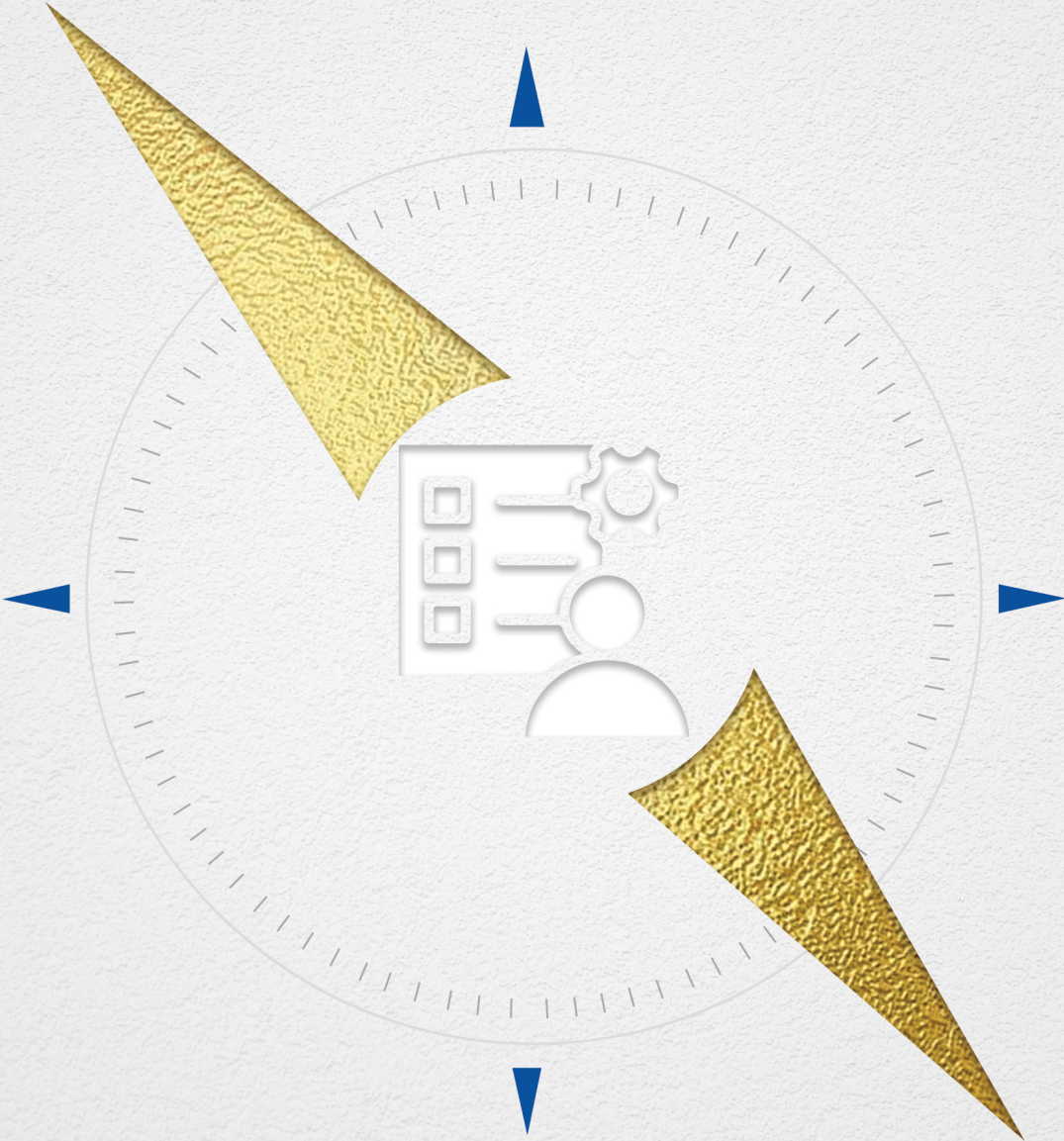


GOVERNANCE REPORTS



Directors Responsibility Statement

Among other oversight responsibilities, Board of Directors (BoD) has to ensure that the Financial Statements of the Bank and its subsidiaries are prepared in accordance with applicable International Financial Reporting Standards (including International Accounting Standards), relevant provisions of the Companies Act 1994 (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 as 'Directors Report 2023' 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 2023 and Management Discussion and Analysis (MD&A) section with relevant analytics and outlook.
- **Any recommended reserve in the balance sheet:** An amount of BDT 1,341.37 million has been transferred to 'Statutory Reserve' to equalize with the paid up capital as per section 24 of Bank Company Act 1991.
- **Recommended dividend:** The Board has recommended 12.5% cash dividend and 12.5% stock dividend for the completed year 2023.
- **Any event after balance sheet date which may affect company's financial condition:** Nothing significant.
- **Any change in Bank's activities, subsidiaries' activities etc.:** No major change in strategy and actions in the Bank and Subsidiaries experienced in 2023.

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

- **Industry outlook and possible future developments in the industry:** A brief review has been presented in the Directors Report 2023.
- **Segment-wise or product-wise performance:** Business-wise performance has been presented in the Management Discussion & Analysis section.
- **Risks and concerns:** A detailed discussion regarding risks and management of the same has been presented in "Risk Management Report" section of this annual report.
- **Discussion on operating performance:** A brief narrative has been presented in "Financial Performance Highlights of EBL" part of the Directors Report 2023.
- **Discussion on continuity of any extra-ordinary gain or loss:** EBL has not experienced any extra-ordinary gain or loss in 2023. EBL's Five Year Progression presented in the "Information for Stakeholders" section will provide detailed information to support this.
- **Basis for related party transactions and a statement of all related party transactions:** The basis for related party transactions has been stated in the "Corporate Governance

Report" and a statement of related party transactions has been presented in the Annexure C1 of the Financial Statements 2023.

- **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 2023.
- **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 2023 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity. The external auditor, Howladar Yunus & Co., Chartered Accountants also provided their opinion on the same by issuing an unqualified audit report.
- **Maintenance of proper books of account:** Proper books of account as required by law have been kept by EBL. The external auditor, Howladar Yunus & 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 based on reasonable and prudent judgment. Estimates and underlying assumptions are reviewed on an ongoing basis and any revision to these are recognized in the period in which the estimate is revised and in any future period affected.
- **Following International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS), as applicable in Bangladesh, in preparation of financial statements and any departure therefrom has been adequately disclosed:** Details description including disclosure of departures has been presented in Note 2.1 to the Financial Statements 2023.

- **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 2023.
- **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 2023 have been adequately discussed in the Directors Report 2023 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 12.5% cash dividend and 12.5% stock dividend for the year 2023.
- **Declaration of bonus share or stock dividend as interim dividend:** No bonus share or stock dividend was declared as interim dividend in 2023.
- **Number of Board meetings and directors' attendance in 2023:** 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 2023.

- **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 2023.
- **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 A. Qasem & CO., Chartered Accountants, has been presented at the end of Corporate Governance Report.

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

The Directors, to the best of their knowledge and information, hereby confirm that the Annual Report 2023 together with the Directors Report and the Financial Statements have been prepared in compliance with applicable governing acts, rules, regulations, guidelines and laws of various regulatory bodies including Bangladesh Bank and BSEC.

On behalf of the Board of Directors

Md. Showkat Ali Chowdhury
Chairman of the Board of Directors

Report of the Audit Committee of the Board

In the realm of bank governance, the Audit Committee of the Board (ACB) stands tall, playing a crucial role in oversight through close examination of audit performance, independence, and fairness. 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.

The report of the Audit Committee 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 June 03, 2018; titled as "Corporate Governance Code 2018".

Composition of the Audit Committee and meeting attendance in 2023

The Audit Committee, comprising five Directors, including two independent ones 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.

Below are the names and educational backgrounds of the committee members, along with their attendance records in the committee meetings:

Sl	Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting Attendance
1	Dr. Toufic Ahmad Choudhury	Independent Director	Chairman	Ph. D, Master in Economics	7/7
2	Mufakkarul Islam Khasru	Director	Member	MBA (IBA)	7/7
3	Gazi Md. Shakhawat Hossain	Director	Member	M.com (Accounting)	7/7
*4	Ruslan Nasir	Director	Member	MBA	2/4
**5	Ashiq Imran	Independent Director	Member	Master of Science in Architecture	5/5

* Ruslan Nasir, Director, joined EBL Board on 25 August 2021 and Audit Committee of the Board on 06 July 2023.

** Ashiq Imran, Ex-Independent Director resigned from the office of Director on 20 October 2023. Khondkar Atique-e-Rabbani was appointed as an Independent Director of the Bank on 31 January 2024.

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

Participation of non-members

MD, Head of ICC, Head of Audit and CFO being the representatives of Management also attend the Audit Committee meetings on invitation.

Access to the committee

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

Committee governance

The Committee ensures that the Board is well informed and provides guidance on matters related to financial reporting requirements, internal control, and the issues raised by external auditors. Meetings of the Committee typically precede those of the Board, facilitating the timely and organized presentation of its findings and recommendations to the Board. Additionally, the Board receives copies of Committee agenda and meeting minutes.

The Committee Secretary maintains regular communication with the Chair to ensure the Committee meet its governance obligations effectively. This includes incorporating stakeholder input into finalizing meeting agenda and monitoring progress on action items and Committee 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.

01 Internal control	<ul style="list-style-type: none"> Assess the bank's compliance culture to ensure all employees understand their roles and responsibilities clearly. Review management's arrangements for developing and maintaining a suitable Management Information System (MIS). Evaluate the implementation of internal control strategies recommended by the internal and external auditors. Review reports on fraud, forgery, and internal control deficiencies detected by auditors and regulatory inspectors, and present findings to the Board after verifying whether corrective measures have been taken by the management.
02 Financial reporting	<ul style="list-style-type: none"> Evaluate the completeness and accuracy of the financial statements, ensuring compliance with prevailing rules, regulations, and financial reporting standards. Collaborate with management and external auditors to review annual financial statements before submission to the Board for approval. Scrutinize quarterly and half-yearly financial statements with management prior to submission to Board for approval. Examine management discussion and analysis content for inclusion in the annual report. Review significant related party transactions (RPTs) submitted by management. Ensure proceeds from Initial Public Offering (IPO) or Rights Share Offer are utilized in accordance with purposes outlined in approved offer documents or prospectuses endorsed by the Commission.
03 Internal audit	<ul style="list-style-type: none"> Evaluate and oversee the independence of internal audit functions. Review the activities, structure, and conduct of internal audit functions to prevent unjustified restrictions or limitations. Assess the annual internal audit plan and the effectiveness of the internal audit function. Ensure appropriate implementation of internal auditors' recommendations to address any irregularities detected.
04 External audit	<ul style="list-style-type: none"> Recommend external auditors' appointments, re-appointments, and removals for approval by the shareholders in the AGM, including overseeing new auditor selection and investigating any factors leading to auditor resignations. Oversee the relationship with external auditors, including approving their remuneration, assessing independence, and preventing conflicts of interest. Conduct regular meetings with external auditors for pre-audit planning and post-audit discussions, including holding annual meetings without management presence to address audit matters. Review external auditors' findings and ensure prompt management action on detected irregularities.
05 Compliance with existing laws and regulations	<ul style="list-style-type: none"> Review compliance with laws and regulations set by the regulatory authorities and internal policies approved by the Board to ensure management's adherence.
06 Other responsibilities	<ul style="list-style-type: none"> Submit quarterly Compliance Reports to the Board, detailing errors, irregularities, fraud, forgery, and anomalies highlighted by Internal and External Auditors and Bangladesh Bank Inspection Team. Provide evaluation reports on internal and external auditors and oversee additional assignments delegated by the Board, while conducting regular self-assessments of the Committee's performance.

Reporting to the Board

The Audit Committee routinely updates the Board of Directors after each meeting and promptly notifies them of any of the following occurrences:

- Report on conflict of interests, if any.
- Report suspected or presumed fraud, irregularity or material defect in the Bank's internal control system.
- Report suspected infringement of laws, including securities related laws, rules and regulations.
- Report any other matters deemed necessary by the ACB.

Meetings of the Audit Committee

The Audit Committee held seven meetings in 2023, exceeding the Bangladesh Bank's requirement of at least four meetings per year. Detailed discussions and reviews were conducted with

the Head of Audit, Head of Internal Control & Compliance, and External Auditors to address findings and remedial suggestions. The Committee instructed management to implement these suggestions and monitor progress accordingly. Meeting dates are provided below:

SL	Meetings	Date of Meeting
1	142 Audit Committee Meeting	16 February 2023
2	143 Audit Committee Meeting	05 April 2023
3	144 Audit Committee Meeting	09 May 2023
4	145 Audit Committee Meeting	27 July 2023
5	146 Audit Committee Meeting	26 September 2023
6	147 Audit Committee Meeting	26 October 2023
7	148 Audit Committee Meeting	27 December 2023

Major issues reviewed by the Audit Committee in 2023

Matters reviewed/approved	Audit Committee's meeting no.						
	142	143	144	145	146	147	148
Reporting							
• Draft annual, half yearly and quarterly financial statements		√	√	√		√	
• Operating expense variances			√	√		√	
Internal audit							
• Risk based internal audit plan-2024							√
• Summary of internal audit reports, including high-risk audit findings across branches, departments, and subsidiaries.	√	√	√	√	√	√	√
External audit							
• Recommendation for external and corporate governance auditors' appointment and remuneration.		√					
• Management Letter and its subsequent compliance thereof.					√		
Internal control							
• Policies relating to various functions.	√	√	√	√	√	√	√
• Responsibilities of company secretary, CFO, and audit/compliance head.	√						
Compliance issues & others							
• Bangladesh Bank inspection and compliance reports.	√			√			
• Annual Health Report -2022.					√		
• Quarterly Operational Report and Loan Documentation Checklist.	√		√		√		√
• List of corporate banking portfolio credit policy exceptions			√				
• Half-yearly complaints received by the bank		√			√		√

Internal audit and effective implementation of internal controls

The Internal Audit function's independence is ensured with the Head of Internal Audit reporting directly to the Audit Committee Chair. Work scope aligns with Audit Committee/regulatory guidelines to review all significant bank activities based on risk-based audit plans/internal audit standards. Internal Audit performance is assessed through periodic reports, including key findings summaries. The Head of Internal Audit has direct access to the Audit Committee Chair, with regular meetings held, with or without management present.

The Audit Committee of the Board ensures that there are no restrictions on Internal Auditors' access to people, information, processes, properties, records, and systems, to allow them to perform their audit activities with objectivity.

Focus of future activities

In the coming year, the committee anticipates a focus on risk governance and controls, the robustness of the bank's cybersecurity

arrangements, digitalization, automation, and Artificial Intelligence (AI), as well as customer data security. Additionally, the bank aims for its internal audit function to become more agile, robust, and innovative in surfacing risks it may encounter from time to time.

Acknowledgement

The Audit Committee extends its cordial appreciation to the esteemed members of the Board, management, and auditors for their invaluable support. Additionally, the Committee expresses sincere gratitude to regulatory bodies, notably the Bangladesh Bank and the Bangladesh Securities and Exchange Commission, for their invaluable direction and guidance, which significantly facilitated the fulfillment of its duties and responsibilities.

On behalf of the Audit Committee,



Dr. Toufic Ahmad Choudhury

Chairman, Audit Committee of the Board

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

Risk and rewards are inherent in banking business; as such modern risk management is integrated into business planning, credit decision making, internal control mechanism and day to-day operations. The Risk Management Committee (RMC) of the Board oversees the overall risk governance in the Bank to ensure that there is an effective infrastructure in place to manage risk. This committee also conducts management efficacy and promptness in identifying, assessing, controlling and monitoring risks. RMC of the Board is committed to ensure a sound risk management system that promotes sustainability and resilience capability of the Bank 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 guidelines of Bangladesh Bank, the Board of Directors (BoD) formed the Risk Management Committee (RMC) of the Board on 07 November

2013 which was last reconstituted on 06 July 2023 to carry out an effective role in mitigating impending risks arising out of strategies and policies formulated by the Board.

The objective of the committee is also to ensure proper risk governance; overseeing, directing and setting policies and reducing probable risks arising during implementation of policies, procedures and strategies. Periodic review of adequacy of capital and provisions against the identified risks are the focus area of RMC of the Board.

Composition of the committee

The Risk Management Committee of the Board comprises 5 non-executive directors solely 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	Mir Nasir Hossain	Director	Chairman	M.Com (Accounting)	4/4
2	Mufakkarul Islam Khasru	Director	Member	MBA (IBA)	4/4
3	Gazi Md. Shakhawat Hossain	Director	Member	M.Com (Accounting)	4/4
4	Zara Namreen	Director	Member	Master of Science in Business Finance	3/4
5	Dr. Toufic Ahmad Choudhury	Independent Director	Member	Ph. D, Master in Economics	3/4

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 held in 2023. 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 attend the meetings of the committee, together with other concerned members of the management, as determined or invited by the committee.

How the RMC of the Board operates

To ensure effective discharge of the responsibilities by the RMC, an annual forward calendar linked with the Terms of Reference (ToR) of the committee is approved beforehand by the committee. The Company Secretary and the Chief Risk Officer assist the chairman of the committee in drafting the agenda for each committee meeting. Following each committee meeting, a formal report is presented to the Board by the chairman of the committee describing the

discussions, decisions and recommendations along with any other issues those need to be brought to the notice of the Board.

Roles and responsibilities of RMC

The roles and responsibilities of RMC have been framed in line with the provisions of Bangladesh Bank, Risk Management Guidelines for Banks vide DOS Circular no. 04, dated 08 October 2018 and other best practices. Some important roles and responsibilities are highlighted below:

- It is the responsibility of RMC to identify and assess risks and guide management to formulate strategies for minimizing/controlling risks. The committee (RMC) reviews the risk management policy and modifies the same as required from time to time.
- In order to mitigate risks, RMC ensures that a suitable risk governance structure is in place. RMC monitors the activities of separate 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.

- RMC reviews the risk management policy and guidelines of the Bank at least once a year, make necessary modifications as per requirement and submit the same to the Board of Directors for consideration. Besides, the committee reviews the status and quality of loan portfolio and guide management as required.
- The committee monitors implementation status of risk management policy of the Bank and examines whether remedial measures have been taken to minimize credit risk, market risk and operational risk.
- The committee reviews various decisions and recommendations made by different risk committees of management for onward submission to Board of Directors.
- The committee complies with different directives/guidelines as issued by Regulators from time to time.
- Ensuring articulation and review of risk appetite and limits, and recommending these to the Board for their subsequent review and approval.
- Analyzing comprehensively existing and probable risk issues in the meeting, taking appropriate decisions for sufficient risk mitigation, incorporating the same in the meeting minutes and engaging in follow-up of decisions for ensuring appropriate implementation.
- Reviewed concerning accounts including unclassified and re-scheduled (pre or post classification) ones which may have been classified if payment deferral/classification pause had not been in place allowed during the pandemic. RMC also reviewed ownership structure of those entities exposed to succession risk and total liability position of those borrowers based on CIB report with analysis of total debt (composition of working capital and term loan), annual turnover, total assets and net worth to assess risks.
- Reviewed ICAAP (Internal Capital Adequacy Assessment Process) policy for 2023 and SRP (Supervisory Review Process) return for 2022 for onward submission to Board of Directors for consideration.
- Reviewed risk performance against approved Risk Matrix (Key Risk Indicators) for the year ending December 2022, half year ending June 2023 and month ending positions from January to October 2023.
- Reviewed the reports on Risk Management Policies of EBL and effectiveness of risk management functions in the Bank for the year 2022.
- Reviewed and endorsed Bank's risk appetite/internal limits for 2023 on major risk areas to place before Board of Directors for approval. RMC recommended growth in thrust sectors and advised to be cautious in few sectors considering their inherent and emerging risks.
- Reviewed risk performance against the risk appetite on quarterly interval and endorsed exposures exceeding the risk appetite with an advice to bring down those exposures within limit.
- The RMC of the Board discussed and oversaw issues related to climate change and green transition. In 2023 the RMC in its meetings also discussed disclosure reports, new alignment targets and advised to enforce energy audit of imported machineries financing.
- Reviewed Internal Audit Report On Post Import Finance (PIF) till Q1, 2023 and report of PIF Monitoring Unit till Q3, 2023 in Compliance with BRPD Circular 12, Dated June 13, 2021.
- Periodically reviewed Top 50 credit exposure (Group) of EBL in terms of limit offered to counterparties and advised management to closely monitor the account performance and to pay special attention to the vulnerable accounts.
- RMC highly focused on collection and recovery from delinquent accounts and reviewed implementation status of the strategies adopted in meetings. Throughout the year RMC regularly monitored position of classified, special mention, written-off and compromised settlement accounts, recovery status therefrom and progress of the law suits.
- Reviewed and revised the Foreign Exchange Value at Risk (VaR) limit for January and September 2023.
- Reviewed and endorsed Enterprise Risk Management (ERM) Guideline, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Key Risk Indicators (KRI) limits, Terms of Reference of Sustainable Finance Committee.

Meeting of RMC of the Board held in 2023

Bangladesh Bank advised RMC to hold at least 4 meetings in a year. In line with the same, RMC held 4 (Four) meetings during 2023 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 No.	Meetings	Date of Meeting
01.	44 th RMC Meeting	28 February 2023
02.	45 th RMC Meeting	23 May 2023
03.	46 th RMC Meeting	19 September 2023
04.	47 th RMC Meeting	13 December 2023

Major areas focused by RMC in 2023

In 2023 a total of 55 agenda were discussed in 4 meetings of RMC along with periodic status of implementation of RMC meeting's 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 Executive Risk Management Committee (ERMC) made during December 2022 to October 2023 and with certain directions endorsed the same for onward submission to Bangladesh Bank (BB).
- Reviewed Stress Test Reports from quarter ending December 2022 to quarter ending September 2023 and endorsed the same for onward submission to BB. Four stress scenarios were considered in addition to minimum regulatory requirement aligning with risk profile of EBL.

Recommendations of the Risk Management Committee (RMC) placed to the Board for ratification

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

SL	Meeting No.	Ratification in Board Meeting
1	Recommendation of 44 th Meeting of RMC of the Board	732 nd Board Meeting held on April 5, 2023
2	Recommendation of 45 th Meeting of RMC of the Board	736 th Board Meeting held on June 25, 2023
3	Recommendation of 46 th Meeting of RMC of the Board	743 rd Board Meeting held on October 11, 2023
4	Recommendation of 47 th Meeting of RMC of the Board	748 th Board Meeting held on December 27, 2023

Future roadmap

RMC meetings are always conducted through constructive dialogue; disseminating various suggestions and recommendations to the

management that are also placed before the Board. RMC has laid increased emphasis on the impact of global economic scenarios as well as major regulatory amendments. The committee is mindful of the need to continue to foster its inquisitorial capacity into stressed assets and recovery therefrom, and to maintain an 'effective and aware' risk culture and discipline. Considering these, RMC has increased its focus on implementing a risk control strategy to mitigate future uncertainty. In 2024, the Committee will continue to monitor the execution of the transition initiatives underway at the Bank and its 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 different Risk Committee for their unwavering and constructive support. We look forward to continued cooperation and support for strengthening the Bank's risk governance and control practices.

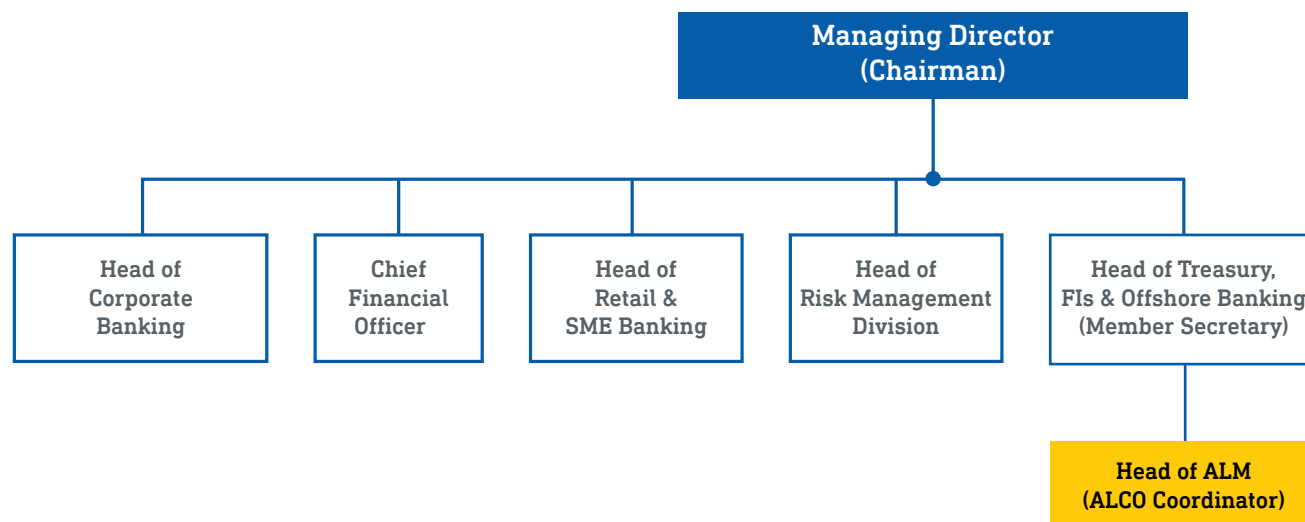
Mir Nasir Hossain

Chairman of the Risk Management Committee (RMC)

Report of the Asset Liability Committee (ALCO)

An Asset Liability Committee (ALCO) comprising senior officials of a bank and led by Managing Director is responsible for overseeing and mitigating risks associated with a bank's assets and liabilities. This committee, commonly known as ALCO, is mandated to convene a meeting at least once a month to analyze, review, and strategize

for effective balance sheet management. Its primary objective is to identify any mismatches or potential pitfalls that could jeopardize the safety of customers' deposits and undermine the institution's credibility. The composition of ALCO is as follows:



ALM (Asset liability management) Desk

ALM desk prepares the ALCO pack, ALCO meeting minutes, and circulates the approved minutes. Moreover, monitoring developments of local and international market and updating ALCO about the changes in the market are responsibilities of ALM desk. In addition, ALM desk is also responsible for calculation of balance sheet mismatch, preparation of cash flow and balance sheet forecast, interest rate forecast and spread calculation. Maintaining

regulatory limits, managing liquidity & market risk of the bank and understanding the market dynamics i.e. competition, potential target markets etc. for expansion of the business are certain other roles played by ALM desk.

Meetings of the ALCO

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

Roles and responsibilities of ALCO

Major areas	Roles and responsibilities
ALCO management & reporting	<ul style="list-style-type: none"> Retaining records of ALCO meetings and monitoring implementation status of the actions taken in ALCO meetings. Reviewing the interest rate risk and liquidity risk status of the Bank and focusing on action plan to achieve goals. Assessing liquidity gap and interest-rate risk. Holding a formal meeting (usually once in a month). Informal meetings are held on requirement basis. Monitoring and discussing the status and results of decisions taken in the previous ALCO. Confirmation of last ALCO Minutes. Reporting ALCO minutes to the Board along with market commentary and latest ALM indicators.
Balance sheet planning	<ul style="list-style-type: none"> Preparing forecasted balance sheet. Discussing innovative ideas to boost growth at minimum risk per unit of return. Reviewing the decisions taken by investment committee and actions of money market, fixed income trading desk to capture the short term trading and interest rate arbitrage opportunities. Setting up annual plan and reviewing it on quarterly basis. Decision making on choosing ideal yield curve for fund transfer pricing.

Major areas	Roles and responsibilities
Core asset-liability management	<ul style="list-style-type: none"> Interest income projections. Interest rate sensitivity analysis. Concentration of different asset classes based on liquidity concern in the balance sheet. Reviewing limits on structural gap in LCY & FCY on annual basis and ensuring compliance with the limits on monthly basis. Developing parameters for the pricing and maturity distribution of deposits, loans and investments. Net interest margin on current balance sheet and forecasted balance sheet.
Liquidity risk management	<p>Liquidity management strategy</p> <ul style="list-style-type: none"> Setting up limits that guide liquidity management of the Bank and ensuring compliance on regular basis. Reducing dependency on volatile liability and ensuring funding diversification. Managing loanable funds. <p>Liquidity management under stress situation</p> <ul style="list-style-type: none"> Complying predesigned contingency funding plan. Review contingency funding plan on regular interval. Monitoring liquidity ratios and their skewedness towards contingency situation described in the contingency funding plan.
Interest rate risk management	<ul style="list-style-type: none"> Setting interest rate forecast on annual basis and reviewing it at least on quarterly basis. However, in dynamic or abnormal market condition, ALCO should review interest rate forecast on monthly basis. Monitoring compliance with interest rate risk limits. Devising strategy to hedge interest rate risk and continue growth unless it falls beyond the risk appetite or regulatory framework.
Fund transfer pricing	<ul style="list-style-type: none"> Formulating transfer pricing system and policy. Fixing the yield curve. Measuring customer wise and business segment wise profitability.

Major areas focused by ALCO in 2023



Liquidity Management



Managing maturity mismatch



NRB business expansion for sourcing foreign remittance



Upholding Asset Quality



Emphasis on investment in Government Securities



Balance sheet growth

31 December 2023					1 st Fortnight of Dec'23	2 nd Fortnight of Dec'23
ALM Ratios	79.45%	104.64%	107.61%	12.25%	13.78%	8.68%
	Advance to Deposit Ratio (ADR)	Liquidity Coverage Ratio (LCR)-DBO	Net Stable Funding Ratio (NSFR)-DBO	Maximum Cumulative Outflow (MCO)-DBO	Wholesale Borrowing (WB)-DBO	
BB Limit	≤87%	≥100%	>100%	≤16.50%	≤80%	

On behalf of the Asset Liability Committee



Ali Reza Iftekhar
 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. is structured to oversee all significant risks inherent to the Bank. This encompasses establishing and implementing effective risk tolerance limits and triggers, offering valuable input and feedback on risk mitigation strategies, and ensuring that risk-taking endeavors harmonize with risk appetite and overarching strategic objectives of the Bank.

The ERMC is committed to aiding the risk management functions in identifying, measuring, prioritizing, and managing both current and emerging risks that may affect strategic objectives. Cultivating a risk-aware culture throughout the entire Bank stands as the committee's paramount objective.

Composition of the committee

The chairman of the committee is Chief Risk Officer (CRO). Head of ICC & CAMLCO plays the role of co-chairman and Head of Risk Management Division (RMD) acts as the Member Secretary of the committee.

Composition of the Committee is as follows

Sl No	Designation	Position in ERMC
01	DMD & Chief Risk Officer (CRO)	Chairman
02	DMD & Head ICC	Co-chairman
03	Additional Managing Director	Member
04	DMD & Head of Corporate Banking	Member
05	DMD, Head of Retail & SME	Member
06	DMD, Treasury, FIs and Offshore Banking	Member
07	DMD, Operations	Member
08	Chief Financial Officer	Member
09	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

A standing invitation is extended to the Head of Audit and the Head of Business Information Systems. Moreover, members have the option to bring guests of relevance to the meeting.

Meetings of ERMC in 2023

ERMC meetings occur monthly, with the chairman having the authority to convene emergency meetings as needed. In the chairman's absence, the Head of ICC & CAMLCO presides over the meeting. The Terms of Reference (TOR), approved by the Risk Management Committee (RMC) of the Board, outline ERMC's responsibilities. A quorum requires at least two-thirds of the members' presence. If a member is unavailable due to prior commitments, medical reasons, or leave, they nominate an alternate representative.

The ERMC convened a total of twelve (12) times during 2023.

Roles and responsibilities of the committee

1. ERMC's responsibility is to submit recommendations or reports to the competent authority (MD or RMC of the Board). If decisions are based on these recommendations, ERMC oversees their timely and effective implementation through respective departments/divisions.
2. Review and recommend risk assessment policies, methodologies, guidelines, and procedures in line with Bangladesh Bank guidelines for risk identification, measurement, and monitoring.
3. The Committee oversees the assessment and maintenance of adequate capital and provisions to support risk-taking. It also reviews and recommends the maintenance of supervisory capital as part of the Supervisory Review Process (SRP) through RMD.
4. The Committee directs and assists in developing an effective information system/MIS and data management capabilities to support the Bank's risk management functions.
5. The Committee establishes principles for identifying, measuring, managing, and reporting Bank-wide risks, recommending actions to control and mitigate them.
6. The Committee periodically reviews the Key Risk Indicators (KRIs) of all the departments/divisions across the Bank and advice corrective actions to departments/divisions where there is any deviation.
7. The Committee annually reviews all risks systematically to maintain risk exposures within Board-set limits, ensuring adequate control and reasonable risk-adjusted returns.
8. ERMC can request information on any risk-related issues from any individual/unit/department/division of the Bank, in any format, and respondents must provide accurate and timely information.
9. ERMC ensures arrangement of the Annual Risk Conference of the Bank.

Major areas focused by ERMC in 2023

- Formed a Sub-committee to review the merit and gravity of all the 'High' and 'Medium' risk issues identified by Internal Audit and to update the ERMC chairman on periodic basis.
- Initiated capturing of top 3 risks of each divisions. Each members submitted top 3 risks associated with their Divisions.
- A total 71 risks have been captured by the ERMC. Risk Management team working as a coordinator and ensuring proper follow up.
- Reviewed all risk related reports (CRMR, RMR, KRI, Stress Test etc.) throughout the year and adopted suitable mitigating measures.
- Ensured periodic follow-up of different risk sectors.
- Reviewed the Operational Risk Management Policy, securing the requisite approval from the esteemed Board of Directors.

On behalf of the Executive Risk Management Committee.



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

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 robust internal control system and has delegated the overall supervision role to the Audit Committee. The Board actively reviews internal audit report, external auditor's report including management report and Bangladesh Bank inspection report to ensure compliance and management due diligence. It assesses the qualifications of external auditors and verifies the effectiveness of the Bank's internal control systems, emphasizing continuous risk identification and management.

This control system not only helps the Bank achieve its goals consistently 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.

Details have been discussed under Directors Report 2023, Report of the Audit Committee of the Board, and Corporate Governance Report.

On behalf of the Board of Directors,

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.

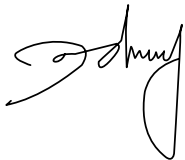
The Board has delegated its responsibilities to three committees namely the Executive Committee, Audit Committee, and Risk Management Committee. These committees play a crucial role in overseeing accounting records, ensuring accurate and fair financial representation, effective risk management, and strengthening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



Md. Showkat Ali Chowdhury
Chairman of the Board of Directors

Corporate Governance Report

Corporate Governance Practices at EBL

Good governance is a pre-requisite for existence and sustenance of institutions like banks as it deals with public money and trust. Banks play a crucial role in the economy by channeling funds from depositors to entrepreneurs and businesses leading to economic growth. 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.

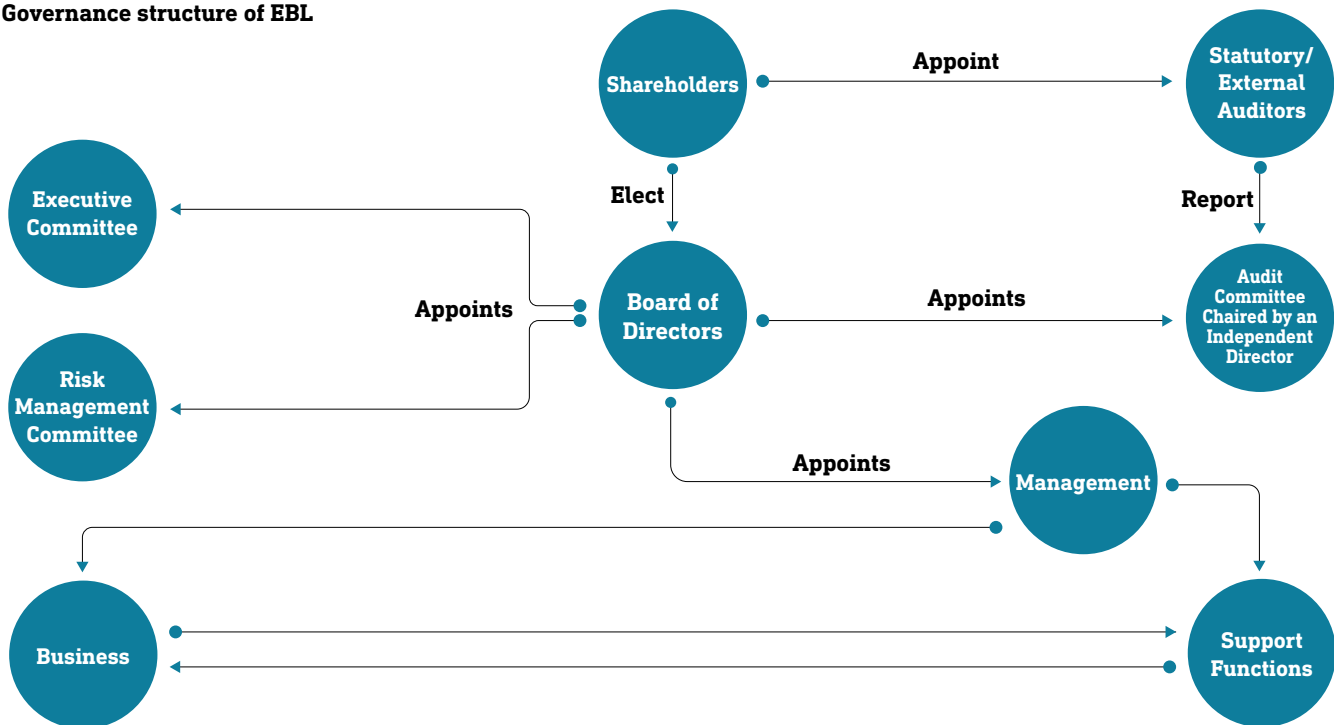
The Board is committed to meeting expectations of diverse stakeholders and fulfilling its obligations across multiple domains including business, ethics, governance, CSR and regulatory compliances. As a publicly listed company, EBL meticulously discloses its governance practices annually in its report, 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 132.

Governance Structure

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

'Tone at the top' - Board of Directors plays a pivotal role in shaping governance structure and practices through their choice of strategy and leadership to drive the Bank to growth path. Design and implementation of governance mechanism including selection and appointment of members of sub-committees of Board and senior management rests primarily on the Board. The 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.

Governance structure of EBL



The Bank makes sure to follow strong moral values and rules in its business. The Board encourages 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

We prioritize governance principles, essential reforms, and adherence to laws, regulations, and international best practices recommended by various authorities with a view to achieving long-term growth and sustainability. Our corporate governance

practices are aligned with relevant guidelines, acts, codes, and policies, including the Bank Company Act, 1991, and the Companies Act, 1994 (with subsequent amendments).

However, the Bank's corporate governance philosophy encompasses not only regulatory and legal compliances but also various internal rules, policies, procedures and best practices of local and global banks. As a responsible corporate citizen, the Bank is committed to exercise sound governance practices based on integrity, openness, fairness, professionalism and accountability in building confidence among stakeholders.

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

- Creating value for all stakeholders without compromising ethical principles.
- Ensuring fairness and equitable treatment of all stakeholders, including employees and shareholders.
- Compliance with all applicable laws, rules and regulations and their inherent spirit.
- Ensuring transparency and accountability, and maintaining a full disclosure policy with the motto 'when in doubt, disclose'.
- Embracing a trusteeship model in which management is the trustee, not the owner, of the shareholders' wealth.
- Establishing a sound system of risk management and internal controls with adequate safeguards and early warning systems.

Structure of the Board

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

Policy on appointment of Directors

Directors are appointed as per respective provisions, sections and regulations of Companies Act, Bank 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, economics, 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.

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 31st Annual General Meeting (AGM) held on 31 May 2023. Being eligible for re-election, all four of them got re-elected by the shareholders in the same AGM.

Sl.	Name of Director	Mode of Change
1.	Mufakharul Islam Khasru Representing: ZS Holding Ltd.	Re-elected
2.	Gazi Md. Shakhawat Hossain Representing: Purnima Construction (Pvt.) Ltd.	Re-elected
3.	K.J.S. Banu	Re-elected
4.	Zara Namreen Representing: Namreen Power Ltd.	Re-elected

Pursuant to section 92 of the companies Act, 1994 and as per clauses 105 & 106 of the Articles of Association of the Bank, 1/3 (one third) of

the following Directors shall retire by rotation from the office of the Directors in the forthcoming AGM and will be eligible for re-election.

- Md. Showkat Ali Chowdhury
- M. Ghaziul Haque
- Mir Nasir Hossain
- Salina Ali

The Board appointed Khondkar Atique-e-Rabbani as Independent Director of the Bank after 31st AGM which will be placed in the next AGM (29 April 2024) for shareholders' approval in compliance with Corporate Governance Code of BSEC & Articles of Association of the Bank.

Non-Executive Directors

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

Independent Directors

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 03 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.

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 2023, a total of 24 Board Meetings were held; the attendance records are as follows:

Sl.	Name	Position	No. of Meetings attended
1.	Md. Showkat Ali Chowdhury	Chairman	23/24
2.	M. Ghaziul Haque	Director	13/24
3.	Mir Nasir Hossain	Director	21/24
4.	Salina Ali	Director	17/24
5.	Anis Ahmed	Director	4/24
6.	Mufakharul Islam Khasru	Director	21/24
7.	Gazi Md. Shakhawat Hossain	Director	22/24
8.	K.J.S. Banu	Director	21/24
9.	Zara Namreen	Director	17/24
10.	Dr. Toufic Ahmad Choudhury	Independent Director	21/24
11.	Ruslan Nasir	Director	19/24

Sl.	Name	Position	No. of Meetings attended
12.	Barrister K. M. Tanjib-ul Alam	Independent Director	22/24
13.*	Ashiq Imran	Independent Director	18/19
14.	Ali Reza Iftexhar	Managing Director	24/24

*Mr. Ashiq Imran, former Independent Director, resigned from EBL Board on 20 October 2023. Subsequently, Mr. Khondkar Atique-e-Rabbani was appointed as an Independent Director of the Bank on 31 January 2024.

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

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

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

Ownership Composition

As on 31 December 2023, the Directors of EBL held 30.67% of total shares whereas General Public, Institutions & Foreign investors held 22.05%, 47.01% and 0.27% respectively:

Sl.	Composition	31.12.2023		31.12.2022	
		No of shares held	% of total Shares	No of shares held	% of total Shares
1	Directors	370,217,723	30.67%	329,082,425	30.67%
2	General Public	266,204,206	22.05%	223,463,019	20.82%
3	Institutions	567,517,404	47.01%	514,801,129	47.97%
4	Foreign Investors	3,295,382	0.27%	5,750,952	0.54%
Total		1,207,234,715	100%	1,073,097,525	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	31-12-2023	
			No of Shares Held	% of total shares
1	Md. Showkat Ali Chowdhury Representing Namreen Enterprise Ltd.	Chairman	47,857,293	3.97%
2	M. Ghaziul Haque	Director	38,765,518	3.21%
3	Mir Nasir Hossain Representing Mir Holdings Ltd.	Director	36,047,617	2.99%
4	Salina Ali Representing Borak Real Estate Ltd.	Director	57,906,365	4.79%
5	Anis Ahmed Representing MGH Healthcare Limited	Director	24,625,073	2.04%
6	Mufakkharul Islam Khasru Representing ZS Holding Ltd.	Director	24,150,656	2.00%
7	Gazi Md. Shakhawat Hossain Representing Purnima Construction (Pvt.) Ltd.	Director	36,468,949	3.03%
8	K.J.S. Banu	Director	32,264,929	2.67%
9	Zara Namreen Representing Namreen Power Limited	Director	24,150,656	2.00%
10	Dr. Toufic Ahmad Choudhury	Independent Director	-	-
11	Ruslan Nasir Representing Coloasia Limited	Director	47,980,667	3.97%
12	Barrister K.M. Tanjib-ul Alam	Independent Director	-	-
13	Ali Reza Iftexhar	Managing Director	-	-
Total			370,217,723	30.67%

Free Float Shareholding

Particulars		As on 31.12.2023		As on 31.12.2022	
1. Total number of Shares			1,207,234,715		1,073,097,525
Less:	a. Shares held by Directors	370,217,723		329,082,425	
	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)	120,399,655		107,021,916	
	d. Shares held by Associate Companies (Cross Holding)	NIL		NIL	
	e. Any other Locked-in Shares (Directors Personal Holding)	70,098,793		62,310,040	
2. Subtotal (a to e)			560,716,171		498,414,381
Total Free Float Shares (1-2)			646,518,544		574,683,144
No. of Sponsors			NIL		NIL
% of free float shares in respect of total shares			53.55%		53.55%

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

Please refer to Note 14.1 to the Financial Statements of 2023.

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.

On the other hand, 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.

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

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

Responsibilities of the Chairman of the Board

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

The overall responsibilities of the Chairman are to:

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

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

- Provide overall leadership to the Board, setting vision and driving innovation, working closely with the 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.

Roles and Responsibilities of MD, CFO, CS and HIAC

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

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.

Independence of Non-Executive Directors

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

Annual appraisal of the Board's performance

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

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

Annual evaluation of MD 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. Furthermore, the performance evaluation of MD is done by the Board through various reports featuring financial position and performance and

- 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.

Training of Directors

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

Directors' knowledge and expertise in Finance and Accounting

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

Compliance with corporate governance guidelines

The status of our compliance of Corporate Governance Code issued by BSEC, Bangladesh Bank, Companies Act-1994 and Bangladesh Secretarial Standards (BSS) has been presented in page 112-131, and 139-140. A. Qasem & Co., Chartered Accountants, duly certified the compliance status of corporate governance code and issued a report which is presented in page 132.

Vision, Mission and Strategy of the Bank

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

Board Committees and their Responsibilities

To ensure good governance in bank management, Bangladesh Bank issued a circular allowing banks to form maximum three committees or sub-committees of the Board.

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

Executive Committee (EC)

- **Appointment and composition:** In Compliance with Section 15 Kha (2) of Bank Company Act 1991 and guidelines of Bangladesh Bank, the Board of Directors of EBL has re-constituted the Executive Committee (EC) of the Board in 2022 with four members (maximum limit is seven members). None of them are the members of Audit Committee of the Board. The

Company Secretary acts as the secretary of the committee. The EC is comprised of 3 (three) Non-Executive Directors and Managing Director of the Bank. Details of EC members are stated in 'Corporate Directory' Section of this annual report.

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

Audit Committee (AC)

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

- **Appointment and composition:** In compliance with 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. Details of AC members are stated in "Corporate Directory" Section of this annual report.
- **Chairman of the AC:** Chairman of the AC is an Independent Director who performs his duties with full freedom.
- **Members are Non-Executive Directors:** All members of the AC are Non-executive Directors. No Executive of the Bank is eligible to become a member of the AC. Also, no member of EC is nominated as the member of the AC.
- **Qualification of members of AC:** All members of the AC are financially literate with degree in economics, accounting and business administration. Moreover, all members of the AC have reasonable knowledge in banking business, its operations, and risks involved in it.
- **Terms of Reference (ToR) of AC:** The ToR of the AC has been framed in line with the provisions of 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.
- **Internal Control & Compliance Division's Access to AC:** Heads of Internal Control & Compliance (ICC) and Internal Audit have direct access to the AC as and when required. In addition, the AC meets the Head of ICC and the Head of Internal Audit at least once in a year, without management being present, to discuss any issues arising from the internal audits carried out.
- **Objectives and activities of the AC:** The AC regularly reviews the internal control system of the Bank and the quarterly, half yearly and annual financial statements of the Bank before submission to the Board for consideration. The objectives and activities of the AC have been described in "Report of the Audit Committee" section of this annual report.

- **Meeting of the Audit Committee:** The Audit Committee of EBL held 7 (seven) meetings in 2023 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 2023 have been presented in "Report of the Audit Committee" section of this annual report.

Risk Management Committee (RMC)

- **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 2023 with five members. The RMC has been formed to minimize probable risks arisen during implementation of Board approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks.

All five members of this RMC are Non-Executive Directors; details of RMC members are stated in "Corporate Directory" Section of this annual report.
- **Roles and responsibilities of RMC:** It is the responsibility of RMC to identify and assess risk and guide management to formulate action plans for minimizing/controlling risks. The committee reviews the risk management policy and modify the same as per requirement. Some important roles and responsibilities of RMC have been described in "Report of the Risk Management Committee of the Board" section of this report.
- **Activities of RMC:** Major activities of RMC in 2023 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 4 (four) meetings during 2023 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 2023 have been presented in "Report of the Risk Management Committee of the Board" section of this report.

Benefits provided to Directors and Managing Director

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

Chairman: The Chairman of the Board of Directors may be provided an office chamber, a private secretary, an office assistant, a telephone

in office, a full time car and a mobile phone to be used within country. The Chairman of EBL did not accept any support staff and private secretary and any mobile phone from the Bank.

Directors: Directors are entitled to fees and other benefits for attending the Board/sub-committee (EC/AC/RMC) meetings (The benefits provided to Directors of EBL have been mentioned in Note 33 to the Financial Statements).

Managing Director: 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 32 to the Financial Statements).

EBL has fully complied with Bangladesh Bank Circulars and Guidelines.

Establishment and review of Internal Control System

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

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

Risk management

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

The risk management practice of EBL has been described in "Risk Management" section of this report. Also the roles and responsibilities of RMC and major areas focused by RMC in 2023 have been presented in "Report of the Risk Management Committee of the Board" section of this report.

Appointment of Independent Scrutinizer for the 32nd 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 32nd Annual General Meeting (AGM) of the Bank (EBL). Independent Scrutinizer shall have to submit the authenticated report on process of election & voting results to the Bangladesh Securities & Exchange Commission (BSEC) within 48 (forty eight) hours from the conclusion of Annual General Meeting (AGM) of the Bank (EBL).

Appointment of external auditors

The shareholders of EBL in the 31st AGM held on 31 May 2023 appointed Howladar Yunus & Co., Chartered Accountants, as the statutory auditors for the year 2023.

Services not provided by external auditors

In compliance with the provision 7 of BSEC Corporate Governance Code, we declare that Howladar Yunus & Co., Chartered Accountants, was not engaged in any of the following services during 2023 while conducting statutory audit:

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

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

Highlights on Central Bank Inspection

Crucial role of Central Bank Inspection is well recognized by the BoD and management of EBL. Bangladesh Bank conducted a comprehensive inspection in 2023 covering Head Office, selected branches, core risks and departments of EBL like earlier years. A total of 46 inspection reports were furnished by Bangladesh Bank during the course of 2023. Our compliance status was highly commendable, reflecting a proactive response to the observations made in the inspection reports. Timely and precise responses were provided for major issues. The Board, in turn, directed the management to meticulously adhere to the recommendations put forth by Bangladesh Bank.

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 of which service is taken from Unique Hotel & Resorts PLC (UHRL) is yet to be replaced due to its unique nature of propositions and absence of ready and suitable alternatives. Considering the business sensitivity (especially cards business) and unavailability of suitable alternative for replacing UHRL, EBL applied and got permission from Bangladesh Bank to continue with the UHRL till 30th June 2024.

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

Compliance of Code of Conduct and Ethical Guidelines

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

All the employees are committed to adhere to the Code of Conduct and are expected to demonstrate highest level of ethical standards.

They are also expected to undertake at all times to comply with or adhere to all applicable laws and regulations of the country, policies and instructions of the Bank, wherever they operate.

Board's Review on the organization's disaster recovery plan

EBL prioritizes operational resilience to ensure uninterrupted service even during unforeseen events which can be both localized natural disasters i.e. fires, floods, earthquakes, or man-made disasters i.e. power outages, connectivity failures, and explosions. Approved Disaster Recovery Plan (DRP) of ICT delineates a comprehensive and consistent set of actions to be executed before, during, and after such crisis. EBL boasts two geographically dispersed Disaster Recovery Sites (DRS) – Dilkusha as near DR for immediate restoration and Jashore as far DR for long-term continuity. We implement data backups and retention strategies tailored to each system's criticality, minimizing the risk of information loss. In 2023, a significant milestone has been achieved by completing the replication of Agent Banking System across all DRS locations, ensuring data consistency and redundancy. As a part of ongoing commitment to resilience and preparedness, the Bank conducts comprehensive DR drills every year, simulating real-world disruptions of varying scales. In 2023, the scope of the drill was expanded by testing the ability to resume critical operations even in the event of a complete data center failure. Valuable insights from these simulations give information regarding continuous improvement of the DRP, reinforcing for preparedness and confidence in navigating any challenge.

Board's Policy on ICT Governance

EBL recognizes the transformative power of information and communication technology. To fully harness its potential, efficient and effective ICT governance is prioritized, ensuring it seamlessly aligns with the broader enterprise framework. ICT governance adopts a comprehensive approach that takes into account stakeholder needs, evaluates various options, establishes priorities, and monitors performance and compliance against predefined objectives and directions. The Board of Directors has officially endorsed the Information Security Policy and ICT Risk Management Policy to achieve the following governance objectives:

- Alignment with enterprise governance.
- Oversight of the ICT environment through the implementation of global standards.
- Compliance with regulatory requirements.
- Allocation of resources in a judicious manner to meet current and future ICT needs.
- Ensuring transparency in procurement procedures.

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

Effective anti-money laundering and anti-terrorist 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 anti-money laundering and anti-terrorism program, EBL has deployed necessary resource and manpower.

Central Compliance Committee (CCC) has been reconstructed with

14 crucial department/division heads so that they can actively contribute to AML/CFT compliance program. Triple C is chaired by CAMLCO who is responsible for overall AML & CFT Compliance of the bank. A dedicated department "Anti Money Laundering Department (AML)", 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 (AML) 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.

AML 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. Moreover, 60 transaction monitoring rules and 58 transaction monitoring reports are incorporated in transaction monitoring system to identify suspicious/unusual transactions. To put it in a nutshell, AML System Velocity has enhanced monitoring, reporting, and escalation of suspicious transactions. In compliance with BFIU Circular No 24 dated 10 December 2019, EBL has introduced a Board-approved "EBL Prevention of Trade Based Money Laundering Policy" (TBML Policy) to subject trade transactions to greater scrutiny.

Whistleblowing and Anti-Fraud program

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

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

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

Compliance with Secretarial Standards

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

The Board of Directors of EBL in the Board Meeting held on 27 December 2017 discussed and accorded approval to the Management's proposal for adopting the Bangladesh Secretarial Standards (BSS) of ICSB.

Governance of Board of Directors of Subsidiary Companies

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

- At least one Independent Director of EBL is a Director on the Board of the subsidiary Company.
- The minutes of the Board meetings of the subsidiary companies are being placed for review in the following Board meeting of EBL.
- The Board of Directors of EBL reviews the affairs of the subsidiary companies and it has been duly stated in 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.

Human capital

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

Cash Dividend

Sl.	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	7,707,926.30	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	9,540,422.11	
4	Cash Dividend for the year-2020	10,165,660.82	
5	Cash Dividend for the year-2021	6,269,384.84	
6	Cash Dividend for the year-2022	12,503,697.69	

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

Communication with stakeholders

- **Communication with shareholders:** The assigned desk under Company Secretariat plays an important role to 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.

- **Policy on ensuring participation of shareholders at AGM:** To ensure effective participation of shareholders in AGM, EBL publishes notice of AGM in daily newspapers with necessary details within reasonable time-frame. The AGM normally takes place in a well-known place and at convenient time. Annual reports are circulated as per provision of Companies Act 1994 and related Notification issued by BSEC, so that shareholders get sufficient time to go through the report and can freely provide their valuable comments and suggestions in the AGM. 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 31st AGM have been presented in "Information for Stakeholders" section of this annual report.

- **Redressal of shareholders complaints:** 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.

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 2023, unclaimed dividend amount of EBL was BDT 48,094,321.31.

Summary of Unclaimed/Undistributed/Unpaid Stock Dividend and Cash Dividend and/or Fractional Dividend as on 31.12.2023.

Stock Dividend

Sl.	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 stock dividend to CMSF.
2	Stock Dividend for the year-2020	529,104	
3	Stock Dividend for the year-2021	444,065	
4	Stock Dividend for the year-2022	499,840	

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 2023 through publishing daily newspaper and online news portal.

Environmental and social obligations

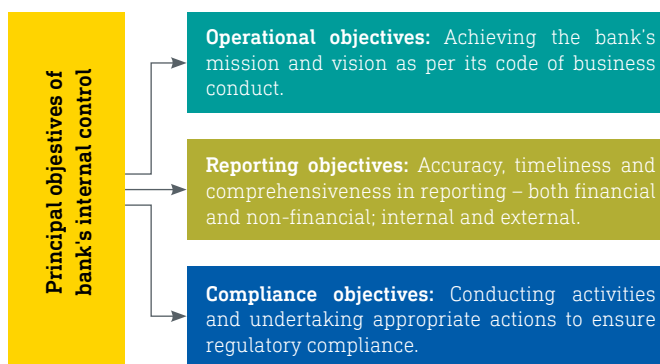
We believe that every small "GREEN" step taken today would go a long way in building a greener future. As an environment responsive Bank we initiated Go Green campaign. EBL is the first Bank to claim refinance from the Central Bank for carbon credits. A detailed description regarding environmental and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

Internal control system

In an increasingly digitized world, the risk and control environment struggle 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.

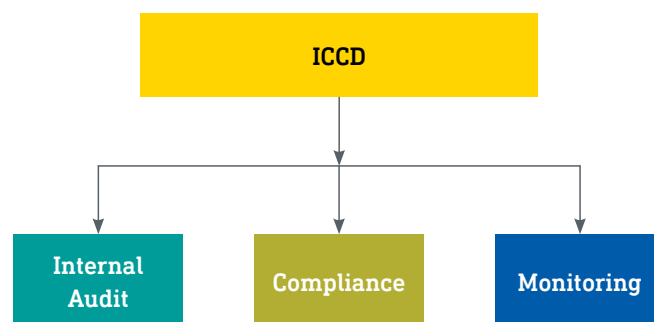


The internal control system of the Bank is designed to mitigate risks of failure to achieve business objectives. It can, therefore, only provide reasonable and not absolute assurance against material misstatement and losses. A comprehensive governance and control framework has been implemented to ensure effectiveness and efficiency of operations, compliance and reliability of financial reporting. Adequate systems, processes and controls have been put in place to identify and mitigate the risk of failure to achieve the overall objectives of the Bank. There is a continuous monitoring system in place to oversee the improvement of Bank's control environment. The Bank shall continue in its endeavor to further enhance its internal control design and assessment process in accordance with the industry best practices.

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, Monitoring, and Compliance.



Internal audit department

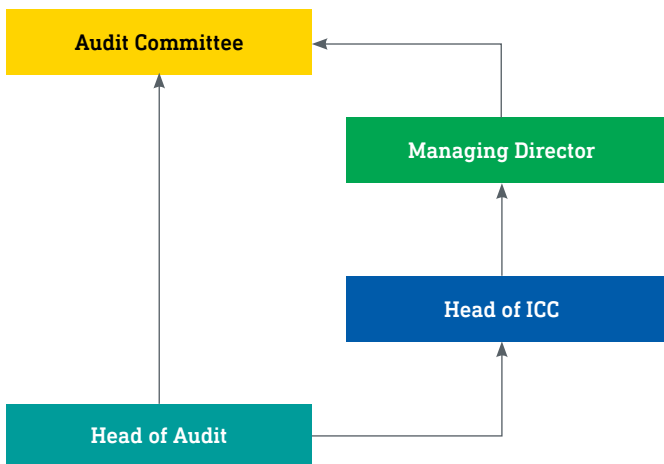
Internal Audit is an integral part of corporate governance framework and plays an important role in enhancing management and accountability both in financial and non-financial affairs of the Bank. It is the key component in EBL's assurance structure. While all assurance mechanisms are important, coordination 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.

Internal audit of EBL is suitably equipped with professionally qualified and competent resources from auditing, accountancy, information security, management professions. 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.

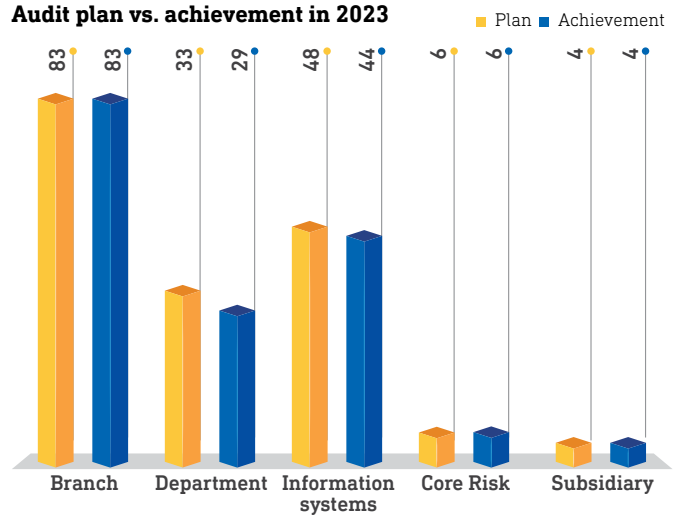
Independence of audit

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 Board of Directors and Bangladesh Bank regulations. Its responsibilities are defined in the audit policy & process guidelines and internal audit charter of the Bank which is approved by the Board of Directors. The internal audit charter is the mandate for internal audit to conduct its work and require:

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



Audit plan vs. achievement in 2023



In addition, internal audit department conducted some audit activities in 2023 such as audit on 14 sub-branches, 09 surprise visits, 83 AML audit, 10 AML special audit, 11 agent outlets, on line FX transaction monitoring system, quarterly PIF, cash incentive, etc.

Risk based internal audit plan for 2024

After thorough discussion and analysis, with prime focus on risk based audit approach, internal audit plan 2024 of EBL and its subsidiaries was prepared and presented by head of internal audit to the ACB. The ACB in its 148th meeting approved the following plan:



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: The establishment of prudent limits on risk exposures is an important aspect of risk management. 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.

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	
1.	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors			
1(2) (a)	At least 2 (two) directors or one-fifth (1/5) of the total number of Directors, whichever is higher, should be Independent Directors.	✓		
1(2) (b)	Independent Director means a director-			
1(2)(b)(i)	Who does not hold any Share in the Company or holds less than One Percent (1%) Shares of the total Paid-Up Shares of the Company;	✓		
1(2)(b)(ii)	Who is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law, and daughter-in-law shall be considered as family members;	✓		
1(2)(b)(iii)	Who has not been an executive of the Company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies.	✓		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) Holder, Director or Officer of any Stock Exchange;	✓		
1(2)(b)(vi)	Who is not a Shareholder, Director excepting Independent Director or officer of any member or TREC Holder of Stock Exchange or an Intermediary of the Capital Market;	✓		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's Statutory Audit firm or Audit Firm engaged in Internal Audit Services or audit firm conducting special Audit or Professional certifying compliance of this Code.	✓		
1(2)(b)(viii)	Who is not Independent Director in more than 5 (five) listed Companies.	✓		
1(2)(b)(ix)	Who has not been 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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(2) (c)	The Independent Director (s) shall be appointed by the Board and approved by the Shareholders in the Annual General Meeting (AGM);	✓		
	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;			N/A
1(2) (d)	The post of Independent Director (s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1(3)(b)	Independent Director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a Promoter or Director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of Tk.100.00 million or of a listed Company; or			N/A
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in a position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: 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	✓		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	✓		
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals;	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive Directors of the Company;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(4)(d)	The Board shall clearly define respective Roles and Responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect one of themselves from non-executive Directors as Chairperson for that particular Board's Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes of the Board Meeting.	✓		
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		
1(5)(ii)	The segment-wise or product-wise performance;	✓		Please refer to Management Discussion & Analysis Section
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;			No such significant variance.
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



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1(5)(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed;	✓		No doubts upon EBL's ability to continue as a Going Concern.
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	✓		Please refer to Directors Report
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year;			N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;			N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each Director;	✓		
1(5)(xxiii)	A Report on the pattern of Shareholding disclosing the aggregate number of Shares (along with name-wise details where stated below) held by:			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		
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 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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
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.	✓		
1(6)	Meetings of the Board of Directors			
1(6)	The Company shall conduct the Board Meetings and record the Minutes of the Meetings as well as keep required Books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company;			Please refer to the Condition No. 6
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company.			
2.	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company;	✓		
2(b)	At least 1 (one) Independent Director on the Board of the holding Company shall be a Director on the Board of the subsidiary Company;	✓		
2(c)	The Minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the Holding Company;	✓		
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company;	✓		
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary Company.	✓		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		



Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
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).	✓		
3(2)	Requirement to attend Board of Directors' Meetings			
3(2)	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed Financial Statements for the year and that to the best of their knowledge and belief:			
3(3)(a)(i)	Financial Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		Please refer to the Declaration by MD & CFO on Financial Statements
3(3)(a)(ii)	Financial Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors' Committee			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	-		Please refer to the Condition No. 6
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board;	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non- executive Directors of the Company excepting Chairperson of the Board and shall include at least 1 (one) Independent Director ;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
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.	✓		
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director ;	✓		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM);	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least four meetings in a financial year:	✓		
5(4)(b)	The Quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles.	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.	✓		
5(5)(d)	Oversee hiring and performance of external auditors.	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval.	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	✓		
5(5)(h)	Review the adequacy of internal audit function.	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management.	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			No such event
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall Report on its activities to the Board.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately Report to the Board on the following findings, if any:			
5(6)(a)(ii)(a)	Report on Conflicts of Interests.	-		No such instance
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements.	-		No such instance
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory compliances including Securities related Laws, Rules and Regulations and	-		No such instance
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	-		No such instance
5(6)(b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall Report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	-		No such instance
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer Company.	✓		
6.	Nomination and Remuneration Committee (NRC)	Not applicable for Banking Company as per guidelines of Bangladesh Bank		
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub- committee of the Board;	-		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level executive as well as a policy for formal process of considering remuneration of Directors, top level executive.	-		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5) (b).	-		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-		
6(2)(b)	All members of the Committee shall be non-executive Directors;	-		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-		
6(2)(g)	The Company secretary shall act as the secretary of the Committee;	-		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.	-		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders;	-		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	-		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	-		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	-		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the Shareholders	-		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
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.	-		
7.	External or Statutory Auditors			
7 (1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	✓		
7(1)(ii)	Financial Information Systems design and implementation.	✓		
7(1)(iii)	Book-Keeping or other services related to the accounting records or financial statements.	✓		
7(1)(iv)	Broker-Dealer Services.	✓		
7(1)(v)	Actuarial Services.	✓		
7(1)(vi)	Internal Audit services or special audit services.	✓		
7(1)(vii)	Any service that the Audit Committee determines.	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1) and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	✓		
8.	Maintaining website by the Company			
8(1)	The Company shall have an Official Website linked with the website of the Stock Exchanges.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The Professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.	✓		
9 (3)	The Directors of the Company shall state, in accordance with the Annexure-C attached, in the Directors' report whether the Company has complied with these conditions or not.	✓		

Bangladesh Bank Corporate Governance Guidelines: Our Compliance Status

This report (comprising Part-I, Part-II, and Part-III) 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, and the contractual engagement of Advisors and Consultants.

PART-I

Formation & Responsibilities of Board of Directors of a Bank Company

As of 31 December 2023

Reference	Provision	Compliance Status
1	<p>Formation of Board of Directors</p> <p>Section 15 of the Bank Company Act (BCA), 1991 (Amended up to 2023), incorporates provisions requiring prior approval from Bangladesh Bank for the appointment, dismissal, termination, or removal of any bank director. The section also outlines criteria for a director's fit and proper test, establishes a maximum number of directors, mandates the appointment of independent directors, and limits the appointment of a maximum of three members from the same family as directors.</p>	Complied
1.1	<p>Appointment of New director</p> <p>Pursuant to section 15(4) of the BCA 1991 (amended up to 2023), each banking company, excluding specialized banks, is required to submit the following documents along with the application when seeking prior approval from Bangladesh Bank for the appointment or reappointment of directors:</p> <ol style="list-style-type: none"> Personal information of the nominated person (Appendix-ka); Nominated person's declaration (Appendix-kha); 'Declaration for confidentiality' by the nominated person (Appendix-ga); In case of Independent director, the approval letter from Bangladesh Securities and Exchange Commission; In case of Independent Director, a declaration of the director concerned as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga); CIB report of the nominated person; Updated list of the directors. 	Complied
1.2	<p>Vacation of office of Director</p> <ol style="list-style-type: none"> The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the BCA 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated. If the office of a director is vacated by a notice under the section 17 of BCA, 1991, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/ she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution. Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991. 	No such instance
1.3	<p>Removal of Directors from office</p> <p>According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	No such instance

Reference	Provision	Compliance Status
1.4	<p>Appointment of Alternate Director</p> <p>Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p> <ol style="list-style-type: none"> a. Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the Managing Director (MD)/Chief Executive Officer (CEO) should immediately inform it to Bangladesh Bank. b. The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return. c. Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director. d. As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board. e. While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director. 	Not Applicable
2.	<p>Depositor Director</p> <p>As the previous provisions regarding appointment of Depositor Directors of the BCA 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the BCA 1991 (amended up to 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	Not Applicable
3	<p>Information regarding directors</p> <p>Banks are advised to take the following steps regarding director information:</p> <ol style="list-style-type: none"> a. Every bank should keep an updated list of bank directors, b. Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director. c. Banks should display a list of directors in the website and update it on a regular basis. 	Complied
4	<p>Responsibilities of the Board of Directors</p>	
4.1	<p>Responsibilities and authorities of the Board of Directors</p>	
(a)	<p>Work planning and strategic management</p> <ol style="list-style-type: none"> i. Shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the set objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans ii. The board shall have its analytical review incorporated in the Annual Report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the Managing Director and other senior executives and have it evaluated at times. 	Complied
(b)	<p>Credit and risk management:</p> <ol style="list-style-type: none"> i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among MD and his designated executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval. ii. The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management. 	Complied
(c)	<p>Internal control management:</p> <p>The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports.</p>	Complied

Reference	Provision	Compliance Status
	<p>(d) Human resources management and development</p> <p>i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below Managing Director shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion.</p> <p>ii. The board shall focus its special attention to the development of skills of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.</p> <p>iii. The board will compose Code of Ethics for every tier and they will follow it properly. The board will promote healthy code of conducts for developing a compliance culture.</p>	Complied
	<p>(e) Financial management</p> <p>i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor 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.</p> <p>ii. The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the Managing Director and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be taken with the approval of the board.</p> <p>iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied
	<p>(f) Appointment of Managing Director (MD)/Chief Executive Officer (CEO)</p> <p>In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable Managing Director (MD)/Chief Executive Officer (CEO). The Board of Directors will appoint a suitable MD/CEO with the approval of Bangladesh Bank.</p>	Complied
	<p>(g) Other responsibilities of the Board</p> <p>The Board should follow and comply with the responsibilities assigned by Bangladesh Bank.</p>	Complied
	<p>4.2 Meeting of Board</p> <p>Board of Directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.</p>	Complied
	<p>4.3 Responsibilities of the Chairman of the Board of Directors</p> <p>a. Since the Chairman of the Board of Directors, or Chairman of any committee formed by the Board, or any Director, does not personally possess the authority to apply policy or executive-decisions, they shall refrain from participating in or interfering with the administrative, operational, and routine affairs of the bank.</p> <p>b. The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through MD. However, any complaint against MD shall have to be apprised to Bangladesh Bank through the board along with the statement of MD.</p> <p>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.</p>	Complied
5	<p>Formation of committees from the Board of Directors</p> <p>Each bank company can form one Executive Committee, one Audit Committee, and one Risk Management Committee with the directors. The Board cannot form any other permanent, temporary, or sub-committee except the three committees mentioned above.</p>	Complied
	<p>5.1 Executive committee</p> <p>Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors</p>	Complied



Reference	Provision	Compliance Status
(a)	<p>Organizational structure</p> <ul style="list-style-type: none"> i. Members of the committee will be nominated by the board of directors from themselves; ii. The executive committee will comprise of maximum 07 (seven) members; iii. Members may be appointed for a 03-year term at office; iv. Chairman of the Board of Directors can be the chairman of executive committee; v. Company secretary of the bank will be the secretary of the executive committee. 	Complied
(b)	<p>Qualifications of the Members</p> <ul style="list-style-type: none"> i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
(c)	<p>Roles and Responsibilities of the Executive Committee</p> <ul style="list-style-type: none"> i. The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations. ii. The executive committee can take all necessary decisions or can approve cases within power delegated by the board of directors. iii. All decisions taken in the executive committee should be ratified in the next board meeting 	Complied
(d)	<p>Meetings</p> <ul style="list-style-type: none"> i. The executive committee can sit any time as it may deem fit. ii. The committee may invite MD, Head of internal audit or any other Officer to its meetings, if it deems necessary; iii. To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; iv. All decisions/observations of the committee should be noted in minutes. 	Complied
5.2	<p>Audit Committee</p> <p>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 review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.</p>	Complied
(a)	<p>Organizational structure</p> <ul style="list-style-type: none"> i. Members of the committee will be nominated by the board of directors from the directors; ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent directors; iii. Audit committee will comprise with directors who are not executive committee members; iv. Members may be appointed for a 03-year term at office; v. Company secretary of the bank will be the secretary of the audit committee. 	Complied
(b)	<p>Qualifications of the Member</p> <ul style="list-style-type: none"> i. Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee; iii. To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. iv. Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee. 	Complied

Reference	Provision	Compliance Status
(c)	<p>Roles and Responsibilities of the Audit Committee</p> <p>(i) Internal Control</p> <ol style="list-style-type: none"> Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities; Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS); Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management; Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management. 	Complied
	<p>(ii) Financial Reporting</p> <ol style="list-style-type: none"> Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank; Discuss with management and the external auditors to review the financial statements before its finalization. 	Complied
	<p>(iii) Internal Audit</p> <ol style="list-style-type: none"> Audit committee will monitor whether internal audit is working independently from/the management. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process; Examine the efficiency and effectiveness of internal audit function; Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not. 	Complied
	<p>(iv) External Audit</p> <ol style="list-style-type: none"> Review the performance of the external auditors and their audit reports; Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not. Make recommendations to the board regarding the appointment of the external auditors. 	Complied
	<p>(v) Compliance with existing laws and Regulations</p> <p>Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal rules and policies approved by the board are being complied with.</p>	Complied
	<p>(vi) Other Responsibilities</p> <ol style="list-style-type: none"> Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities; External and internal auditors will submit their related assessment report, if the committee solicits; Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis. 	Complied
(d)	<p>Meetings</p> <ol style="list-style-type: none"> The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit; The committee may invite MD, Head of internal audit or any other Officer to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
5.3	<p>Risk Management Committee (RMC)</p> <p>To play an effective role in mitigating impending risks arising out of strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication Technology risks, operational risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.</p>	Complied



Reference	Provision	Compliance Status
	<p>(a) Organizational Structure</p> <ol style="list-style-type: none"> Members of the committee will be nominated by the board of directors from themselves; The Risk Management Committee will comprise of maximum 05 (five) members; Members may be appointed for a 03-year term at office; Company secretary of the bank will be the secretary of the Risk Management Committee. 	Complied
	<p>(b) Qualifications of the Members</p> <ol style="list-style-type: none"> Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee; Each member should be capable of making valuable and effective contributions in the functioning of the committee; To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks. 	Complied
	<p>(c) Roles and Responsibilities of the RMC of the Board</p>	
	<p>i) Risk identification & control policy</p> <p>Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. RMC will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.</p>	Complied
	<p>ii) Construction of organizational structure</p> <p>The responsibility of RMC is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication technology risk including other risk related guidelines.</p>	Complied
	<p>iii) Analysis and approval of Risk Management policy</p> <p>Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary</p>	Complied
	<p>iv) Storage of data & Reporting system</p> <p>Adequate record keeping & reporting system developed by the bank management will be approved by the RMC. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.</p>	Complied
	<p>v) Monitoring the implementation of overall Risk Management Policy</p> <p>RMC will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.</p>	Complied
	<p>vi) Other responsibilities</p> <ol style="list-style-type: none"> Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form; Comply instructions issued time to time by the controlling body; Internal & external auditor will submit respective evaluation report whenever required by the committee. 	Complied
	<p>d) Meetings</p> <ol style="list-style-type: none"> The risk management committee should hold at least 4 meetings in a year and it can sit any time as it deems fit; The committee may invite MD, Chief Risk Officer and any other Officers to its meetings, if it deems necessary; To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting; All decisions/observations of the committee should be noted in minutes. 	Complied
6	<p>Training for the Directors</p> <p>The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.</p>	Complied

PART-II

Appointment and Responsibilities of Managing Director/Chief Executive Officer of a Bank Company

As of 31 December 2023

Reference	Provision	Compliance Status
A.	Rules and regulations for appointing Managing Director/CEO	
	1. Moral Integrity In case of appointment to the post of MD/CEO, satisfaction in respect of the concerned person should be ensured to the effects that- a. He has not been convicted by any Criminal Court of Law; b. He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority; c. He was not associated with any such company/organization, registration or license of which has been cancelled.	Complied
	2. Experience and Suitability a. For appointment as MD/CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the MD/CEO of a bank. b. He must at least have a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person. c. In respect of service, the concerned person should have excellent record of performance. d. Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company; e. Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of MD/CEO.	Complied
	3. Transparency and Financial Integrity Before appointment as MD/CEO, satisfaction should be ensured to the effects that: a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession; b. He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter; c. He is not a tax defaulter; d. He has never been adjudicated an insolvent.	Complied
	4. Age limit No person crossing the age of 65 years shall hold the post of MD/CEO of a bank.	Complied
	5. Tenure The tenure of MD/CEO shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.	Complied
	6. Guidelines in fixing the salary and allowances Banks are required to follow the guidelines stated below while determining the salary and allowances of MD/CEO and submitting such proposal to Bangladesh Bank:- a. In fixing the salary and allowances of MD/CEO, financial condition, scope of operation, business volume and earning capacity of the bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration. b. Total salary shall be comprised of direct salary covering 'Basic Pay' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc.), as far as possible, shall have to be monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount. c. Without improving the bank's major economic indicators like CAMELS annual salary increment will not be payable. d. Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent MD/CEO. e. The MD/CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above. f. The bank shall not pay any income tax for the MD/CEO.	Complied
	7. Incentive Bonus Subject to the payment of incentive bonuses to all staffs/employees, the MD/CEO will be eligible to get such bonus. However, the amount of MD/CEO's incentive bonus will not cross Taka 10.00 (ten) lac per year.	Complied



Reference	Provision	Compliance Status
	<p>8. Honorarium for Board Meeting As MD/CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.</p>	Complied
	<p>9. Evaluation Report While reappointing MD/CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.</p>	Complied
	<p>10. Prior approval from Bangladesh Bank Prior approval from Bangladesh Bank is mandatory before appointing MD/CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended up to 2023). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank.</p>	Complied
	<p>11. Decision of Bangladesh Bank regarding appointment of MD/CEO will be treated as final and such appointed MD/CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank.</p>	Complied
B.	<p>Duties and Responsibilities of MD/CEO The MD/CEO of the bank, whatever name called, shall discharge the responsibilities and exercise the authorities as follows:</p> <ol style="list-style-type: none"> In terms of the financial, business and administrative authorities vested upon him by the board, the MD/CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management. The MD/CEO shall ensure compliance of the BCA 1991 and other relevant laws and regulations in discharging routine functions of the bank. At the time of presenting any memo to the Board Meeting or Board Committee Meeting, the MD/CEO must point out if there is any deviation from the BCA 1991 and other relevant laws and regulations. The MD/CEO shall report to Bangladesh Bank any violation of the BCA 1991 or 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/CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and strength of employees as approved by the board. The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the MD/CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc. 	Complied

PART-III

Contractual appointment of Advisor and Consultant in a Bank Company

As per BRPD circular letter no. 19 dated 27 October 2013

Reference	Provision	Compliance Status
A.	<p>Appointment of Advisor</p>	
	<p>1. Experience and Suitability: For appointment as advisor, the concerned person will have to fulfil the following requirements with regard to experience and qualifications:</p> <ol style="list-style-type: none"> Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities; Higher academic qualification in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person; Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company; 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; 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. 	Not Applicable
	<p>2. Responsibilities The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Managing Director/Chief Executive Officer 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.</p>	Not Applicable

Reference	Provision	Compliance Status
	<p>3. Prior approval from Bangladesh Bank</p> <p>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 per Annexure-ka. This declaration must also be submitted to Bangladesh Bank.</p>	Not Applicable
	<p>4. Remuneration and other facilities</p> <p>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.</p>	Not Applicable
	<p>5. Tenure</p> <p>The tenure of the advisor shall be maximum 1(one) year, which is renewable. An evaluation report (Signed by the chairman and is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.</p>	Not Applicable
	<p>6. Appointment of Ex-officials</p> <p>For good governance any former director, MD/CEO or any official will not be eligible to become an advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.</p>	Not Applicable
B.	Appointment of Consultant	
	<p>1. Terms of Reference</p> <p>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.</p>	Not Applicable
	<p>2. Responsibilities</p> <p>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.</p>	Not Applicable
	<p>3. Appointment</p> <p>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.</p>	Not Applicable
	<p>4. Tenure</p> <p>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 (Signed by the chairman and is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.</p>	Not Applicable
	<p>5. Remuneration/honorarium</p> <p>The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.</p>	Not Applicable
	<p>6. Appointment of Ex-officials</p> <p>For ensuring good governance any former director, MD/CEO or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.</p>	Not Applicable

Note 1: There was no advisor or consultant appointed in the Bank during the reporting period.

Note 2: Banking Regulation and Policy Department (BRPD) of Bangladesh Bank (BB) has repealed the aforementioned circulars by issuing new Circulars: BRPD Circular No. 02, dated February 11, 2024, BRPD Circular No. 05, dated February 27, 2024, and BRPD Circular Letter No. 27, dated May 12, 2021. The status of compliance with these new circulars will be presented in our Annual Report of 2024.

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 Management Discussion & Analysis section
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 2023
f	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	√ 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 2023
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 Financial Statements.
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)/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.
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, Managing Director/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)	√ Please refer to Note 14.1 of the Financial Statements.
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	√ Please refer to Annexure C of the Financial Statements.



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

We have examined the compliance status to the Corporate Governance Code by Eastern Bank PLC. (the bank) for the year ended on 31 December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 (amended up to 2023) of the Bangladesh Securities and Exchange Commission.

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

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

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

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

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

Ziaur Rahman Zia
Ziaur Rahman Zia FCA
Partner
Enrollment No.: 1259

Place: Dhaka
Dated: 14 March 2024



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2024/062



Date of issue : January 22, 2024

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 2024.



Secretary General

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

Major highlights of the Dividend Distribution Policy are as follows:

Procedure for payment of dividends

Dividend 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 to the shareholders such interim dividend as appears to the Board of Directors to be justified by the profits of the Bank. The decision about recommending interim dividend and entitlement for such dividend cannot be changed.

Final dividend

The Board of Directors of the Bank shall recommend final dividend for the shareholders on the basis of annual audited financial statements. 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 on the 'Record Date' would be entitled to receive the interim dividend of the Bank.

The Shareholders whose names would appear in the Register of Members of the Bank and/or in the Depository on the 'Record Date' would be eligible to join the AGM and 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 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” 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

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

1	Name of the Issuer/Securities/Mutual Fund	Eastern Bank Limited		
2	Particulars of Issuer DP	148		
3	Type of Dividend (Annual/Interim) (Put tick mark (a) on the recommended option)	<input checked="" type="checkbox"/> a) Annual	<input type="checkbox"/> b) Interim	
4	Whether audited or not for Interim Dividend (Put tick mark (a) on the recommended option)	<input checked="" type="checkbox"/> a) Audited	<input type="checkbox"/> b) Unaudited	
5	Date of recommendation of Dividend by the Board of Directors/ Trustee:(Enclosed copy of PSI)	5 April 2023		
6	Whether Dividend was recommended to other than directors or sponsors or any other classes (Put tick mark (a) on the recommended option)	<input type="checkbox"/> a) Yes	<input checked="" type="checkbox"/> b) No	
7	Record date for entitlement	03 May 2023		
8	Rate of Dividend recommended by the Board of Directors/Trustee	25% Dividend (12.50% Cash & 12.50% Stock)		
9	Dividend recommended -Type (Put tick mark (a) on the recommended option)	<input checked="" type="checkbox"/> a) Cash	<input checked="" type="checkbox"/> b) Stock	
10	Securities/mutual fund traded under which categories (Put tick mark (a) on the recommended option)	<input checked="" type="checkbox"/> (a) A	<input type="checkbox"/> (b) B	<input type="checkbox"/> (c) G <input type="checkbox"/> (d) N <input type="checkbox"/> (e) Z
11	Date of transfer to a separate bank account (Pls. mention bank details) or provisional credit of shares/units by CDBL	13 April 2023		
12	Date of approval of Dividend at AGM	31 May 2023		
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)	25% Dividend (12.50% Cash & 12.50% Stock)		
14	Date of commencement of disbursement of Cash and Stock Dividend	Cash Dividend (31 May 2023), Stock Dividend (13 June 2023)		
15	Mode of disbursement of Cash Dividend (Put tick mark (a) on the recommended option)	<input checked="" type="checkbox"/> a) BEFTN	<input checked="" type="checkbox"/> b) Bank Transfer	<input checked="" type="checkbox"/> c) MFS <input checked="" type="checkbox"/> d) Dividend Warrant <input checked="" type="checkbox"/> e) Any other mode
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclosed Bank statements and Corporate Action Processing Report (DP 70)]	Cash Dividend (25 June 2023) Stock Dividend (13 June 2023)		
17	Paid-up-capital of the issuer- before corporate action/entitlement	BDT10,730,975,250		
18	Numbers of securities/shares outstanding-before corporate action/entitlement:	1,073,097,525 Shares		
19	Total cash in taka or stock (no. of shares) dividends as per corporate declaration	BDT 134,13,71,906.25	134,137,190 shares	
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock (nos)	Annexures
	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO	1,071,448,528.75	131,453,821	
	b) through Banks Transfer other than entitled BO-Margin loan	227,998,762.50		
	c) through Banks Transfer	29,851,932.50		
	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 wise detailed with reason should be maintained and submitted)		37	
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities	12,072,682.50	2,683,332	
21	Total Dividend paid/credited for the concerned year	BDT 1,318,543,003.11	134,137,190	
22	Total unpaid/undistributed Dividend/accrued during the period (19-21)	BDT 22,828,903.14		
23	Total unpaid/undistributed Dividend/accrued as on 1st day of Accounting year (as per Audited Accounts) [01.01.2023]	BDT 35,810,491.00		
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year	-		
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	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)	BDT 93,640.45		
	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			
25	Total Dividend paid/credited for previous years:	BDT 93,640.45		
26	Total unpaid/undistributed Dividend for previous years (23-25) Taka/ Nos	BDT 35,716,850.55		
27	Grand Total of unpaid/undistributed Dividend (22+26)	BDT 58,545,753.69		
28	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance (31.12.2019 `)	BDT 9,583,489.07		
	More than 4 years; balance (31.12.2018)	BDT 7,709,271.00		
	More than 5 years & above; balance (31.12.2017)	NIL		
	Total of unpaid/undistributed Dividend for previous years	BDT 35,810,491.00	3,547,960	
	(Supporting bank statements and balances of securities with the Depository)			
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.				

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 wealth management and sustained operational resilience. Details have been discussed in “Guiding philosophy of governance practices” under Corporate Governance Report.

EBL upholds a strong compliance culture through its Code of Conduct and Ethical Guidelines, applicable to employees. Key highlights of EBL’s Code of Conduct and Ethical Guidelines include adherence to 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 political activities, and outline ethical principles for handling customer complaints. EBL is committed to maintain the highest standards of conduct and integrity across all levels of the Bank. Details have been discussed in “Code of Conduct and Ethical Guidelines” under Corporate Governance Report.

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. Details have been discussed in “Separation of Chairman and Chief Executive Officer Roles” under Corporate Governance Report.

EBL’s Code of Conduct serves as both an internal guide 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 maintain ethical code of business and operation across EBL. Details have been discussed under “Code of Conduct” under Organizational Overview.

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 2023, 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.



Md. Abdullah Al Mamun FCS
Company Secretary

Disclosure on Governance under Bangladesh Secretarial Standards (BSS)

EBL follows the Bangladesh Secretarial Standard (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 Corporate Governance Report.

BSS- 1 : Board of Directors meeting

Clause	Particulars	Compliance 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 2023
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	Compliance 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 2023
9.	Withdrawal of resolutions	Not Required in 2023
10.	Rescinding of resolutions	Not Required in 2023
11.	Modifications to resolutions	Not Required in 2023
12.	Reading of report/certificate	Complied
13.	Distribution of gifts	Complied
14.	Adjournment of meetings	Not Required in 2023
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	Compliance Status
1.	Maintenance	Complied
2.	Contents	Complied
3.	Recording	Complied
4.	Alteration/modification	Complied
5.	Finalization & signing	Complied
6.	Inspection	Complied
7.	Preservation	Complied

BSS- 4: Dividend

Clause	Particulars	Compliance Status
1.	Declaration/recommendation of dividend	Complied
2.	Dividend out of profits	Complied
3.	Dividend out of reserves	Not Required in 2023
4.	Entitlement to dividend	Complied
5.	Payment of dividend	Complied
6.	Unpaid/Unclaimed dividend	Complied

BSS- 5 : Meeting through electronic modes

Clause	Particulars	Compliance Status
Standards for Board and committee meeting		
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
Standards for Members Meetings		
5.	Guidance for General Meeting	Complied
6.	Standards for convening and conducting meeting	Complied

BSS- 6 : Resolution by circulation

Clause	Particulars	Compliance Status
1.	Authority	Not Required in 2023
2.	Procedure	Not Required in 2023
3.	Approval	Not Required in 2023
4.	Recording	Not Required in 2023
5.	Validity	Not Required in 2023

Governance Disclosure on the Process of Holding the Last Annual General Meeting (AGM)

EBL followed the necessary process, procedures, and regulatory requirements for holding its Annual General Meeting (AGM). The 31st 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 including dividends declared by the Board, appointed directors, statutory auditors, and compliance auditors, determined their remuneration, and passed special resolutions, among others.

Compliance Phases	Particulars	Compliance Status
Pre-meeting compliances	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	
During the meeting compliances	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
After meeting compliances	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

Information on Important 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:

<ul style="list-style-type: none"> • 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, 2020 • Securities and Exchange Commission Act, 1993 • Corporate Governance Code, 2018 (with subsequent amendments) of BSEC • Dhaka Stock Exchange (Listing) Regulation, 2015 	<ul style="list-style-type: none"> • 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.
<ul style="list-style-type: none"> • 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)-2022 of EBL • EBL Compliance Policy 	<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • International Financial Reporting Standards (IFRS) • Procurement & Disposal Policy of EBL • GL Control and Reconciliation Policy
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Contingency Planning Policy and Crisis Management Plan • Corporate Social Responsibility policy 2022 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
<ul style="list-style-type: none"> • EBL ICT Security Policy • ICT Risk Management Policy • Project Management Policy 	<ul style="list-style-type: none"> • Data Management Policy of EBL • EBL Cloud Computing Policy • EBL Laptop Policy
<ul style="list-style-type: none"> • EBL People Management Policy • EBL Service Excellence Guidelines (GAP Policy) • Guideline on fire & Security of EBL • Code of Conducts of EBL 	<ul style="list-style-type: none"> • Green Office Guide for EBL • Medi Aid • E-mail etiquette • Telephone etiquette

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 implementation of the National Integrity Strategy (NIS), Eastern Bank PLC. (EBL) established an Integrity Committee on 01 December 2013. The current members of the Integrity Committee are as follows:

Sl. No.	Name	Designation	Status in Committee
1.	M. Khurshed Alam	DMD & 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 and Sales Governance	Member
8.	Rashedul Hoque	Head, Organization Development & Capacity Enhancement Center, Human Resources	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 other 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 its operations. Employees who demonstrate exceptional integrity in the workplace receive recognition through Integrity Awards. Through these initiatives, Eastern Bank PLC. reaffirms its commitment to integrity and ethical conduct, adopting sustainable business practices.

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

Going Concern and Viability

Key financial indicators (Bank Only)

Particulars	2023	2022	2021	2020	2019
Return on average assets (ROA)	1.27%	1.21%	1.28%	1.22%	1.30%
Return on average equity (ROE)	16.33%	15.46%	15.51%	15.04%	16.52%
Cost to income ratio	44.22%	43.53%	38.99%	45.58%	43.76%
Capital to risk weighted assets ratio (CRAR)	15.04%	14.61%	14.08%	15.23%	14.74%
NPL ratio	3.10%	2.78%	3.70%	2.72%	3.35%
EPS (BDT) not restated	5.06	4.76	4.88	5.05	4.94

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 as an extended wing of the Board executes policies and procedures set by the Board. Our well-functioning Board provides judicious guidance and support to MD 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 ICMAB Best Corporate Award and the ICSB National Award for Corporate Governance Excellence for a number of times.

Credit rating

CRAB has assigned their top notch long term rating "AAA" and short-term rating "ST-1" to EBL on 21 June 2023. 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 consistency of dividend payment and strengthening the capital base for sustainable business growth. EBL's consistent dividend payment in compliance with various regulatory conditions and growth prospects shows the long-term vision and firm commitment to its shareholders.

Dividend	2023*	2022	2021	2020	2019
Cash dividend (%)	12.50	12.50	12.50	17.5	15
Stock dividend (%)	12.50	12.50	12.50	17.5	-
Total	25%	25%	25%	35%	15%

* Proposed

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	2023	Status
AD ratio (Solo)	≤87%	79.45%	Complied
MCO (DBO)	≤16.5%	12.25%	Complied
LCR (DBO)	≥100%	104.64%	Complied
NSFR (DBO)	>100%	107.61%	Complied
Capital market exposure (Solo)	≤25%	18.15%	Complied
Leverage ratio (Solo)	≥3%	5.63%	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 2023 was BDT 31,185 million whereas EBL maintained BDT 46,890 million that led to CRAR 15.04% of which core capital to RWA was 10.91% 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	31/12/2023	31/12/2022
Risk weighted assets	311,849	279,016
Minimum capital requirement (MCR)	31,185	27,902
Capital Maintained	46,890	40,761
Surplus (Over MCR)	15,705	12,859
CRAR	15.04%	14.61%

Service excellence

We are committed to provide convenient and standardized customer service consistently. In doing so we have been enhancing our service excellence through maximum use of technology and process re-engineering. Recognizing the ongoing digitization transforming the banking sector, we have positioned ourselves to become a leading force in digital banking. This strategic move has enhanced customer experience by improving connectivity in a holistic approach. We appreciate customer feedback as it aids us in comprehending evolving customer needs and meeting their expectations. This helps us in creating and maintaining strong bondages 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 fifth 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 consecutive years 2020-2022 by The Banker, Best Partner for Equipment Trade in South Asia under Global Trade Finance Program by IFC, Best Domestic Bank in the 2021 by Asiamoney, Fintech Innovation of the year for 2021 by FinTech, 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.

Caring for employees

Satisfied employees have higher productivity and provide better customer service. EBL has created an equitable, enabling and discrimination-free working environment which provides equal opportunity, ensures work life balance, creates employee engagement, helps in personal development, and offers health and safety for its employees which in return increases Bank's productivity and reduces conflict between employees and management. This has eventually reduced turnover with enhanced loyalty towards the Bank along with retention of talents. 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.