
- Superannuation fund
- Critical illness fund
- Employee leave benefits



Effective remuneration and incentives help to employee motivation and retention in long term, and for promoting performance, integrity, and sustainable value creation.



## 7. Human capital

### 7.1 Policies and practices for human resource development and management

We are committed to upholding the highest standards of integrity and professionalism through the implementation of strong HR policies, clear communication channels, and regular audits. Our goal is to enhance trust, reliability, and overall success in the human resources sector by fostering a culture of good governance.

Detailed report on our human resource management covering the following areas are provided on page 320

- Succession planning: page 322
- Merit based recruitment: page 321
- Performance appraisal system: page 322
- Promotion, reward and motivation: page 322
- Training and development: page 321
- Gender/race/faith Diversity: page 324
- Policy on recruitment/retention/training and empowering retarded/handicapped staff grievance management and counseling: page 324

### 7.2 Organizational Chart

Organizational structure has been presented in page 22

## 8. Communication to shareholders & other stakeholders

### 8.1 Policy on stakeholders' engagement.

The assigned desk under Company Secretariat plays an important role to have 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. The management of the bank communicates with shareholders by various means including the following ways:

- By uploading the annual report on the bank's website.
- By sending the annual reports to bank's shareholders.
- By holding general meetings for the shareholders of the bank.
- By publishing annual and quarterly financial statements in daily newspapers, online news portal and bank's website.
- By disclosing price sensitive information (PSI) of the bank in daily newspapers, online news portal and bank's website.
- By publishing key information on bank's website and bank's social media pages.

- By publishing a press release about the bank's events in daily newspapers and bank's website.

### 8.2 Participation of shareholders in the Annual General Meeting

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. 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 32<sup>nd</sup> AGM have been presented in "Information for Stakeholders" section of this annual report.

### 8.3 Shareholders' grievance policy

Any complaint, received at AGM or throughout the year, related to transfer and transmission of shares, non-receipt of Annual Reports, timeliness of dividend receipts and other share related matters is resolved lawfully in time. The Company Secretary of EBL plays the role as a Chief Compliance Officer in handling any such issue related to our shareholders, investors etc. The details discussion has been presented in "Redressal of Investors' Complaints" section under "Information for Stakeholders" section of this annual report. Details on Redressal of shareholders complaints have been discussed in page no 92

### 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 the regulatory requirements and to facilitate 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 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 the shareholders for payment of cash dividend & distribution of bonus shares for the year 2024 through publishing daily newspaper and online news portal.

## Unclaimed dividend

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 2024, unclaimed dividend amount of EBL was BDT 57,092,144.13.

Summary of Unclaimed/Undistributed/Unpaid Stock Dividend and Cash Dividend and/or Fractional Dividend as on 31.12.2024

### Cash Dividend and proceeds from Fractional Bonus shares

| SL. No | Year                                    | Amount in BDT | Remarks  |
|--------|---|---------------|--|
| 1      | Cash Dividend for the year 1997 to 2017 | 62,472,595.57 | Transferred to the Capital Market Stabilization Fund (CMSF)  |
| 2      | Cash Dividend for the year-2018         | 7,634,782.10  | Necessary instructions and guidelines are yet to receive from the primary regulator regarding the transfer of the cash dividend to CMSF. |
| 3      | Cash Dividend for the year-2019         | 8,509,864.64  |  |
| 4      | Cash Dividend for the year-2020         | 10,096,200.50 |  |
| 5      | Cash Dividend for the year-2021         | 6,209,520.38  |  |
| 6      | Cash Dividend for the year-2022         | 12,136,827.04 |  |
| 7      | Cash Dividend for the year-2023         | 10,584,058.42 |  |

| Year   | Amount in BDT |
|--|---------------|
| Selling Fractional Bonus shares for the year 2006 - 2015 | 1,820,593.36  |
| Selling Fractional Bonus shares for the year 2016        | 14,377.56     |
| Selling Fractional Bonus shares for the year 2018        | 14,325.22     |
| Selling Fractional Bonus shares for the year 2020        | 24,734.72     |
| Selling Fractional Bonus shares for the year 2021        | 18,021.47     |
| Selling Fractional Bonus shares for the year 2022        | 15,177.22     |
| Selling Fractional Bonus shares for the year 2023        | 13,661.50     |

### Stock Dividend

| SL. No | Year                                     | No. of Shares | Remarks  |
|--------|--|---------------|--|
| 1      | Stock Dividend for the year-2006 to 2018 | 2,574,791     | Necessary instructions and guidelines are yet to receive from the primary regulator regarding the transfer of the cash dividend to CMSF. |
| 2      | Stock Dividend for the year-2020         | 529,066       |  |
| 3      | Stock Dividend for the year-2021         | 444,033       |  |
| 4      | Stock Dividend for the year-2022         | 499,804       |  |
| 5      | Stock Dividend for the year-2023         | 564,916       |  |

## 9. Environmental and Social obligations

### 9.1 Policies and practices relating to environment and society

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" sections of this Annual Report in page 257.

### 9.2 Activities in pursuance of these policies and practices

As a socially committed organization, EBL has undertaken several activities relating to: Environmental and Society which has been presented in page 258 (ESG highlights and carbon accounting)

#### 9.2.1 Participation in national program and assistance to disadvantaged group

Being a socially responsible corporate citizen, EBL engaged in a number of CSR activities throughout the year, including a number of donations towards charitable causes. We have spent BDT 94.09 million for various CSR related activities.

- BDT 14.30 million in health sector
- BDT 14.59 million for education
- BDT 10.10 million for Sports and Culture
- BDT 41.55 million for Disaster Management

Details on our CSR related activities have been presented in page 283.

#### 9.2.2 Activities towards sustainable environment

EBL firmly believes that even the smallest 'Green' actions today pave the way for a more sustainable future, and each individual can play a part in crafting a better world. With meticulous planning and efficient management, EBL has minimized the wastage of natural resources.

Our Head Office includes state of the art technology in sustainable architecture. The vertical transportation, air conditioning, lighting, recycling of waste water and soil, basement ventilation, access control and security or facade system - have been implemented in a manner that shows EBL's commitment to nature and sustainability. More details on our sustainable activities related to environmental, social and economic sustainability has been presented in page 273.



# 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 (amended up to 2023) issued under Section 2CC of the Securities and Exchange Ordinance, 1969 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 |   |
| <b>1.</b>     | <b>Board of Directors</b>  |   |              |   |
| <b>1(1)</b>   | <b>Size of the Board of Directors</b><br>The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).  | ✓   |              |   |
| <b>1(2)</b>   | <b>Independent Directors</b>   |   |              |   |
| 1(2) (a)      | At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s):<br><br>Provided that the Board shall appoint at least 1 (one) female independent director in the Board of Directors of the Company;   | ✓   |              | (i). There are 3 (three) Independent Directors (ID) in the EBL Board. One of whom has completed his tenure on 01 September, 2024. Meanwhile, EBL audit committee recommended another ID on 26 November, 2024 and the bank applied to BSEC for approval of the same on 27 November, 2024. However, regulators approval was pending at the end of the reporting period 31 December, 2024.<br><br>(ii). No female ID has been appointed as of date. EBL has applied for time extension to BSEC on March 22, 2025 for appointment of female Independent Director. |
| 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:<br><br>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;   | ✓   |              |   |

| Condition No. | Title   | Compliance Status (Put ✓ in the appropriate column) |              | Remarks  |
|---------------|---|---|--------------|--|
|               |   | Complied  | Not Complied |  |
| 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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution.   | ✓   |              |  |
| 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);  | ✓   |              | Please refer to the condition no.1(2)(a), Remarks (i). |
|               | Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of the recommendation of the Nomination and Remuneration Committee (NRC) of the company;  | ✓   |              | Please refer to the condition no.6                     |
| 1(2) (d)      | The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days; and   | ✓   |              | Please refer to the condition no.1(2)(a), Remarks (i). |
| 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.  | ✓   |              |  |
| <b>1(3)</b>   | <b>Qualification of Independent Director</b>  |   |              |  |
| 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 or existing official of government or statutory or autonomous or regulatory body in a position not below 5 <sup>th</sup> Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law:<br><br>In case of appointment of existing officials as independent directors, it requires clearance from the organization where he or she is in service;           |   |              | N/A  |
| 1(3)(b)(iv)   | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or   |   |              | N/A  |
| 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  |
| <b>1(4)</b>   | <b>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>  |   |              |  |
| 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;  | ✓   |              |  |



| Condition No. | Title   | Compliance Status (Put ✓ in the appropriate column) |              | Remarks  |
|---------------|---|---|--------------|--|
|               |   | Complied  | Not Complied |  |
| 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. | ✓   |              |  |
| <b>1(5)</b>   | <b>The Directors' Report to Shareholders</b>  |   |              |  |
| 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 Management Discussion & Analysis Section, Segmental Analysis     |
| 1(5)(iii)     | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;   | ✓   |              |  |
| 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;  | ✓   |              |  |
| 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;  | ✓   |              | Please refer to Five year Progression of Financials                              |

| Condition No.  | Title  | Compliance Status (Put ✓ in the appropriate column) |              | Remarks   |
|----------------|--|---|--------------|---|
|                |  | Complied  | Not Complied |   |
| 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);  | ✓   |              |   |
| 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's Review, Directors Report, and Management Discussion & Analysis 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 MD 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(5)(xxviii)   | The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.   | ✓   |              |   |
| <b>1(6)</b>    | <b>Meetings of the Board of Directors</b>  |   |              |   |
| 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. | ✓   |              |   |
| <b>1(7)</b>    | <b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>  |   |              |   |

| Condition No. | Title  | Compliance Status (Put ✓ in the appropriate column) |              | Remarks   |
|---------------|--|---|--------------|---|
|               |  | Complied  | Not Complied |   |
| 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.  |   |              |   |
| <b>2.</b>     | <b>Governance of Board of Directors of Subsidiary Company</b>  |   |              |   |
| 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;   | ✓   |              | EBL has 04 subsidiaries, among them the Board of EBL Finance (HK) Limited is composed of 3 members. |
| 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;  |   | ✓            | Please refer to clause (a) of the Report to the shareholders of EBL.                                |
| 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.   | ✓   |              |   |
| <b>3.</b>     | <b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>   |   |              |   |
| <b>3(1)</b>   | <b>Appointment</b>   |   |              |   |
| 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;   | ✓   |              |   |
|               | Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission;                             |   |              | N/A   |
|               | Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;  |   |              | N/A   |
| 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).  | ✓   |              |   |
| <b>3(2)</b>   | <b>Requirement to attend Board of Directors' Meetings</b>  |   |              |   |
| 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. | ✓   |              |   |
| <b>3(3)</b>   | <b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>   |   |              |   |
| 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 MD & CFO on Financial Report section.                            |
| 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;   | ✓   |              |   |

| Condition No. | Title   | Compliance Status (Put ✓ in the appropriate column) |              | Remarks                             |
|---------------|---|---|--------------|-------------------------------------|
|               |   | Complied  | Not Complied |                                     |
| 3(3)(c)       | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.   | ✓   |              | Disclosed in the Annual Report      |
| <b>4.</b>     | <b>Board of Directors' Committee</b>  |   |              |                                     |
| 4(i)          | Audit Committee; and  | ✓   |              |                                     |
| 4(ii)         | Nomination and Remuneration Committee.  |   |              | Please refer to the condition no. 6 |
| <b>5.</b>     | <b>Audit Committee</b>  |   |              |                                     |
| <b>5(1)</b>   | <b>Responsibility to the Board of Directors</b>   |   |              |                                     |
| 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.   | ✓   |              |                                     |
| <b>5(2)</b>   | <b>Constitution of the Audit Committee</b>  |   |              |                                     |
| 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 the Committee member expires, Board shall appoint new Committee member immediately or not later than 60 (sixty) days from the date of vacancy.  | ✓   |              |                                     |
| 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.   | ✓   |              |                                     |
| <b>5(3)</b>   | <b>Chairperson of the Audit Committee</b>   |   |              |                                     |
| 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):  | ✓   |              |                                     |
| <b>5(4)</b>   | <b>Meeting of the Audit Committee</b>   |   |              |                                     |
| 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.   | ✓   |              |                                     |
| <b>5(5)</b>   | <b>Role of Audit Committee</b>  |   |              |                                     |
| 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.   | ✓   |              |                                     |
| 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.  | ✓   |              |                                     |

| Condition No.  | Title   | Compliance Status (Put ✓ in the appropriate column) |   | Remarks          |
|----------------|---|---|---|------------------|
|                |   | Complied  | Not Complied  |                  |
| 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    |
| <b>5(6)</b>    | <b>Reporting of the Audit Committee</b>   |   |   |                  |
| 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<br><br>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 |
| <b>5(7)</b>    | <b>Reporting to the Shareholders and General Investors</b>  |   |   |                  |
|                | 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.  | ✓   |   |                  |
| <b>6.</b>      | <b>Nomination and Remuneration Committee (NRC)</b>  |   | N/A<br>[In compliance with the Bangladesh Bank's BRPD Circular Letter no. 21 dated 12 May 2024, the responsibilities of the Nomination and Remuneration Committee have been entrusted to the Audit Committee of the board.] |                  |
| 6(1)(a)        | The Company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee of the Board;  |   |   | N/A              |
| 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).  | ✓   |   |                  |
| <b>6(2)</b>    | <b>Constitution of the NRC</b>  |   |   |                  |
| 6(2)(a)        | The Committee shall comprise of at least three members including an independent director;   | -   |   |                  |

| Condition No. | Title  | Compliance Status (Put ✓ in the appropriate column) |              | Remarks |
|---------------|--|---|--------------|---------|
|               |  | Complied  | Not Complied |         |
| 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.  | -   |              |         |
| <b>6(3)</b>   | <b>Chairperson of the NRC</b>  |   |              |         |
| 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;  | -   |              |         |
| <b>6(4)</b>   | <b>Meeting of the NRC</b>  |   |              |         |
| 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.   | -   |              |         |
| <b>6(5)</b>   | <b>Role of the NRC</b>   |   |              |         |
| 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:   |   |              |         |
| 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;  | ✓   |              |         |



| Condition No. | Title   | Compliance Status (Put ✓ in the appropriate column) |              | Remarks |
|---------------|---|---|--------------|---------|
|               |   | Complied  | Not Complied |         |
| 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.   | ✓   |              |         |
| <b>7.</b>     | <b>External or Statutory Auditors</b>   |   |              |         |
| <b>7(1)</b>   | <b>The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:</b>   |   |              |         |
| 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.   | ✓   |              |         |
| <b>8.</b>     | <b>Maintaining website by the Company</b>   |   |              |         |
| 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.   | ✓   |              |         |
| 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).  | ✓   |              |         |
| <b>9.</b>     | <b>Reporting and Compliance of Corporate Governance</b>   |   |              |         |
| 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.   | ✓   |              |         |

# Bangladesh Bank Corporate Governance Guidelines: Our Compliance Status

This report (comprising Part-I, Part-II, Part-III, and IV) is intended to exhibit our compliance status of corporate governance practice in line with the relevant circulars issued by Banking Regulation and Policy Department (BRPD) of Bangladesh Bank. These circulars outline the guidelines pertaining to the establishment, functions, and obligations of the Board of Directors, the appointment and duties of the Managing Director, the contractual engagement of advisors and consultants, and appointment of independent directors, their roles, responsibilities, and honorarium.

## PART-I Formation & Responsibilities of Board of Directors of a Bank Company (BRPD Circular No. 02 Dated 11 February 2024)

| Reference | Provision  | Compliance Status |
|-----------|--|-------------------|
| 3         | (a) <b>Formation of Board of Directors:</b><br>The Board of Directors of a bank-company shall consist of shareholder directors, nominated directors on behalf of shareholder institutions, and independent directors. Where it is applicable, alternate directors may also be members of the Board.  | Complied          |
|           | (b) The maximum number of directors on the Board shall be 20 (twenty). Out of these 20, the number of independent directors shall not be less than 03 (three) and in case of number of directors on the Board less than 20 (twenty), the minimum number of independent directors shall be 02 (two).  | Complied          |
|           | (c) Not more than 03 (three) members of the same family can hold the position of director in any bank-company at the same time.  | Complied          |
|           | (d) Apart from these 03 (three) directors of the same family, a nominated director can be appointed on behalf of a maximum 02 (two) institutions or companies closely related or controlled by the said family.  | Complied          |
|           | (e) Not more than 1 (one) individual can be appointed as a nominated director on behalf of a shareholder institution or company  | Complied          |
|           | (f) An individual cannot be appointed as a nominated director in the Board on behalf of another individual shareholder (with a distinct natural personality)   | Complied          |
|           | (g) Pursuant to Section 15KaKa of the Bank Company Act, 1991, from January 28, 2018 no individual can hold the position of a director in any bank-company for more than 12 (twelve) consecutive years. They will not be eligible for reappointment unless expiration of 03 years' time after the completion of their tenure as director.   | Complied          |
|           | (h) All directors will retire at the first annual general meeting of a bank-company. Subsequently, one-third of the directors, based on seniority, will retire at each annual general meeting. In this case, the provisions described in Article 80 of schedule 1 of the Companies Act, 1994, must be followed. Retiring directors will be eligible to be re-elected for reappointment as directors. | Complied          |
| 4         | (a) <b>Qualifications and Eligibility of a Director:</b><br>The relevant individual must have at least 10 (ten) years of management or business or professional experience; The experience of an individual; gained before the age of 18 (eighteen), shall not be taken into consideration;  | Complied          |
|           | (b) The minimum age of the relevant individual shall be 30 (thirty) years;   | Complied          |
|           | (c) He/she has not been convicted of any criminal offense, neither involved in any fraud, financial crime, or any other illegal activities at present nor in the past;   | Complied          |
|           | (d) There are no adverse observations/comments regarding him/her in any of the verdict published by criminal or civil court;   | Complied          |
|           | (e) He/she has not been convicted for violation of any rules, regulations, policies, or laws of any regulatory authority related to the financial sector;  | Complied          |
|           | (f) He/she was not associated with any company/entity whose registration/license has been revoked or the entity has been liquidated;   | Complied          |
|           | (g) He/she is not a loan defaulter for any loan taken from any bank/financial institutions in his/her name or in the name of any entities related to him/her;  | Complied          |
|           | (h) He/she does not hold the position of director or advisor/consultant or any other beneficial position in any other bank-company, financial institution, insurance company, or subsidiary company of those companies;  | Complied          |
|           | (i) He/she does not hold the position of external auditor, legal advisor, advisor, consultant, or in any other beneficial position of the same bank-company;   | Complied          |



| Reference | Provision  | Compliance Status  |
|-----------|--|--|
|           | (j) He/she has not been declared insolvent by a court at any time;   | Complied   |
|           | (k) He/she is not a tax defaulter personally or for his sole proprietorship or partnership firm;   | Complied   |
|           | (l) In case of being employed in any position in the relevant bank company, a tenure of 5 (five) years must be passed after his/her resigning from the post;   | Complied   |
|           | (m) If he/she was listed as a willful defaulter by any bank or financial institution established under the Finance Company Act, 2023, he/she shall not be eligible to become director of any bank until the expiration of 5 (five) years tenure of being removed from that list.   | Complied   |
| 5         | <b>Appointment/ Re-appointment of Directors:</b><br>In accordance with Sub-section (04) of Section 15 of the Bank Company Act, 1991, prior approval from Bangladesh Bank is a must for all bank-companies (except specialized banks) to appoint/reappoint directors, who have been nominated in the board meeting or elected/ re-elected in the annual general meeting of the board. The date of appointment/ re-appointment shall be effective from the date of approval by Bangladesh Bank. For obtaining such prior approval, an application furnished with the prescribed documents/ papers/information must be submitted to Bangladesh Bank and signed by the chief executive/ managing director of the bank within 07 (seven) working days from the date of the relevant board meeting/annual general meeting.   | Complied   |
| 8         | <b>Vacancy of Office of Director:</b><br>(a) The office of director shall be vacated according to the provision specified in Section 108(1) of the Companies Act, 1994. Moreover, if any director fails to repay the advance or loan obtained from any bank or financial institution within two months of receiving notice from the Bangladesh Bank under Section 17 of the Bank Company Act, 1991, or provides false declarations/information to Bangladesh Bank at the time of appointment as a director, or if his eligibility is found to be deficient, the office of the director can be vacated or his appointment can be cancelled.<br>(b) If the office of a director is vacated under Section 17 of the Bank Company Act, 1991, the individual will not be eligible to become a director of that bank company/any other bank company/financial institution within one year from the date of full repayment of the total amount due to the respective bank/financial institution. It is noteworthy that the dues have to be adjusted for the shares held by the director of that bank company. When a director receives notice under Section 17 of the Bank Company Act, 1991, he/she can't transfer his/her shares of that bank until all the debt owed to him/her by the relevant bank or financial institution is repaid. If a director, who has received notice, resigns from his office while the action of the notice is still in effect, the resignation will not be effective.<br>(c) Besides, if any director of a bank company is listed as a willful defaulter, Bangladesh Bank can declare the office of director vacant in accordance with the provisions described in Section 27Kha of the Bank Company Act, 1991. | No such instance<br><br>No such instance<br><br>No such instance |
| 9         | <b>Removal and Appointment of a Director in Special Purposes:</b><br>(a) According to Sub-section (4) of Section 15 of the Bank Company Act, 1991, prior approval from the Bangladesh Bank must be taken for removal of any director of a bank (other than specialized bank) from his office. Such removal will be effective from the date of approval granted by Bangladesh Bank<br>(b) If any director or chairman of a bank company is involved in malpractices detrimental to the interests of depositors or misuses bank's funds through related party transaction/ money laundering or is involved in terrorist financing/acts against public interest, Bangladesh Bank may remove him/her under Section 46 of the Bank Company Act, 1991, or dissolve the board of under Section 47 of the Bank Company Act, 1991.<br>(c) Bangladesh Bank may appoint any person as a director of any bank company considering his/her qualification and eligibility for appointment as director or construct a new board/reconstruct a board in accordance with the power conferred in Section 45 of the Bank Company Act, 1991, for the protection of the interests of the bank company or depositors, for specific/special reasons, or for the public interest.  | No such instance<br><br>No such instance<br><br>No such instance |
| 12        | <b>Conduct of Meetings of Board and Sub-Committees:</b>  |  |
| 12.1      | (a) The Board of Directors of the bank shall convene meeting once in a month or more than once if necessary;   | Complied   |
|           | (b) The quorum for the meetings of the bank's Board of Directors shall be determined according to the bank's articles of association or memorandum of association.   | Complied   |
|           | (c) For active participation and contribution of members in the Board meeting, delivery of the detailed memorandum (to be presented in the meeting) to each member at least 02 (two) days prior to the meeting must be ensured.  | Complied   |
|           | (d) Any issue; not incorporated in the agenda, must not be considered by the board.  | Complied   |
|           | (e) Note of dissent on any matter issued in the meeting, must be recorded in the meeting minutes.  | Complied   |
|           | (f) Apart from the Board of Directors, managing director and the company secretary of the bank can be present at the board meeting.  | Complied   |
|           | (g) In special circumstances, upon invitation from the board or its sub-committees, any bank employee may be present at the meeting only while issues relevant to him/her are being presented (not for the entire duration).   | Complied   |
|           | (h) No external person, under any circumstances, can attend meetings of the board or its sub-committees.   | Complied   |

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
|           | (i) Meetings of the Board of Directors, executive committees, audit committees, and risk management committees of the bank have to be held in the head office/ in the city of the headquarter. However, if there is a special need to conduct a meeting outside the head office city/Dhaka, the application must be submitted to the Bangladesh Bank at least seven working days before the meeting for prior approval, mentioning the reasons behind it, the number/list of participants and the estimated expense. Any excessive expense other than the necessary expense for holding meetings outside the head office city/Dhaka must be avoided.  | Complied          |
| 12.2      | <b>Directors' Honorarium and Benefits:</b>  |                   |
|           | (a) The maximum amount of honorarium for the directors attending the Board meeting/sub-Committee meeting shall be 10,000 (ten thousand) taka.   | Complied          |
|           | (b) Independent directors shall receive a fixed honorarium of 50,000 (fifty thousand) taka (subject to applicable tax deductions) per month, in addition to the honorarium described above.   | Complied          |
|           | (c) The number of meetings of the board and other committees of the Bank Company shall be kept limited. However, regardless of the number of meetings of the Board and other committees of Bank Company held in any month, directors shall be entitled to such honorarium for attending a maximum of 06 (two) meetings of the Board of Directors and meetings of the Executive Committee, 01 (one) meeting of the Audit Committee, and 01 (one) meeting of the Risk Management Committee.   | Complied          |
|           | (d) The related instruction and guidelines of NBR should be followed and complied for tax deduction on the honorarium of directors for attending meeting and other committees' meetings of the bank.  | Complied          |
|           | (e) Directors shall be eligible for hotel accommodation expenses for a maximum 02 (two) days and travel expenses while coming to the head office from any other location within the country to attend meetings of the board/sub-Committee.  | Complied          |
|           | (f) Where foreign nationals hold directorship positions (other than non-resident Bangladeshis or dual citizens), they shall be eligible for hotel accommodation bills for a maximum 03 (three) days and two way airfare as traveling expense  | Not applicable    |
|           | (g) Non-resident Bangladeshi directors are allowed to attend maximum of 04 (four) meetings of the Board of Directors per year. They will be eligible for hotel accommodation bills for a maximum of 03 (three) days and two way airfare as traveling expenses.  | Not applicable    |
| 10.1      | <b>Responsibilities, Authorities and Duties of the Board of Directors:</b>  |                   |
|           | a. <b>Work-planning and Strategic Management:</b>   |                   |
|           | • The board will determine the objectives and goals of the bank and adopt strategies and work-plans on an annual basis to achieve these goals. It shall review the progress of the implementation of the work-plans on a quarterly basis.   | Complied          |
|           | The board shall have its analytical review incorporated in the Annual Report on the success/failure in achieving predetermined business and other targets as set out in its annual work-plan and shall apprise the shareholders about its recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the MD/CEO & officers in the immediate two tiers below the MD/CEO, and have it evaluated from time to time.  | Complied          |
|           | b. <b>Credit and Risk Management:</b>   |                   |
|           | The policies, strategies, etc. with respect to the appraisal of loan/investment proposals, sanction, disbursement, recovery, reschedule, and write-off thereof shall be formulated with the board's approval under the purview of the existing laws, rules, and regulations. The board shall specifically delegate the authority of loan/investment approval to the MD/CEO and his subordinate executives as much as possible.  | Complied          |
|           | The board shall frame policies for risk management. It will inspect on a quarterly basis whether these policies are properly implemented; review the concerned report of the risk management committee, and ensure compilation in the minutes of the board meeting. The board shall monitor whether the key risk management guidelines of Bangladesh Bank are being properly complied with.   | Complied          |
|           | c. <b>Internal Control Management:</b>  |                   |
|           | The board will establish such an internal control system so that the internal audit process can be conducted independently of management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance with recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.   | Complied          |
|           | d. <b>Human Resource Management and Development:</b>  |                   |
|           | Policies related to recruitment, promotion, transfer, disciplinary and punitive measures, incentives, human resources development, etc. and service rules shall be formulated and approved by the board. No member of the board of directors shall be included in the selection committees for recruitment and promotion at different levels. Recruitment, promotion, transfer, disciplinary, and punitive measures of the officers <sup>2</sup> immediate two tiers below the MD/CEO of the banks (except state-owned banks) shall rest upon the board. In case of state-owned bank these will be will be governed by the prevailing approved policies of the Financial Institutions Division of the Ministry of Finance periodically. | Complied          |
|           | The board shall put its special attention on training, adoption of modern electronic & information technologies and the introduction of effective Management Information System (MIS) for skill development of bank employees/staff and shall incorporate these programs into its annual work plan.   | Complied          |

| Reference   | Provision  | Compliance Status |
|-------------|--|-------------------|
|             | The board will establish a Policy of integrity, ethics and code of conduct for officials and employees at all levels, which all employees will adhere to properly  | Complied          |
| e.          | <b>Financial Management:</b><br>The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall quarterly review the positions in respect of the bank's income, expenditure, liquidity position, overdue/non-performing loans, capital base and adequacy, maintenance of loan loss provision, and steps taken for recovery of defaulted loans, including legal measures | Complied          |
|             | The board shall frame the policies for bank's purchase and procurement activities adhering to the laws and regulations prevalent in the country and shall accordingly approve the distribution of power for making such expenditures.  | Complied          |
|             | The board will periodically review the whether an Asset-Liability Committee (ALCO) has been formed and whether it is working as per Bangladesh Bank guidelines.  | Complied          |
| f.          | <b>Appointment of Managing Director/CEO:</b>   |                   |
|             | The Board of Directors will appoint a suitable CEO/Managing Director with the prior approval of Bangladesh Bank in line with prevailing instructions time to time.   | Complied          |
| g.          | <b>Other Duties and Responsibilities of the Board:</b>   |                   |
|             | The board should follow and comply with all other duties and responsibilities assigned by BB.  | Complied          |
| <b>10.2</b> | <b>Responsibilities of the Chairman and Directors:</b>   |                   |
| (a)         | The chairman will be elected from the members of the board for a period of 2 (two) years. Considering his tenure as director, he will be eligible for re-election as chairman.   | Complied          |
| (b)         | As the chairman of the board of directors or chairman of any committee formed by the board or any director does not individually or personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere in the administrative or operational and routine affairs of the bank.  | Complied          |
| (c)         | The chairman may be offered an office-room, a personal secretary/assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country, and a vehicle in the business-interest of the bank, subject to the approval of the board.  | Complied          |
| <b>11</b>   | <b>Board Committees:</b>   |                   |
|             | Each bank company's board of directors can form 1 (one) executive committee, 1 (one) audit committee and 1 (one) risk management committee with its members. Apart from these three committees, no permanent or temporary committee or sub-committee can be formed by the board.   | Complied          |
| a)          | <b>Executive committee:</b>  | Complied          |
|             | Executive committee should be formed with the members of the board for the purpose of continuing the urgent and daily/routine works in between the intervals of board meetings.  |                   |
|             | Organizational Structure:  |                   |
|             | The members of the committee will be nominated by the board of directors from themselves;  | Complied          |
|             | The executive committee will consist of a maximum 07 (seven) members   | Complied          |
|             | One chairman/president of the committee shall be elected from the members for a period of 3 (three) years.   | Complied          |
|             | Members may be appointed for a period of 3 (three) years.  | Complied          |
|             | Chairman of the Board of Directors may also serve as the chairman/president of executive committee;  | Complied          |
|             | Not more than one member of the same family can be included in the executive committee.  | Complied          |
|             | Company secretary of the bank will be the secretary of the executive committee.  | Complied          |
|             | <b>Qualifications of the Members:</b>  |                   |
|             | Integrity, dedication, and the opportunity to spend time for the functioning of the committee must be considered while nominating a director to the committee  | Complied          |
|             | Committee members must have a thorough understanding of the Bank Company Act, 1991, other Acts and regulations related to banking operations, banking business, management of banks, various risk factors, and the duties & responsibilities of members of the committee. In case of digital bank, at least one person with expertise in ICT matters must be included as a committee member.                                 | Complied          |
|             | <b>Roles and Responsibilities of the Executive Committee:</b>  |                   |
|             | As instructed by the Board of directors, the executive committee can decide or can act in those cases that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.  | Complied          |
|             | The executive committee can take all necessary decisions or approve cases within the power delegated by the board of directors   | Complied          |
|             | All decisions taken by the executive committee should be ratified at the next board meeting.   | Complied          |
|             | <b>Meetings of the Executive Committee:</b>  |                   |
|             | The committee may invite the Chief Executive Officer, Head of Internal Audit, or any other Officer to its meetings, if it deems necessary.   | Complied          |

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
|           | To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting.  | Complied          |
|           | All recommendations/observations of the committee should be incorporated in the minutes.  | Complied          |
|           | If any note of dissent is issued on any matter, it must be recorded in the minutes of the meeting.  | Complied          |
| b)        | <b>Audit Committee:</b>   |                   |
|           | The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will inspect/ review the inspection process of financial reporting, internal control system, the audit process and the bank's operations being conducted within the existing Acts and laws & regulations imposed by the regulatory authorities and its own code of business conduct. | Complied          |
|           | <b>Organizational Structure:</b>  |                   |
|           | The audit committee will comprise of a maximum 05 (five) members, among whom at least 2 (two) independent directors will be included  | Complied          |
|           | One chairman/president of the audit committee will be elected from the independent directors  | Complied          |
|           | The tenure of the chairman/president of the audit committee will be 3 (three) years. An independent director cannot serve consecutively for two terms as the chairman/president of the audit committee.   | Complied          |
|           | No member of the executive committee can be included as a member of the audit committee.  | Complied          |
|           | Members may be appointed for a period of 03 (three) years;  | Complied          |
|           | Company secretary of the bank will be the secretary of the audit committee.   | Complied          |
|           | <b>Qualifications of the Members:</b>   |                   |
|           | Individuals who are capable of contributing effectively and efficiently to the  | Complied          |
|           | Committee's functions should be appointed as members.   |                   |
|           | Committee members must have a thorough understanding of the Bank Company Act, 1991, relevant other Acts and regulations related to banking operations, auditing, banking business, management of banks, various risk factors, and the duties & responsibilities of members of the committee.  | Complied          |
|           | Individuals with practical experience in the field of banking operations, especially those with educational qualifications in Accounting, Cost Accounting, Finance, Banking, Management, and Economics, should be given priority in forming the committee. In the case of a digital bank, at least one person with expertise in ICT matters must be nominated as a committee member.  | Complied          |
|           | <b>Roles and Responsibilities of the Audit Committee:</b>   |                   |
|           | <b>Internal Control:</b>  |                   |
|           | The Audit Committee will evaluate whether management has been able to set the appropriate compliance culture, whether clear directives have been given to the bank's officials/employees regarding their roles and responsibilities and whether there is full compliance and control over their work;   | Complied          |
|           | The Audit Committee will review whether the recommendations made periodically by internal and external auditors on internal control strategies/framework, have been implemented by the management and provide necessary guidance;   | Complied          |
|           | The Audit Committee will regularly update the board about irregularity, fraud, forgery, and weaknesses in internal control detected by internal and external auditors and inspecting team of the regulatory authority or the corrective actions taken regarding similar issues detected by them.  | Complied          |
|           | <b>Financial Reporting:</b>   |                   |
|           | The audit committee will check whether the financial statements reflect the comprehensive and concrete information and determine whether the country's prevailing rules & regulations and accounting standards, as well as the relevant accounting standards prescribed by the Bangladesh Bank in this regard, have been followed in preparing the financial statements.  | Complied          |
|           | The audit committee will discuss with the inspection team of the Bangladesh Bank, the external auditors and management to review the financial statements before its finalization.  | Complied          |
|           | <b>Internal Audit:</b>  |                   |
|           | The audit committee will ensure whether internal audit working independently from the management.   | Complied          |
|           | The audit committee will review the activities of the internal audit and the organizational structure.  | Complied          |
|           | The Audit Committee will assess the efficiency and effectiveness of internal audit function and recommend necessary measures accordingly;   | Complied          |
|           | The Audit Committee will also verify whether the findings/recommendations made by the internal auditors regarding regularizing irregularities detected by them, management of the bank's operations etc. are being properly addressed by the bank management and provide necessary guidance.  | Complied          |
|           | <b>External Audit:</b>  |                   |
|           | The Audit Committee will review audit activities conducted by the external auditors and their audit reports;  | Complied          |
|           | The Audit Committee will also verify whether the findings/recommendations of the external auditors on regularizing irregularities, fraud and forgeries detected by them and the management of the bank's operations are being properly considered by the management authorities or not.   | Complied          |

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
|           | The Audit committee will recommend regarding the appointment of the external auditors from the list of external auditors announced by the Bangladesh Bank from time to time.  | Complied          |
|           | <b>Compliance with existing laws and Regulations:</b>   |                   |
|           | The Audit Committee will review whether banking laws, rules & regulations, policies and guidelines issued by regulatory authorities (Central Bank and other institutions), and internal policies approved by the Board are being properly complied with.  | Complied          |
|           | <b>Other Responsibilities:</b>  |                   |
|           | The Audit Committee will submit compliance report to the board on quarterly basis on regularization of the irregularity, fraud and forgeries detected by the internal and external auditors and inspection team of the Bangladesh Bank and directions described in any observation;   | Complied          |
|           | External and internal auditors will submit their related assessment report, if the committee solicit;   | Complied          |
|           | The committee will evaluate any matter as desired lawfully by the Board of Directors and submit a report/recommendation on it.  | Complied          |
|           | <b>Meetings of the Audit Committee:</b>   |                   |
|           | The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems necessary;  | Complied          |
|           | The committee may invite the Chief Executive Officer of the bank, the officer in charge of internal audit, or any other official to its meetings, if it deems necessary;  | Complied          |
|           | To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting.  | Complied          |
| c)        | <b>Risk Management Committee:</b>   |                   |
|           | A risk management committee will be formed to play an effective role in mitigating impending risks arising out from strategies and work plans formulated by the Board of Directors of the bank company and to carry out the related roles and responsibilities effectively/efficiently. The Risk Management Committee will scrutinize whether risk management measures are taken and applied against the identified and assessed risk factors, whether adequate capital and accurate provision are maintained against them and therefore, will provide necessary directions for risk reduction. | Complied          |
|           | <b>Organizational Structure:</b>  |                   |
|           | The members of the committee will be nominated by the board of directors from themselves;   | Complied          |
|           | The risk management committee will comprise of maximum 05 (five) members.   | Complied          |
|           | Chairman/president of the committee will be elected from the members for period of 03 (three) year  | Complied          |
|           | Members may be appointed for a period of 03 (three) years;  | Complied          |
|           | Company secretary of the bank will be the secretary of the risk management committee.   | Complied          |
|           | <b>Qualifications of the Members:</b>   |                   |
|           | Integrity, competence, dedication, and opportunity to spare time for the functionality of the committee must be considered while nominating a director of the committee;  | Complied          |
|           | Individuals who are capable of contributing effectively and efficiently to the committee's functions should be appointed as members.  | Complied          |
|           | Committee members must have a thorough understanding of Bank Company Act, 1991, other Acts, rules and regulations relevant to the banking operations, banking business, management of banks, various risk factors, and the duties & responsibilities as member of the committee. In case of digital bank, at least one person with expertise in ICT matters must be nominated as a committee member.  | Complied          |
|           | <b>Roles and Responsibilities of the Risk Management Committee:</b>   |                   |
|           | <b>Risk Identification &amp; Control Mechanisms:</b>  |                   |
|           | The responsibility of the Risk Management Committee is to ensure adoption and implementation of appropriate mechanisms for identification of risks associated with the bank's operations and its control. The Risk Management Committee will review and revise the bank's risk management policy and procedures if necessary.   | Complied          |
|           | <b>Preparation of Organizational Structure:</b>   |                   |
|           | The responsibility of the Risk Management Committee is to ensure an adequate organizational structure for controlling risk within the bank.   | Complied          |
|           | <b>Review and Approval of Risk Management Policy:</b>   |                   |
|           | The Risk Management Committee will review the bank's risk management policies and guidelines at least once a year; it will propose amendments if necessary and present them to the Board of Directors for final approval.   | Complied          |
|           | <b>Storage of Data &amp; Reporting System:</b>  |                   |
|           | The Risk Management Committee will approve the data storage and reporting system developed by the bank management by scrutinizing them, and will ensure that these systems are being properly implemented.  | Complied          |
|           | <b>Monitoring the Implementation of Comprehensive Risk Management Policy:</b>   |                   |

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
|           | The Risk Management Committee will monitor whether the Comprehensive Risk Management Policy of the bank is being properly implemented. It will ascertain whether necessary steps have been taken to mitigate various risks, including credit risk, market risk, and operational risk.   | Complied          |
|           | <b>Other Responsibilities:</b>  |                   |
|           | The decisions and recommendations of the committee shall be presented to the Board of Directors in summarized form on quarterly basis.  | Complied          |
|           | The Risk Management Committee shall comply with instructions issued from time to time by the controlling authority regarding various risk-related matters in banking operations;  | Complied          |
|           | <b>Meetings of the Risk Management Committee:</b>   |                   |
|           | The committee shall convene meetings at least 4 (four) times a year and may arrange meetings at any time as necessary.  | Complied          |
|           | The committee may invite the Chief Executive Officer, Chief Risk Officer or any other Officer to its meetings if it deems necessary   | Complied          |
|           | To ensure active participation and contribution by the members at every meeting, a detailed memorandum should be distributed to committee members at least 2 (two) days prior to each meeting   | Complied          |
|           | All recommendations/observations of the committee should be noted in the minutes.   | Complied          |
|           | <b>Alternative Director:</b>  |                   |
|           | If any director of a bank company remains abroad for consecutive 3 (three) months, an alternative director may be appointed in compliance with Section 101 of the Companies Act, 1994, for once in a year for the tenure of maximum 3 (three) months. The provisions regarding the qualification and eligibility for the appointment of directors will be applicable for the appointment of an alternative director too. Any loan defaulter or any person who is not eligible to become a director under the Bank Company Act, the Company Act or any other law or regulation or rules will not be appointed as an alternate director. Since, an alternate director is appointed for a temporary period; he/she cannot be included in any sub-committee constituted of the Board. During his tenure of alternate directorship, he/she or his/her affiliated organization will not get any kind of loan facilities or enhancement of limit or extension of time period or any kind of exemption of interest calculation or interest waiver of previous loan from his bank. | No such instance  |

**PART-II****Appointment and Responsibilities of Managing Director/Chief Executive Officer of a Bank-Company  
(BRPD Circular No 05 Dated 27 February 2024)**

| Reference | Provision  | Compliance Status |
|-----------|--|-------------------|
| 02        | Eligibility Criteria for Appointment/ Re-appointment of MD/CEO:  |                   |
| a.        | <b>Characteristics and Moral integrity:</b>  |                   |
|           | The individual is not convicted by any criminal court, neither involved in any fraud, financial crime and other illegal activities at present nor in the past;   | Complied          |
|           | There are no adverse observations/comments regarding him/her in any of the verdict published by criminal or civil court;   | Complied          |
|           | He/she has not been convicted for any violation of rules, regulations, or laws of any regulatory authority;  | Complied          |
|           | He/she was not associated with the ownership of any company or entity whose registration or license has been revoked or the company or entity has been liquidated;   | Complied          |
|           | He/she was not involved in any company or financial institution as an employee whose registration or license has been cancelled or revoked due to his/her direct or indirect criminal offenses   | Complied          |
|           | He/she has not been removed or dismissed/terminated or downgraded or relieved from his/her own position as chairman/director /employee /staff of any company or institution due to financial embezzlement, corruption, fraud forgeries, or ethical violations. | Complied          |
|           | He/she has not been removed or dismissed/terminated/ downgraded /relieved from while serving as a chief executive /chairman/ director/ employee /any other position of any bank company or any other financial institution.                                    | Complied          |
|           | There is no adverse observation raised against him/her in any on-site or off-site inspection of the Bangladesh Bank.   | Complied          |
| b.        | <b>Financial Integrity:</b>  |                   |
|           | He/she is not a defaulter for loans taken from any bank/financial institution.   | Complied          |
|           | He/she has not ceased payment to any creditor or has not been exempted from payment of dues through compromise with the creditor.  | Complied          |
|           | He/she is not a tax defaulter.   | Complied          |
|           | He/she has not been declared bankrupt by a court at any time;  | Complied          |
|           | He/she has not been involved in any illegal activities or during his/her tenure in a bank or financial institution in his/her professional capacity.   | Complied          |

| Reference   | Provision  | Compliance Status |
|---|--|-------------------|
| c.  | Educational Qualifications, Suitability, and Experience:   |                   |
|   | He/she must at least have a post-graduate degree from any recognized university. Higher academic or professional education in the fields of Economics, Accounting, Finance, Banking, Management or Business Administration will be treated as additional qualifications for the concerned person. Greater importance has to be given to higher education on information technology for the appointment of Chief Executive Officers of digital banks.   | Complied          |
|   | He/she must not have a third division or class at any stage of his/her academic life. In the case of published results under the grading system, if the GPA is less than 3.00 for SSC or equivalent and HSC or equivalent, and if it is less than 2.50 on a 4.00-point scale or less than 3.00 on a 5.00-point scale as CGPA provided by any recognized university, it will not be acceptable. In the case of degrees obtained from abroad, result (class/division/GPA) must be approved and equivalent by competent authority.  | Complied          |
|   | He/she cannot serve as a director in any bank company, financial institution established under the Finance Company Act, 2023, insurance company, or any controlled entity of such companies, or be appointed to any profitable position in such entities.  | Complied          |
|   | He/she cannot be engaged in any other business or profession.  | Complied          |
|   | He/she cannot have any business interests in the relevant bank.  | Complied          |
|   | He/she cannot have any association with an entity that is owned by or a related party to or a controlled entity of the bank director.  | Complied          |
|   | No member of his/her family can be included on the bank's board of directors.  | Complied          |
| For the appointment as chief executive officer, the concerned person must have 20 (twenty) years of experience in the banking profession as an active officer, including at least 02 (two) years of experience in a post immediately below that of the chief executive officer of a bank. | Complied   |                   |
| 03  | Age Limit:<br>The minimum age of the concerned person will be 45 (forty-five) years, and any individual exceeding the age of 65 (sixty-five) years cannot hold the position of Chief Executive Officer of any bank-company   | Complied          |
| 04  | Designation:<br>In order to bring parity/conformity to the top executive position in the banking sector of the country, the designation of the top executive officer of bank-companies shall be referred to as "Managing director or Chief Executive Officer". However, the designation of the local top executive officer of foreign bank-companies in Bangladesh may be determined in accordance with the directives of the respective bank's head office. In such cases, utmost efforts must be given to maintain consistency with the designation of top executive officers of domestic banks.   | Complied          |
| 05  | Tenure of Appointment:<br>The tenure of appointment of the Chief Executive Officer shall generally be 3 (three) years, but he/she shall be eligible for reappointment on condition that he has more than 3 years left for becoming 65 years old. However, the bank will appoint the candidate for the period for which he/she will be recommended based on examination of his/her suitability through the interview conducted by the Bangladesh Bank, regardless of the bank's proposed tenure.  | Complied          |
| 06  | Performance Indicators for Appointment/Reappointment:<br>At the time of appointment/reappointment of the MD/CEO, specific targets for reduction of non-performing loans of the bank and recovery of written-off loans must be set, and progress have to be reviewed periodically. Additionally, specific financial and managerial improvement provisions, as well as other performance indicators must be included to evaluate the performance of the appointed individual. Moreover, any special responsibilities or targets determined by Bangladesh Bank from time to time in the interest of depositors, the bank, or the public have to be included as performance indicators in the appointment/reappointment process. | Complied          |
| 07  | Determination of Salary, Allowances and Other Benefits:  |                   |
|   | Financial condition, scope of operation, business-volume and general trend of earning capacity of the bank;  | Complied          |
|   | Number of branches, sub-branches, agent banking, and regional offices of the bank;   | Complied          |
|   | Qualifications, age, experience and past achievement of the candidate;   | Complied          |
|   | Salary and allowances paid to other officers of the bank-company or MD/CEO of other peer bank-companies;   | Complied          |
|   | Direct salary and allowances will include "basic salary" and "house rent" and by adding other allowances (if any) with it, total salary and allowances will be determined.   | Complied          |
|   | Other allowances such as utility bills, medical expenses and insurance premiums must have specific amount/limit. Besides, others provided benefits (e.g., car, fuel, driver, etc.) must be monetized to the utmost and thus will determine the monthly total salary  | Complied          |
| Festival bonus shall be a maximum of two, and each one will not be more than one month's basic salary;  | Complied   |                   |
| Leave-fare assistance shall not exceed one month's basic salary;  | Complied   |                   |

| Reference | Provision   | Compliance Status                        |
|-----------|---|--|
|           | The term must be imposed so that no condition regarding salary and allowances stated in the appointment letter of the chief executive can be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary and allowances considering the job performance of the incumbent chief executive.   | Complied                                 |
|           | The chief executive officer shall not receive any other indirect benefits such as dividends against the bank's profit, commissions, club fees/expenses, foreign medical expenses or annual medical check-ups expenses, foreign medical expenses for family members, travelling allowances for himself or family members in case of personal purposes. However, in the case of receiving medical treatment abroad for his/her own (in any Asian country), based on the certification of a specialist physician that the treatment in the country's medical facilities is not sufficient, he/she may avail medical treatment abroad;  | Complied                                 |
|           | The chief executive officer will not be eligible for annual salary increase or increment, provident fund, gratuity, New Year bonus, leave encashment, superannuation fund, benevolent fund benefit as it's a contractual appointment.   | Complied                                 |
|           | The bank shall not pay any income tax against the salary and allowances of the chief executive officer, meaning the appointed individual must have to pay income tax from his/her own source;   | Complied                                 |
|           | In the proposal for appointment, the amount of annual leave (including types of leave) to be availed by the chief executive officer must be clearly mentioned;  | Complied                                 |
|           | In the proposal for appointment, the amount of annual leave (including types of leave) to be availed by the chief executive officer must be clearly mentioned;  | Complied                                 |
|           | The chief executive officer shall not be eligible for any other direct or indirect benefits other than the salary and allowances mentioned above.   | Complied                                 |
| 08        | <b>Incentive Bonus:</b><br>If incentive bonus is provided to the general employees/staffs of the bank, the chief executive officer of the bank will be eligible for incentive bonus. However, the amount of the incentive bonus provided to the chief executive officer shall not be more than 15 (fifteen) lac taka in a year. Furthermore, it is also provided that no other employee of the bank shall receive an incentive bonus exceeding the limit specified for the Managing Director or Chief executive officer.  | Complied                                 |
| 09        | <b>Honorarium for Attending Board Meetings:</b><br>As the chief executive officer is a salaried employee of the bank, the MD/CEO will not be eligible to receive any honorarium for attending meetings of the board or committees formed by the board.  | Complied                                 |
| 10        | <b>Approval of Bangladesh Bank for Appointment of MD/CEO:</b><br>In accordance with Sub-sections (4) and (5) of Section 15 of the Bank Company Act, 1991, prior written approval from the Bangladesh Bank must be obtained for the appointment/reappointment of the Managing director or Chief Executive Officer of bank-companies. The prescribed documents and information must be attached along with the proposal for the appointment or reappointment of the managing director.  | Complied                                 |
| 11        | <b>Evaluation Report:</b><br>In case of reappointment of the Chief Executive Officer, evaluation report must be submitted to Bangladesh Bank by the chairman and approved by the Board of Directors. In this case, the following matters must be considered:<br><br>Achievement of pre-determined targets for recovery of defaulted and written-off loans;<br><br>Progress report on achieving assigned tasks/targets set by Bangladesh Bank during his/her tenure of appointment;<br><br>Description of the achievement of specific financial, business, and management growth provisions and the growth in the bank's main financial indicators such as CAMELS.   | Complied                                 |
| 12        | <b>Ex-Bangladesh Travel:</b><br>The Chief Executive Officer of the bank shall avoid staying outside of Bangladesh for a long period of time as much as possible. If ex-Bangladesh travel is necessary, an application must be submitted before 10 (ten) working days of the departure to obtain prior approval from Bangladesh Bank. The prescribed information and documents (certified by the company secretary) must be submitted along with the proposal to obtain prior approval from Bangladesh Bank for ex-Bangladesh travel. If the application for proposed ex-Bangladesh travel is approved by Bangladesh Bank, the name, designation, official phone number, cell phone number, and email address of the person who will be on charge in the absence of the Chief Executive Officer must be informed in writing to the Banking Regulation and Policy Department (Division-2) before the station leave of the Managing Director or Chief Executive Officer. | Complied                                 |
| 13        | <b>Termination/dismissal/removal of CEO and fulfillment of the vacant post:</b><br>If a Chief Executive Officer has not performed his duties with gross aberration, he cannot be terminated before the expiry of the contract or the contract cannot be cancelled.<br><br>If the Board of Directors of the bank wishes to cancel the contract of the Chief Executive Officer or terminate him/her before the expiry of the employment contract, a proposal mentioning the specific reasons must be sent to Bangladesh Bank for approval. If Bangladesh Bank approves the proposal, it shall become effective one month after approval. However, if Bangladesh Bank rejects such a proposal, the concerned Managing Director or Chief Executive Officer shall continue in his/her position until the remaining period of his/her contract.   | No such instance<br><br>No such instance |

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
|           | If the Chief Executive Officer applies for resignation due to personal or any other reason before the expiration of the contract, such an application, along with recommendations from the Board of Directors, must be sent to Bangladesh Bank. The decision given by Bangladesh Bank based on the recommendation provided by the committee of Bangladesh Bank formed for the appointment of Managing Director or Chief Executive Officer after his/her personal hearing will be considered conclusive.   | No such instance  |
|           | In accordance with Sections 45 or 46 of the Bank Company Act, 1991, Bangladesh Bank may terminate/dismiss/remove a Managing Director or Chief Executive Officer of any bank at any time mentioning specific reason.   | No such instance  |
|           | If the Chief Executive Officer voluntarily resigns, or if the position becomes vacant after expiry of the term or for any other reason, in accordance with Section 15Ka(1) of the Bank Company Act, 1991, the board will appoint a qualified officer (in case of multiple officers, the relative senior officer) from immediately below of the MD/CEO as an acting Chief Executive Officer for a maximum period of 3 (three) months, and he/she will perform the overall responsibilities of the Chief Executive Officer of the bank.   | No such instance  |
|           | The position of Chief Executive Officer cannot remain vacant for more than 3 (three) months at a time, and if the Chief Executive Officer position is not filled within the mentioned period, Bangladesh Bank may appoint an administrator to the bank according to Section 15Ka(3) of the Bank Company Act, 1991.  | No such instance  |
|           | The aforementioned directives shall also be applicable in the case of foreign banks' local managing directors or chief executive officers.  | No such instance  |
|           | Responsibilities, Duties, and Powers of the MD/CEO:   |                   |
| a.        | Fiduciary Duty:   |                   |
|           | He/she will adhere to all applicable laws, regulations, and policies, practices related to banking business. Furthermore, he/she will perform his/her duties with prudence and without any kind of negligence or carelessness so that there will be no financial or other losses to the bank company and depositors (duty of care).   | Complied          |
|           | He/she will conduct his/her duties with good faith, being devoted to the bank company and avoiding conflict of interest so that the interests of the bank company and depositors are protected in place of interest of his/her own or another person or group (duty of loyalty).  | Complied          |
|           | He/she will exercise the vested power on that task or purpose for which he/she was given power  | Complied          |
| b.        | Financial, Business, and Administrative Responsibilities, Duties, and Powers:   |                   |
|           | The Chief Executive Officer will perform his/her own responsibilities and duties in accordance with the financial, business, and administrative powers vested by the bank's board of directors.   | Complied          |
|           | He/she will be responsible for/held accountable for implementing the bank's business plan and achieving business targets through proper administrative and financial management.  | Complied          |
|           | If any erroneous interpretation of the Bank Company Act, 1991, or any other Acts, laws, regulation, or directives of the Bangladesh Bank is made or an erroneous direction is given by the board members while discussing the memorandum presented by the bank management in the meetings of the board of directors or any of its sub-committees, the Chief Executive Officer shall have to clarify the relevant Acts/directives to the board of directors in writing.  | Complied          |
|           | If any violation of the Bank Company Act, 1991, or any other Act, law, directive, custom practice occurs in a meeting of the board of directors or any other sub-committee by its member(s), the Chief Executive Officer shall have to inform Bangladesh Bank in writing, or verbally as the case may be.   | No such instance  |
|           | The recruitment and promotion of all employees and staff, apart from the two-tier subordinate level below the Chief Executive Officer, shall be vested with the Chief Executive Officer. He/she will perform these duties in accordance with the service rules and human resource policy approved by the board. While performing his duties, he/she cannot be able to perform any task or take a decision under the influence of emotions or through favoritism   | Complied          |
|           | The recruitment, transfer, promotion/disciplinary actions and punitive measures of all employees and staff apart from the two-tier subordinate level below the Chief Executive Officer shall be vested with the Chief Executive Officer, which he/she will perform in accordance with the service rules approved by the board of directors. Other than this, the Chief Executive Officer may nominate any employee for training, seminars, workshop, etc. under the human resources policy approved by the board. If there are any government restrictions on foreign training or employee nominations for training because of any other reason, the Managing Director or Chief Executive Officer will be obliged to comply with such restrictions. | Complied          |

**PART-III**  
**Contractual appointment of Advisor and Consultant in a Bank-Company.**  
**(BRPD Circular Letter No. 27 Dated 12 May 2021)**

| Reference | Provision   | Compliance Status |
|-----------|---|-------------------|
| A)        | <b>Appointment of Advisor:</b>  |                   |
|           | <b>1. Experience and Suitability:</b><br>a) Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;<br>b) Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;<br>c) Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;<br>d) A person who is working in any bank or financial institution or who has business interest in that bank will not be considered eligible for appointment to the post of advisor;<br>e) Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court.<br>f) Though a person age of 65 cannot be employed or appointed in any position at the bank on a contractual basis, the bank may retain or hire an individual over the age of 65 as a consultant or advisor in special circumstances. | Not Applicable    |
|           | <b>2. Responsibilities</b><br>The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.  | Not Applicable    |
|           | <b>3. Prior approval from Bangladesh Bank</b><br>Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as prescribed. This declaration must be also submitted to Bangladesh Bank.   | Not Applicable    |
|           | <b>4. Remuneration and other facilities</b><br>The post of advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.   | Not Applicable    |
|           | <b>5. Tenure</b><br>The tenure of the advisor shall be maximum 1(one) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.   | Not Applicable    |
|           | <b>6. Appointment of Ex-officials</b><br>Any former director, managing director or chief executive or any official up to the level of 02 (two) below the chief executive cannot be appointed as an advisor to the same bank until five years have passed after his/her retirement, resignation, or expiration of the contract.  | Not Applicable    |
| B         | <b>Appointment of Consultant</b>  |                   |
|           | <b>1. Terms of Reference</b><br>Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.   | Not Applicable    |
|           | <b>2. Responsibilities</b><br>The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.   | Not Applicable    |
|           | <b>3. Appointment</b><br>Consultant can be appointed with the approval of Board of Directors. After such appointment the bank shall send the consultant's complete resume, terms of reference and details of remuneration to Bangladesh Bank immediately.   | Not Applicable    |
|           | <b>4. Tenure</b><br>The tenure of consultant should be consistent with the terms of reference, but would not exceed 2 (two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.  | Not Applicable    |
|           | <b>5. Remuneration/honorarium</b><br>The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.   | Not Applicable    |
|           | <b>6. Appointment of Ex-officials</b><br>Any former director, managing director or chief executive or any official up to the level of 02 (two) below the chief executive cannot be appointed as a consultant to the same bank until five years have passed after his/her retirement, resignation, or expiration of the contract.  | Not Applicable    |

Note: There was no advisor or consultant appointed in the Bank during the reporting period.

**PART-IV**  
**Appointment of Independent Directors, Their Roles, Responsibilities, and Honorarium**  
**(BRPD Circular No. 03 dated 14 February 2024)**

| Reference | Provision   | Compliance Status  |
|-----------|---|--|
| 03        | <p><b>Number of Independent Director</b></p> <p>As per Bank Company Act 1991 (amended up to 2023)3 an independent director will be such a person who is different from the director/ share holder of a bank company having no affiliation/ personal interest with the bank or its related parties in the past/ present or even in the future. A board of directors of maximum twenty (20) members must have minimum three (03) independent directors. On the other hand, the number of independent directors will be minimum two (02) for the board of directors having less than twenty (20) members.</p>  | Complied   |
| 04        | <p><b>Experience and Suitability:</b></p> <p>(a) To be appointed as an independent director, the relevant individual must have a minimum of 10 (Ten) years' experience in management/business/professional.</p> <p>(b) For carrying out the duties as an independent director, the relevant individual must be at least 45 (forty-five) years old and a maximum of 75 (seventy-five) years of age.</p> <p>(c) He/she must hold a graduate/postgraduate degree in Economics, Banking, Finance, Business Administration, Law, Accounting, or Cost Accounting from any recognized university. For the appointment of independent directors in newly established digital banks, higher education on Information Technology shall be considered an additional qualification.</p> <p>(d) Experienced teachers of the Faculty of Business Studies or Business Administration, Management, Law, and Information Technology of government or private or autonomous universities, individuals engaged in legal professions, individuals with professional degrees in accounting, experienced bankers and officials from the Ministry of Commerce, the Finance Division and Financial Institutions Division of the Ministry of Finance, the Ministry of Industry, and the Law Ministry will be given priority.</p> <p>(e) No individual who is/was/will be involved in any actual or apparent interest in any bank or bank-related person in the past, present, or future shall be eligible to be an independent director of that bank.</p> <p>(f) No family members of the individual nominated to be appointed as independent director shall hold shares in the respective bank company or be appointed to any profitable position in the said bank company.</p> <p>(g) An individual nominated as an independent director cannot serve as a director on behalf of any other bank company, financial institution established under the Finance Company Act, 2023, insurance company, or any subsidiary company of such companies. Furthermore, nominated independent directors cannot serve as directors on behalf of a company or institution that exercises control, joint control, or significant influence over the bank, financial institution, or insurance company.</p> <p>(h) The nominated independent director has not been involved in any illegal activities in banking or during his/ her own profession.</p> <p>(i) The nominated independent director has not ceased payment to any creditor, has not been exempted from collection of dues through a compromise with the creditor, or is not a loan defaulter.</p> <p>(j) A nominated independent director cannot be a tax defaulter</p> | Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied |
| 06        | <p><b>Roles, Responsibilities and Accountabilities of the Independent Director:</b></p> <p>(a) He/she will ensure proper compliance with the Bank Company Act, 1991, and other acts, rules and regulations relevant to the management of the bank</p> <p>(b) He/she will appropriately inform Bangladesh Bank of any information regarding violation of the Bank Company Act, 1991, or any other Act/regulation by the board of directors.</p> <p>(c) He/she will participate in board meetings and provide thoughtful opinions on the memorandum presented at board meetings. If any memorandum is presented by the independent director, it must be considered important by the board.</p> <p>(d) If he/she is included in any sub-committees of the board he/she will properly fulfill the roles, responsibilities, and directives of those committees' as member.</p> <p>(e) If the opinion of the independent director is not given appropriate importance by the board or its sub-committees, or if any inappropriate practice is observed in banking operations, he/she will inform the Banking Regulation and Policy Department, including the Department of Offsite Supervision of the Bangladesh Bank, in writing.</p> <p>(g) The Chairman/President of the Audit Committee must be elected from the independent directors. The term of the Chairman/President of the Audit Committee shall be three (3) years. An independent director cannot hold the position of Chairman/President of the Audit Committee consecutively for two terms.</p> <p>(h) He/she shall always strive for the protection of the interests of depositors and ordinary shareholders (excluding directors) on the board.</p>  | Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied<br>Complied                         |
| 07        | <p><b>Term and Removal of Independent Directors:</b></p> <p>(a) Independent directors shall generally be appointed for a term of 3 (three) years, and after completion of the term, he/she may be elected to be re-appointed for the next term in accordance with Section 15 of the Bank Company Act, 1991</p>  | Complied   |

# Status of Compliance with the Companies Act 1994 (amended up to 2020)

This status report is prepared in compliance with Section 184 of the Companies Act, 1994 (Act No. XVIII of 1994), which mandates the inclusion of the following additional statements in the Directors' Report.

| Sl | Particulars   | Status  |
|----|---|---|
| a  | Industry outlook and possible future developments in the industry   | √   |
| b  | Segment-wise or product-wise performance  | Please refer to MD & A section, Segment Analysis  |
| c  | Risks and concerns  | √   |
| d  | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin   | Discussion on interest income, expense, operating and net profit provided.  |
| e  | Discussion on continuity of any Extra-Ordinary Gain or loss   | The Bank did not make any extra-ordinary Gain or loss in 2024   |
| f  | Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report  | √<br>Please refer to Annexure C and C1  |
| g  | Utilization of proceeds from public issues, rights issues and/or through any others instruments   | The bank did not go for any public issues and right issues in 2024  |
| h  | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.  | No such instance  |
| i  | If significant variance occurs between Quarterly Financial performance and Annual Financial Statements, the management shall explain about the variance on their Annual Report  | Quarterly financial performance remained consistent with the figures presented in the annual financial statements, showing no notable variance. |
| j  | Remuneration to directors including independent directors   | Please refer to Note 33 of FS.  |
| k  | 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   | √   |
| l  | Proper books of account of the issuer company have been maintained.   | √   |
| m  | 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  | √   |
| n  | International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), 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.  |
| o  | The system of internal control is sound in design and has been effectively implemented and monitored  | √   |
| p  | There are no significant doubts 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 should be disclosed  | No doubts upon EBL's ability to continue as a Going Concern.  |
| q  | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained  | √   |
| r  | Key operating and financial data of at least preceding 5 (five) years shall be summarized   | √   |
| s  | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given  | The Bank has consistently declared dividends every year.  |
| t  | The number of Board meetings held during the year and attendance by each director shall be disclosed  | √   |
| u  | The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- a) Parent/Subsidiary/Associated Companies and other related parties (name wise details); b) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); c) Executives; d) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details) | √<br>Please refer to Note 14.1 of the FS.   |
| v  | In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- a) a brief resume of the director; b) nature of his/her expertise in specific functional areas; c) names of companies in which the person also holds the directorship and the membership of committees of the board  | √<br>Please refer to Annexure C of the FS   |



# Disclosure on Governance under Bangladesh Secretarial Standards (BSS)

EBL follows the Bangladesh Secretarial Standards (BSS) set by the Institute of Chartered Secretaries of Bangladesh (ICSB). The Company Secretariat Division thoroughly implements all necessary requirements and procedures, mentioned under the BSS for ensuring a good corporate governance. It has been discussed under the section titled "Corporate Governance Report"

## BSS- 1 : Board of Directors meeting

| Clause | Particulars   | Status               |
|--------|---|----------------------|
| 1.     | Convening of a Meeting                                    | Complied             |
| 2.     | Frequency of Meetings                                     | Complied             |
| 3.     | Quorum  | Complied             |
| 4.     | Attendance at Meetings                                    | Complied             |
| 5.     | Chairman  | Complied             |
| 6.     | Passing of Resolution by Circulation                      | Not Required in 2024 |
| 7.     | Minutes   | Complied             |
| 8.     | Attendance in Meetings and their Recording in the Minutes | Complied             |
| 9.     | Preservation of Minutes and Supporting Papers             | Complied             |
| 10.    | Disclosure  | Complied             |
| 11.    | Effective Date  | -                    |

## BSS- 2 : General meeting

| Clause | Particulars                               | Status               |
|--------|---|----------------------|
| 1.     | Convening of a Meeting                    | Complied             |
| 2.     | Frequency of Meetings                     | Complied             |
| 3.     | Quorum                                    | Complied             |
| 4.     | Presence of Directors and Auditors        | Complied             |
| 5.     | Chairman                                  | Complied             |
| 6.     | Voting                                    | Complied             |
| 7.     | Proxies                                   | Complied             |
| 8.     | Conduct of Poll                           | Not Required in 2024 |
| 9.     | Withdrawal of Resolutions                 | Not Required in 2024 |
| 10.    | Rescinding of Resolutions                 | Not Required in 2024 |
| 11.    | Modifications to Resolutions              | Not Required in 2024 |
| 12.    | Reading of Report/Certificate             | Complied             |
| 13.    | Distribution of Gifts                     | Complied             |
| 14.    | Adjournment of Meetings                   | No such instance     |
| 15.    | Minutes                                   | Complied             |
| 16.    | Recording in the Minutes                  | Complied             |
| 17.    | Preservation of Minutes and other Records | Complied             |
| 18.    | Disclosure                                | Complied             |

## BSS- 3 : Minutes

| Clause | Particulars | Status   |
|--------|-------------|----------|
| 1.     | Maintenance | Complied |
| 2.     | Contents    | Complied |
| 3.     | Recording   | Complied |

| Clause | Particulars               | Status   |
|--------|---------------------------|----------|
| 4.     | Alteration / Modification | Complied |
| 5.     | Finalization & Signing    | Complied |
| 6.     | Inspection                | Complied |
| 7.     | Preservation              | Complied |

**BSS- 4: Dividend**

| Clause | Particulars                            | Status           |
|--------|--|------------------|
| 1.     | Declaration/Recommendation of Dividend | Complied         |
| 2.     | Dividend Out of Profits                | Complied         |
| 3.     | Dividend Out of Reserves               | No such instance |
| 4.     | Entitlement to Dividend                | Complied         |
| 5.     | Payment of Dividend                    | Complied         |
| 6.     | Unpaid / Unclaimed Dividend            | Complied         |

**BSS- 5 : Meeting through electronic modes**

| Clause  | Particulars                                      | Status   |
|---|--|----------|
| <b>Standards for Board and Committee Meetings</b> |  |          |
| 1.  | Convening Meeting                                | Complied |
| 2.  | Special Cares To Be Taken For Conducting Meeting | Complied |
| 3.  | Conducting Meeting                               | Complied |
| 4.  | Minutes and Proceedings of Meeting               | Complied |
| <b>Standards for Members Meetings</b>             |  |          |
| 5.  | Guidance for General Meeting                     | Complied |
| 6.  | Standards for Convening and Conducting Meeting   | Complied |

**BSS- 6 : Resolution by circulation**

| Clause | Particulars | Status               |
|--------|-------------|----------------------|
| 1.     | Authority   | Not Required in 2024 |
| 2.     | Procedure   | Not Required in 2024 |
| 3.     | Approval    | Not Required in 2024 |
| 4.     | Recording   | Not Required in 2024 |
| 5.     | Validity    | Not Required in 2024 |



# Governance Disclosure on the Process of Holding the Last (32<sup>nd</sup>) Annual General Meeting (AGM)

EBL followed the necessary processes, procedures, and regulatory requirements for holding its Annual General Meeting (AGM). The 32<sup>nd</sup> AGM was conducted in accordance with the rules and regulations, ensuring members had the opportunity to exercise their voting rights. During the meeting, members of the company approved the financial statements, approved the declared dividends, appointed directors, statutory auditors, and compliance auditors, and determined their remuneration, among other actions.

| Compliance Phases                     | Particulars  | Status of Compliance |
|---------------------------------------|--|----------------------|
| <b>Pre-meeting Compliances</b>        | Conduction of Board Meeting for Holding AGM  | Complied             |
|                                       | Finalization and Confirmation of the Financial Statements                              | Complied             |
|                                       | Fixation of the Record Date  | Complied             |
|                                       | Declaration of Dividends   | Complied             |
|                                       | Collection of NOC from the exchanges regarding Stock Dividend                          | Complied             |
|                                       | Dissemination of Price Sensitive Information (PSI)                                     | Complied             |
|                                       | Preparation of Annual Report   | Complied             |
|                                       | Serving Notice of AGM to the Shareholders through email                                | Complied             |
|                                       | Serving Annual Report to the Shareholders through email                                | Complied             |
|                                       | Communication with Shareholders and other stakeholders through print media             | Complied             |
|                                       | Appointment of the Scrutinizer for AGM   | Complied             |
|                                       | Opening of the voting line for the Shareholders to vote on the Agenda                  | Complied             |
| <b>During the Meeting Compliances</b> | AGM starts in due time and process   | Complied             |
|                                       | Closing of Voting Line   | Complied             |
|                                       | Declaration of agenda-wise voting result   | Complied             |
|                                       | Question & Answer session for the shareholders   | Complied             |
|                                       | Speech of Meeting Chairman, Managing Director, and others                              | Complied             |
|                                       | Vote of Thanks   | Complied             |
| <b>After Meeting compliances</b>      | Collection of the scrutinizer's Report and submission to the Commission                | Complied             |
|                                       | Submission of Audio Visual to the Exchanges and Commission                             | Complied             |
|                                       | Submission of minutes and attendance record to the exchange and commission in due time | Complied             |
|                                       | Appointment of Auditors  | Complied             |
|                                       | Submission of Annual Return, Form XV to the RJSC                                       | Complied             |
|                                       | Dividend Calculation & disbursement the same to the shareholders                       | Complied             |
|                                       | Dissemination of the Dividends Compliance Report to the exchanges and commission       | Complied             |
| Circulation of Dividend Notice        | Complied   |                      |

# Disclosure on National Integrity Strategy

In accordance with the decision of the Government of the People's Republic of Bangladesh and subsequent instructions from Bangladesh Bank regarding the implementation of the National Integrity Strategy (NIS), Eastern Bank PLC. (EBL) established an Integrity Committee on December 1, 2013. The current members of the Integrity Committee are as follows:

## Integrity Committee

| Sl. No. | Name                  | Designation   | Status in committee         |
|---------|-----------------------|---|-----------------------------|
| 1.      | Mostafa Sarwar        | SEVP & Head of Credit Risk Management and Acting Chief Risk Officer | Chairman & Focal Point      |
| 2.      | Md. Maskur Reza       | Head of Business Information Systems                                | Member & Deputy Focal Point |
| 3.      | M. Khorshed Anowar    | DMD & Head of Retail & SME Banking                                  | Member                      |
| 4.      | Ziaul Karim           | SEVP & Head of Communications & External Affairs                    | Member                      |
| 5.      | Masudul Hoque Sardar  | SEVP & Chief Financial Officer                                      | Member                      |
| 6.      | Monjurul Alam         | SEVP & Head, Human Resources  | Member                      |
| 7.      | Eshrat Mustafa Eshita | Head of Service & Business Quality                                  | Member                      |
| 8.      | Rashedul Hoque        | Head, Organization Development & CEC                                | Member                      |

Every year, EBL formulates its National Integrity Strategy Work Plan and reports to Bangladesh Bank on a quarterly basis. The Integrity Committee holds meetings in each quarter, ensuring that the minutes and relevant documents are submitted to Bangladesh Bank. Besides, a selection of Integrity Rhymes sourced from the book 'Chorai Chorai Shudhdhachar' is curated and shared on the EBL website to promote integrity awareness among employees and stakeholders. The Integrity Committee also oversees various activities such as conducting training programs for employees to raise awareness on integrity, disseminating information about integrity and ethics to stakeholders, and publishing integrity-related information and rhymes on the website, etc.

Eastern Bank PLC. maintains a strong Code of Conduct, actively combats money laundering and terrorism financing, and upholds transparency across all operations. Employees who demonstrate exceptional integrity in the workplace receive recognition through Integrity Awards. Through these initiatives, Eastern Bank PLC. reaffirms its dedicated commitment to integrity and ethical conduct, adopting sustainable business practices and financial performance.



# 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. 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 held on 14 March 2021 which was finally approved by the Board of Directors in its 686 Meeting held on March 24, 2021.

Major highlights of the Dividend Distribution Policy are as follows:

## Procedure for payment of dividends

Dividend is to 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 declaration of dividend. Dividend shall be approved by the Shareholders in the 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 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 declare 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. The Shareholders whose names would appear in the Register of Members of the Company on the 'Record Date' will be entitled for the 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 Register 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 Register on the 'Record Date' would be eligible to join the AGM and will be 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 and final dividend within 30 (thirty) days from the date of approval by the 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 other 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 “ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ এর প্রবিধান ৪৬” amended up-to November 06, 2022 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/her 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 Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange PLC. (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.



# Report on Dividend Distribution Compliance

## Dividend Distribution Compliance Report

Under Clause (6) of the Directive No.BSEC/CMRRCD/2021-386/01, dated 13/01/2021

|    |  |   |                               |                  |       |       |
|----|--|---|-------------------------------|------------------|-------|-------|
| 1  | Name of the Issuer/Securities/Mutual Fund  | <b>Eastern Bank PLC.</b>                                  |                               |                  |       |       |
| 2  | Particulars of Issuer DP   | 148   |                               |                  |       |       |
| 3  | Type of Dividend (Annual /Interim)   | √ a) Annual   | b) Interim                    |                  |       |       |
|    | (Put tick mark (a) on the recommended option)  |   |                               |                  |       |       |
| 4  | Whether audited or not for Interim Dividend  | √ a) Audited  | b) Unaudited                  |                  |       |       |
|    | (Put tick mark (a) on the recommended option)  |   |                               |                  |       |       |
| 5  | Date of recommendation of Dividend by the Board of Directors/<br>Trustee:(Enclosed copy of PSI)  | 10-03-24  |                               |                  |       |       |
| 6  | Whether Dividend recommended other than directors or sponsors or any<br>other classes  | a) Yes  | √b) No                        |                  |       |       |
|    | (Put tick mark (a) on the recommended option)  |   |                               |                  |       |       |
| 7  | Record date for entitlement  | 02-04-2024  |                               |                  |       |       |
| 8  | Rate of Dividend recommended by the Board of Directors/Trustee   | 25% (12.50% Cash & 12.50% Stock)                          |                               |                  |       |       |
| 9  | Dividend recommended -Type   | √a) Cash  | √ b) Stock                    |                  |       |       |
|    | (Put tick mark (a) on the recommended option)  |   |                               |                  |       |       |
| 10 | Securities/mutual fund traded under which categories   | √(a) A  | (b) B                         | (c) G            | (d) N | (e) Z |
|    | (Put tick mark (a) on the recommended option)  |   |                               |                  |       |       |
| 11 | Date of transfer to a separate bank account (Pls. mention bank details) or<br>provisional credit of shares/units by CDBL                               | 19-03-24  |                               |                  |       |       |
| 12 | Date of approval of Dividend at AGM  | 29-04-24  |                               |                  |       |       |
| 13 | Rate of Dividend approved at AGM- details at Annexure, (if any change)   | 25% (12.50% Cash & 12.50% Stock)                          |                               |                  |       |       |
| 14 | Date of commencement of disbursement of Cash and Stock Dividend  | Cash Dividend (29.04.2024), Stock Dividend (14.05.2024)   |                               |                  |       |       |
| 15 | Mode of disbursement of Cash Dividend  | √a) BEFTN   | √b) Bank Transfer             | c) MFS           |       |       |
|    | (Put tick mark (a) on the recommended option)  | √d) Dividend Warrant                                      | √e) Any other mode            |                  |       |       |
| 16 | Date of completion of disbursement of Cash Dividend and Stock Dividend<br>[Enclosed Bank statements and Corporate Action Processing Report (RT<br>32)] | Cash Dividend (26.05.2024)<br>Stock Dividend (16.05.2024) |                               |                  |       |       |
| 17 | Paid-up-capital of the issuer- before corporate action/entitlement   | BDT 12,072,347,150  |                               |                  |       |       |
| 18 | Numbers of securities/shares outstanding-before corporate action/<br>entitlement:  | 1,207,234,715 Shares                                      |                               |                  |       |       |
| 19 | Total cash in taka or stock (nos. shares) dividends as per corporate<br>declaration  | <b>1,509,043,393.75</b>                                   | <b>150,904,339<br/>Shares</b> |                  |       |       |
| 20 | Distribution/Disbursement details of Cash & Stock Dividend:  | <b>Cash (Tk)</b>  | <b>Stock (nos)</b>            | <b>Annexures</b> |       |       |
|    | A. Mode of Dividend payment/credit for the concerned year:   |   |                               |                  |       |       |
|    | a) through BEFTN or directly credited to respective BO   | 1,195,568,370.00  | 148,158,752                   |                  |       |       |
|    | b) through Banks Transfer other than entitled BO-Margin loan   | 219,225,438.75  |                               |                  |       |       |
|    | c) through Banks Transfer  | 83,827,117.50   |                               |                  |       |       |
|    | d) through Mobile Financial Service (MFS)  |   |                               |                  |       |       |
|    | e) through any other mode as approved by Bangladesh Bank   |   |                               |                  |       |       |
|    | f) through transfer to Suspense Account for dematerialized Shares (BO<br>wise detailed with reason should be maintained and submitted)                 |   | 1                             |                  |       |       |

|           |   |                         |                    |  |
|-----------|---|-------------------------|--------------------|--|
|           | g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities  | 10,422,467.50           | 2,745,586          |  |
| <b>21</b> | <b>Total Dividend paid/credited for the concerned year</b>  | <b>1,494,666,928.36</b> | <b>150,904,339</b> |  |
| <b>22</b> | <b>Total unpaid/undistributed Dividend /accrued during the period (19-21)</b>   | <b>14,376,465.39</b>    | <b>-</b>           |  |
| <b>23</b> | <b>Total unpaid/undistributed Dividend /accrued as on 1<sup>st</sup> day of Accounting year (as per Audited Accounts) [01.01.2024]</b>                                    | <b>48,094,321.31</b>    |                    |  |
| <b>24</b> | <b>Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year</b>  |                         |                    |  |
|           | <b>A. Mode of Dividend Receipts/payment/credit for the previous years:</b>  |                         |                    |  |
|           | a) through BEFTN or directly credited to respective BO  |                         |                    |  |
|           | b) through Banks Transfer   |                         |                    |  |
|           | c) through Mobile Financial Service (MFS)   |                         |                    |  |
|           | d) through any other mode as approved by Bangladesh Bank (Payment Order/ Dividend Warrant) as on (31.05.2024)   | 1,531,314.99            |                    |  |
|           | e) through transfer to/from Suspense Account for Demate Shares or any other reasons   |                         |                    |  |
|           | f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units   |                         |                    |  |
|           | g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities |                         |                    |  |
| <b>25</b> | <b>Total Dividend paid/credited for previous years: as on (31.05.2024)</b>  | <b>1,531,314.99</b>     |                    |  |
| <b>26</b> | <b>Total unpaid/undistributed Dividend for previous years (23-25) Taka/ Nos</b>   | <b>46,563,006.32</b>    |                    |  |
| <b>27</b> | <b>Grand Total of unpaid/undistributed Dividend (22+26)</b>   | <b>60,939,471.71</b>    |                    |  |
| <b>28</b> | <b>Aging of grand Total of unpaid/undistributed Dividend for previous years: ( Based on 31.12.2023)</b>   |                         |                    |  |
|           | <b>More than 3 years; balance</b>   | <b>10,165,660.82</b>    |                    |  |
|           | <b>More than 4 years; balance</b>   | <b>9,540,422.11</b>     |                    |  |
|           | <b>More than 5 years &amp; above; balance</b>   | <b>7,707,926.30</b>     |                    |  |
|           | <b>Total of unpaid/undistributed Dividend for previous years (31.05.2024)</b>   | <b>46,563,006.32</b>    | <b>4,047,800</b>   |  |
|           | <b>(Supporting bank statements and balances of securities with the Depository)</b>  |                         |                    |  |

**Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable field.**



# Information on Important Laws, Policies and Practices

EBL adheres to all the laws and regulations relevant to its operations as a banking company. It has established a comprehensive set of internal policies and procedures to ensure consistent practices of compliance and good governance. EBL abides by a wide range of laws, policies, and practices, including but not limited to the following:

- Companies Act, 1994 (with subsequent amendments)
- Bank Company Act 1991 (with subsequent amendments)
- Bangladesh Bank Order, 1972
- Securities and Exchange Ordinance, 1969
- Securities and Exchange Rules, 1987
- Securities and Exchange Commission Act, 1993
- Corporate Governance Code, 2018 (with subsequent amendments) of BSEC
- Dhaka Stock Exchange (Listing) Regulation, 2015

- Chittagong Stock Exchange (Listing) Regulation, 2015
- CDBL Bye Laws
- Prudential Regulations for Banks : Selected Issues (Issued by Bangladesh Bank)
- Material Information & PSI Policy of EBL
- Dividend Distribution Policy of EBL
- Bangladesh Secretarial Standards (BSS) issued by ICSB
- National Integrity Strategy (NIS) issued by the Government of Bangladesh.

- Money Laundering Prevention Act, 2012
- Money laundering Prevention Rules 2019
- Anti-Terrorism Act, 2009
- Anti-Terrorism Rules, 2013
- EBL Money Laundering & Terrorist Financing Risk Management Policy (AML Policy) 2023
- EBL Money Laundering & Terrorist Financing Risk Assessment Policy 2023
- Prevention of Trade Based Money Laundering Policy (TBML)-2024 of EBL
- EBL Compliance Policy

- Internal Control & Compliance Policy 2023 of EBL
- Fraud & Theft Prevention and Management Policy of EBL
- EBL Audit Policy & Process Guideline
- Incident Reporting Process Guideline of EBL
- BFIU AML/CFT Guidelines
- BFIU Circulars/Circular Letters

- Income Tax Act, 2023
- VAT and SD Act 2012
- Financial Reporting Act 2015
- First Schedule (section 38) of the Bank Company Act, 1991
- Negotiable Instruments Act, 1881
- The Customs Act, 1969

- International Financial Reporting Standards (IFRSs)
- Procurement & Disposal Policy of EBL
- GL Control and Reconciliation Policy

- Enterprise Risk Management (ERM) Guideline of EBL
- Sustainable Banking-Environmental & Social Risk Management (ESRM) policy of EBL
- Key Risk Indicators (KRI) & Management Action Triggers (MAT)
- Value at Risk (VaR) Policy
- Other applicable laws and regulations.
- Credit Instruction Manual
- Credit Policy Manual (CPM) of EBL
- Agent Banking Operation Policy of EBL

- Contingency Planning Policy and Crisis Management Plan
- Corporate Social Responsibility policy 2024 of EBL
- Post Import Financing (PIF) Policy of EBL
- Rate Appropriateness Policy of EBL
- Foreign Exchange Risk Management Policy of EBL
- Investment Policy of EBL
- Fixed Asset Policy of EBL

- EBL ICT Security Policy
- ICT Risk Management Policy
- Project Management Poli

- Data Management Policy of EBL
- EBL Cloud Computing Policy
- EBL Laptop Policy

- EBL People Management Policy
- EBL Service Excellence Guidelines (GAP Policy)
- Guideline on Fire & Security of EBL
- Code of Conducts of EBL

- Green Office Guide for EBL
- Medi Aid
- E-mail etiquette
- Telephone etiquette



এম এম রহমান এন্ড কোং  
**M M Rahman & Co.**  
Chartered Accountants



**Russell Bedford**  
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**Report to the Shareholders of  
Eastern Bank PLC.  
On  
Compliance on the Corporate Governance Code  
For the year ended on 31 December, 2024**

We have examined the compliance status to the Corporate Governance Code by Eastern Bank PLC. for the year ended as on 31 December 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 (amended up to 2024) 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 Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition 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, with the following status regarding condition no. 2(b):

The first term of the then Independent Director Dr. Toufic Ahmad Choudhury of EBL ended on September 01, 2024. Before that, on August 01, 2024, the bank applied to BSEC for his reappointment for a second term. However, the BSEC did not approve his re-appointment dated September 01, 2024. As a result, he resigned from his position as director of EBL Investments Limited (a fully owned subsidiary of Eastern Bank PLC.) on November 14, 2024.

Later, on November 26, 2024, the bank's Audit Committee recommended Mr. Md. Farid Uddin as the new Independent Director. The bank applied to BSEC for approval of the new appointment on November 27, 2024. However, the regulators' approval was pending at the end of the reporting period, December 31, 2024.

- (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; and
- (d) The Governance of the bank is satisfactory, with the status stated in clause (a) of the report.

Name of Firm: M M Rahman & Co.  
Chartered Accountants

Signature of the Auditor

Name of the Auditor: Mohammed Forkan Uddin FCA,  
Managing Partner

Enrolment No. 886

Firm's FRC Enlistment No. CAF-001-144

Dhaka, Date  
April 07, 2025

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**Chattogram Office:** R. F Zohura Tower (7th Floor), 1401/A Sk. Mujib Road Chowmuhoni, Chattogram-4100, Tel : 0233335331  
**E-mail:** info@mmrahman.org, **Web:** www.mmrahman.org

# BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

**Renewed Certificate**

*This is to certify that*

**EASTERN BANK PLC.**

*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, 2025.*

Ref. No: CM-2025/047

Date of issue : January 23, 2025



Secretary General

**BAPLC**

# Going Concern and Viability

The going concern concept, a fundamental assumption used to prepare financial statements, is an accounting principle that assumes an entity is financially stable enough to meet its obligations and continue its business for the foreseeable future. Based on our

assessment of financial performance, payment of obligations, business expansion, dividend consistency, capital adequacy, risk management practices and other relevant factors, we are confident about EBL's operation as going concern.

## Key financial indicators (Bank)

| Particulars                                   | 2024   | 2023   | 2022   | 2021   | 2020   |
|---|--------|--------|--------|--------|--------|
| Return on average assets (ROA)*               | 1.34%  | 1.27%  | 1.21%  | 1.28%  | 1.22%  |
| Return on average equity (ROE)*               | 18.63% | 16.85% | 15.46% | 15.51% | 15.04% |
| Cost to income ratio                          | 40.14% | 44.22% | 43.53% | 38.99% | 45.58% |
| Capital to risk weighted assets ratio (CRAR)* | 15.11% | 15.07% | 14.61% | 14.08% | 15.23% |
| NPL ratio                                     | 3.34%  | 3.10%  | 2.78%  | 3.70%  | 2.72%  |
| EPS in BDT* (earlier years not restated)      | 5.53   | 4.50   | 4.76   | 4.88   | 5.05   |

\* Figures of 2023 restated

## Good governance for sustainability

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 executes policies and procedures set by the Board. Our well-functioning Board provides judicious guidance and support to MD and his team to carry out business. We uphold strong and effective corporate governance practices to cultivate a culture of accountability, 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 ICSB National Award for Corporate Governance Excellence who conferred us Gold Awards for a number of times.

## Credit rating

CRAB has assigned their highest long term rating "AAA" and short-term rating "ST-1" to EBL on 28 May 2024. This rating indicates stable business performance over the periods, good asset quality, sound liquidity, experienced top management, Basel-III compliant capital adequacy (with strong core capital), diversified business portfolio, good non-funded business, strong brand image, sound IT infrastructure, efficient operational performance etc. Even during the pandemic, the Bank showed its resilient performance.

## Consistency in dividend payments

While we are pledge-bound in protecting shareholders' interest, we give utmost importance in maintaining a fine balance between consistent dividend payments 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.

| Particulars        | 2024  | 2023  | 2022  | 2021  | 2020 |
|--------------------|-------|-------|-------|-------|------|
| Dividends:         |       |       |       |       |      |
| Cash dividend (%)  | 17.50 | 12.50 | 12.50 | 12.50 | 17.5 |
| Stock dividend (%) | 17.50 | 12.50 | 12.50 | 12.50 | 17.5 |
| Total              | 35%   | 25%   | 25%   | 25%   | 35%  |

## Regulatory compliance

EBL is 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 | 2024    | Status   |
|--------------------------------|------------------|---------|----------|
| AD ratio (Bank)                | ≤87%             | 80.19%  | Complied |
| MCO (DBO)                      | ≤16.5%           | 13.28%  | Complied |
| LCR (DBO)                      | ≥100%            | 190.17% | Complied |
| NSFR (DBO)                     | >100%            | 119.00% | Complied |
| Capital market exposure (Bank) | ≤25%             | 20.49%  | Complied |
| Leverage ratio (Bank)          | ≥3%              | 5.66%   | Complied |



## Capital management

The Bank has been maintaining adequate capital consistently above its regulatory requirement. Minimum capital requirement of the Bank as of 31 December 2024 was BDT 34,311 million whereas EBL

maintained BDT 51,846 million that led to CRAR 15.11% of which core capital to RWA was 11.76% 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.

BDT in million

| Particulars                 | 2024    | 2023 (restated) |
|-----------------------------|---------|-----------------|
| Risk weighted assets        | 343,105 | 309,569         |
| Minimum capital requirement | 34,311  | 30,957          |
| Maintenance of capital      | 51,846  | 46,662          |
| Surplus                     | 17,535  | 15,705          |
| CRAR                        | 15.11%  | 15.07%          |

## Risk management

EBL's approach to risk management is deeply embedded in its operations, forming the foundation for all strategic decisions. With a robust framework and diligent oversight, EBL consistently identifies, evaluates, and mitigates risks across every aspect of its activities. By prioritizing the interests of its stakeholders, the Bank remains resilient in the face of evolving challenges. This unwavering commitment to effective risk management not only protects the Bank's assets but also supports its ability to achieve sustained growth and create lasting value.

## Service excellence

We are dedicated to delivering consistent, convenient, and standardized customer service. To achieve this, we continuously enhance our service excellence by leveraging technology and process re-engineering. Acknowledging the ongoing digital transformation in the banking sector, we have positioned ourselves as a leading force in digital banking. This strategic shift has significantly improved the customer experience by fostering better connectivity through a comprehensive approach. We value customer feedback, as it helps us understand evolving needs and expectations, enabling us to build and maintain strong relationships with our customers.

## Data security and privacy

Foundation of banking lies in nurturing trust and credibility. Cyber security is key for Banks to keep customers' money safe and secure. 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 eight 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 sixth 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

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 three years by The Banker, Best Partner for Equipment Trade in South Asia under Global Trade Finance Program by IFC, Best Domestic Bank in the 2023 by Asiamoney, FinTech Innovation of the year for 2021 by FinTech, ICMAB 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 etc. for its proven track record of success.

## Employee first

Satisfied employees have higher productivity and provide better customer service. EBL has fostered an equitable, supportive, and discrimination-free work environment that promotes equal opportunities, ensures work-life balance, encourages employee engagement, supports personal development, and prioritizes health and safety. These efforts contribute to higher productivity and a reduction in conflicts between employees and management. This has eventually reduced turnover with enhanced loyalty towards the Bank along with retention of talents. We believe in connecting with our people to win loyalty, promoting employee engagement and motivating them to excel in our journey to build a strong and vibrant brand. As a part of recognition, EBL has received Bangladesh Best Employer Brand Award by the globally renowned Employer Branding Institute.

## Our going concern ability remains unchallenged

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.