

A low-angle, black and white photograph of several tall, classical columns. The columns are made of large, rectangular stone blocks. Sunlight filters through the gaps between the columns, creating strong, diagonal shadows and highlights on the stone surfaces. The perspective makes the columns appear to converge towards the top of the frame.

STABILITY IS
OUR STRENGTH

annual report 2022



Eastern Bank Ltd.



Stability is our strength

When the financial sector of Bangladesh has been passing through a challenging time with default loans, shortfall of provision and capital, shrinking profitability, weak governance; Eastern Bank Limited (EBL) continues to strike a fine balance between business and compliance, liquidity and profitability, growth and solvency.

What do we do differently? As our tagline 'simple math' suggests, we keep things simple and get the basics right. What guides our actions and strategies is our corporate governance culture wherein the Board and the management work as one team and value transparency of processes and regulatory compliance with a focus on sustainable growth.

The second key element of our stability is our steadfast effort to keep stressed assets under constant check. We adhere to the BASEL III framework and consider this framework as our core operational guidelines. Another essential ingredient of our stability is our customer-centricity: whether it is product innovation or service excellence, customers are at the center of all our attention. Our superior asset quality provides us the required cushion of adequate liquidity, flexibility and solvency to ensure safety and repayment of depositors' money on demand. This is where we have won our customers' confidence.

In short, our strong corporate governance, great performance culture, unparalleled service excellence and product innovation, together with a focused approach to strike a balance between liquidity, profitability and solvency have given us the strength to weather market uncertainties and navigate financial crises.

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Letter of Transmittal

All Shareholders of Eastern Bank Limited
Bangladesh Bank
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Limited
Chittagong Stock Exchange PLC
Central Depository Bangladesh Limited
Financial Reporting Council and
All other stakeholders of Eastern Bank Limited

Dear Sir,

Annual Report of Eastern Bank Limited for the year ended 31 December 2022.

We are pleased to submit the Annual Report of Eastern Bank Limited for the year ended 31 December 2022. The report provides a comprehensive overview of the Bank's financial performance, operational highlights, strategic initiatives, and community involvement. As you will see from the report, the Bank had another successful year. We continued to execute our strategic plans to enhance customer experience, expand our reach, product and service offerings, improve operational efficiency, and penetrate our presence in key markets.

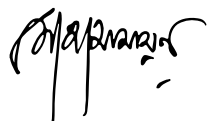
Financial Statements of 'The Bank' comprise those of EBL - Domestic Banking Operation (DBO) and Offshore Banking Operation (OBO) presented separately whereas consolidated Financial Statements comprise Financial Statements of 'The Bank' and those of its subsidiaries (EBL Securities Ltd., EBL Investments Ltd., EBL Finance (HK) Ltd. and EBL Asset Management Ltd.) presented separately. Analyses in this report, unless explicitly mentioned otherwise, are based on the financials of 'The Bank' not the consolidated financials.

We would like to express sincere gratitude to our dedicated employees, loyal customers, supportive shareholders, and valued partners for their contributions to our success. Without their commitment and partnership, we would not have achieved such positive results.

Downloadable PDFs of the Annual Report, AGM Notice and relevant forms are available on the Bank's website www.ebl.com.bd.

Please let us know if you have any questions or require further information. Thank you for your ongoing support to Eastern Bank Limited.

Yours Sincerely,



Md. Abdullah Al Mamun FCS
Company Secretary

Key Ratios

ROA

1.21% 2022
1.28% 2021

ROE

15.46% 2022
15.51% 2021

EPS (BDT)

4.76 2022
4.34 2021 (restated)

P/E ratio
(times)

6.68 2022
8.88 2021 (restated)

CRAR

14.61% 2022
14.08% 2021

Leverage
ratio

5.57% 2022
5.69% 2021

Cost to
income
ratio

43.53% 2022
38.99% 2021

NPL
ratio

2.78% 2022
3.70% 2021

AD
ratio

77.83% 2022
79.69% 2021

LCR-DBO

104.36% 2022
144.97% 2021

NSFR-DBO

105.53% 2022
104.40% 2021

NPL
coverage
ratio

168.46% 2022
141.31% 2021

Core Financials

BDT in million

2022

455,989



Total assets

2021

388,815

2022

308,916



Total loans & advances

2021

269,394

2022

90,407



Total investment

2021

66,653

2022

317,097



Total deposits

2021

268,019

2022

75,996



Total borrowing

2021

63,187

2022

35,045



Total shareholders' equity

2021

31,017

BDT in million

2022

29,942



Common equity tier-1 capital

2021

26,136

2022

40,761



Total regulatory capital

2021

35,674

2022

17,789



Operating income

2021

17,158

2022

10,046



Profit before provisions

2021

10,468

2022

8,095



Profit before tax

2021

8,208

2022

5,107



Profit after tax

2021

4,654

Operational Highlights

2022	83*	Branches	2021	85
2022	23	Sub-branches	2021	05
2022	63	Agent banking outlets	2021	46
2022	18	No. of priority centers	2021	16
2022	255	ATMs & CRMs	2021	227
2022	7,265	No. of POS	2021	7,000
2022	68	No. of DROPBOX	2021	70
2022	539	No. of foreign correspondents	2021	524
2022	3,550	Total no. of employees	2021	3,087
2022	20.76%	Female representation	2021	20.54%

* 3 branches were converted to sub-branches and 1 new branch was opened.



Freedom for **Freelancers**

Through EBL Freelancer Product Suite,
have the Freedom to keep your earnings
in both US Dollar and Taka

- > Special Foreign Currency A/C for Individual Freelancers
- > Keep up to 35% of your freelancing income in FCY A/C and rest in EBL BDT A/C
- > No A/C maintenance fee, comes with FCY Debit Card
- > Use Debit Card for bona fide business and legitimate personal expenses abroad
- > Seamless processing of Remittance to your account



Awards and Recognitions

A game changer in Bangladesh's growing financial sector, EBL has been in the forefront of innovating products and services to suit varying financial needs of a diverse range of customers. Our endeavour to deliver stand-out performance through value creation has been lauded and recognized by various major global and national bodies. Large global banks such as J.P. Morgan and Bank of America have chosen EBL as their partner bank in Bangladesh. This is a testimony of the bank's best practices in corporate governance which won the lender trustworthiness at international mainstream.

Over the years EBL has been known for its consistent and sustainable growth. We are the most awarded financial institution in the country and the following awards speak volumes about our dedication and commitment to service excellence, responsible and ethical banking. 2022 was a difficult year to navigate through. Despite all the difficulties, our performance was stable because of our sound asset quality, strong liquidity, adequate capital coverage and good corporate governance culture.

Best Banking CEO of the Year, Bangladesh

Singapore based prestigious Business Magazine the World Business Outlook declared Mr. Ali Reza Iftekhar as the 'Best Banking CEO of the Year, Bangladesh 2022.'

ICSB National Award for Corporate Governance Excellence

EBL has won gold award in the banking category at the 9th ICSB National Award for Corporate Governance Excellence 2021. Our system of corporate governance provides the basis for the responsible management, transparency of processes and compliance to regulatory bodies with a focus on sustainable value creation. Our continuous effort to adopt and adapt to international best practices in corporate governance has been recognized by Institute of Chartered Secretaries of Bangladesh (ICSB). Since inception of the award in 2013, EBL is the most awarded financial institution in the category.

Euromoney Award

EBL has been adjudged as Best Bank in Bangladesh in 2022 by Euromoney. EBL becomes the only bank in Bangladesh to receive the coveted award for the fourth time for its timely intra-banking model. Earlier, EBL was adjudged the Best Bank in Bangladesh for its professionalism, prudence and growth for three consecutive years 2016-2018.

Sustainability Rating Recognition 2021 by Bangladesh Bank

Bangladesh Bank has recognized EBL as one of the top ten banks in Sustainability Rating Recognition 2021.

ADB Award

EBL has been adjudged as the Best TFP Green Deal (Issuing Bank) Award by ADB in 2022. Trade and Supply Chain Finance Program (TSCFP) Award of ADB recognizes trade finance initiatives of financial institutions supported by the TSCFP that specifically involves environmental sustainability components according to the selected criteria such as – how the transaction has impact on development, environment, economic growth etc.

Asiamoney Awards

For the consecutive second year, EBL has been awarded as Best Domestic Bank in 2022 Asiamoney Best Awards for Bangladesh.

EBL was awarded the Asiamoney Best Corporate and Investment Bank in Bangladesh for three consecutive years from 2018-2020.

Excellence Award from VISA

EBL was awarded Excellence Award in four different categories at the Visa Leadership Conclave-Digital Payments for Smart Bangladesh 2022 for its excellence in Cross-Border Issuing Business, E-commerce Acquiring Business, CyberSource Processing, and in Value Added Service (VAS) Products.

Champion of Financial Cyber Drill

EBL has won the Financial Institution Cyber Drill 2022 at the Financial Cyber Drill Champion 2022 hosted by Bangladesh Government's e-Government Computer Incident Response Team (BGD e-GOV CIRT), Bangladesh Digital Security Agency, Bangladesh Computer Council and Information and Communication Technology Division (Ministry of Posts, Telecommunications and Information Technology).

ISO Certification

In 2020, the ISO 27001:2013 certificate has been conferred to EBL by Bureau Veritas (Bangladesh) Private Limited for its compliance with Information Security Management System (ISMS), which is an international risk management framework.

Our relentless effort to upgrade and update on every account of standardization is reflected in our ISO 9001:2015 certification of operations and human resources division of the Bank.

PCI DSS Certificate

In 2022, EBL again was assessed by Network Intelligence (I) Pvt. Ltd. and they have found the Bank compliant with PCI DSS on card security. All these are a testimony to our emphasis on card security.

The Banker Award

EBL has been awarded the prestigious Bank of the Year 2021 for Bangladesh by The Banker. EBL is the first bank in Bangladesh to win the award for two consecutive years from 2020 - 2021. The award truly demonstrated a level of stability that is testament to the organizational strength.

IFC Award

In 2021 EBL has been awarded by International Finance Corporation (IFC) under World Bank Group as the Best Partner for Equipment Trade in South Asia under Global Trade Finance Program.

IFC recognized EBL as the Best Issuing Bank Partner and Best Trade Operations Issuing Bank Partner in South Asia in 2017.

Bangladesh FinTech Award

EBL has won the first Bangladesh FinTech award in 2021 in the Fintech Innovation of the year-Banks category for EBLConnect, a solution developed by EBL ICT Division for Corporate customers.

J.P. Morgan Award

EBL has been awarded the "Elite Quality Recognition Award" by J.P. Morgan for prioritizing in using J.P. Morgan Nostro for settling MT202 payments.



Best Banking CEO of the Year,
Bangladesh



ICSB National Award for Corporate
Governance Excellence



Euromoney Award



Sustainability Rating Recognition
2021 by Bangladesh Bank



ADB Award



Asiamoney Awards



VISA Excellence in Cross-Border
Issuing Business



VISA Excellence in E-commerce
Acquiring Business



Champion of Financial
Cyber Drill



ISO Certification



PCI DSS Certificate



Bank of the Year 2021



Bangladesh FinTech Award



J.P. Morgan Elite Quality
Recognition



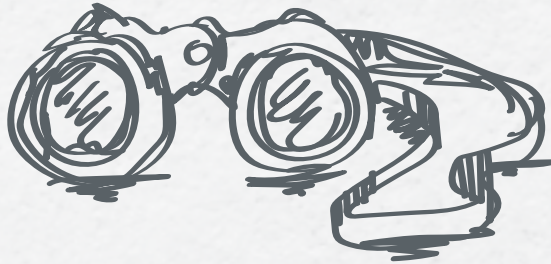
International Finance
Banking Awards 2021



ICMAB Best Corporate Award



ORGANIZATIONAL OVERVIEW



Vision

To become the most valuable brand in the financial services in Bangladesh creating long-lasting value for our stakeholders and above all for the community we operate in by transforming the way we do business and by delivering sustainable growth.



Mission



We will deliver service excellence to all our customers, both internal and external.



We will constantly challenge our systems, procedures and training to maintain a cohesive and professional team in order to achieve service excellence.



We will ensure to maximize shareholders' value.



We will create an enabling environment and embrace a team based culture where people will excel.



Core Values



Service excellence

- We passionately drive customer delight.
- We use customer satisfaction to accelerate growth.
- We believe in change to bring in timely solution.



Openness

- We share business plan.
- We encourage two-way communications.
- We recognize achievements, celebrate results.



Trust

- We care for each other.
- We share knowledge.
- We empower our people.



Commitment

- We know our road-map.
- We believe in continuous improvement.
- We do our task before we are told.



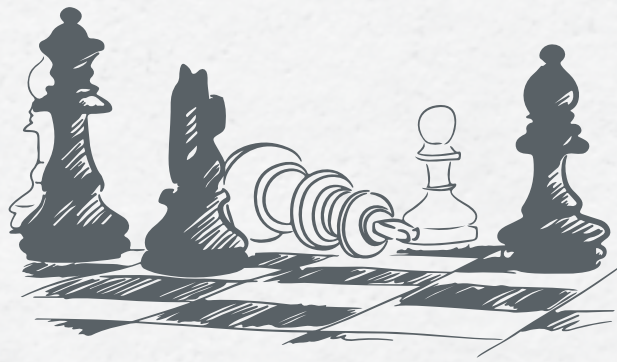
Integrity

- We say what we believe in.
- We respect every relationship.
- We are against abuse of information power.



Responsible corporate citizen

- We are tax-abiding citizen.
- We promote protection of the environment for our progeny.
- We conform to all laws, rules, norms, sentiments and values of the land.



Strategic Priorities



Managing liquidity mismatch proactively in order to reduce liquidity risk and manage interest rate risk.



Conducting regular FCY liquidity stress test to assess the Bank's ability to meet unexpected FCY liquidity demands and forecasting future cash flows to ensure that sufficient FCY is available to meet obligations.



Adhering and adopting to compliance culture and good governance practices to mitigate risks and ensure sustainable banking business.



Intensifying collection and recovery drive to contain NPL.



Diversifying revenue sources and improving asset quality, solvency and profitability.



Investing in technology to widen reach, enhance service excellence, improve efficiencies and fight financial crimes.



Utilizing market intelligence and data analytics for offering unique value propositions to diverse group of customers.



Hiring and retention of quality people offering performance based reward programs, equitable pay and benefits, defined career path and a mutually beneficial work environment.



Building capacity to offer innovative and useful cash management solutions to improve deposit mix.

Corporate Directory

Name of the company

Eastern Bank Limited

Legal form

A public limited company incorporated in Bangladesh on 08 August 1992 to carry out all kinds of banking businesses in and outside Bangladesh. Having taken over the businesses, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (overseas) Limited as per BCCI Reconstruction Scheme 1992 of Bangladesh Bank, the Bank commenced its operations on 16 August 1992.

Composition of the group EBL

Eastern Bank Limited (Group)	
Bank	Subsidiaries (fully owned)
Domestic Banking Operation (DBO)	EBL Securities Limited (Stock dealing & brokerage)
Off-Shore Banking Operation (OBO), Bangladesh	EBL Investments Limited (Merchant banking operations)
Yangon Representative Office, Myanmar	EBL Asset Management Limited (Asset management i.e. managing mutual funds)
Guangzhou Representative Office, China	EBL Finance (HK) Limited (First foreign subsidiary doing trade finance and off-shore banking business in Hong Kong)

Our core business

Corporate

A wide array of products and customized solutions is offered to corporate clients through relationship units spread out in Dhaka and Chattogram. Our offerings include but not limited to term lending, project financing, working capital financing, trade financing, supply chain financing, cash management solutions, payroll banking, syndication, advisory services etc.

Retail & SME

It offers a wide range of deposit, loan and card products to suit dynamic and lifestyle needs of customers. It simplifies daily banking needs and satisfies lifestyle needs and aspirations of consumers by providing suitable products and services. We have also a particular focus on small businesses that aspire to grow and use our connections.

Treasury

Treasury is primarily responsible for management of fund, cash flow, liquidity and overall asset-liability of the Bank. It also deals with investments in securities, foreign exchange, derivative instruments etc.

Credit rating

Moody's: EBL is the first company (bangladeshi bank) in the country rated by Moody's, a renowned global rating agency, for the first time in March 2016. The current rating of the Bank is "B1".

CRISL: The Bank has been awarded 'AA+' in the long-term and 'ST-1' in the short-term by Credit Rating Information and Services Limited (CRISL) in June 2022. For details, please see 'Credit Rating' in the section of Stakeholders Information.

Manpower

Employees	2022	2021
Permanent	2,202	1,975
Trainee	1,348	1,112
Total	3,550	3,087

Board of Directors

Sl.	Name	Position
1	Md. Showkat Ali Chowdhury	Chairman
2	M. Ghaziul Haque	Director
3	Mir Nasir Hossain	Director
4	Salina Ali	Director
5	Anis Ahmed	Director
6	Mufakkharul Islam Khasru	Director
7	Gazi Md. Shakhawat Hossain	Director
8	K.J.S. Banu	Director
9	Zara Namreen	Director
10	Dr. Toufic Ahmad Choudhury	Independent Director
11	Ashiq Imran	Independent Director
12	Ruslan Nasir	Director
13	Barrister K.M. Tanjib-ul Alam	Independent Director
14	Ali Reza Iftekhar	Managing Director & CEO

Company Secretary

Md. Abdullah Al Mamun FCS

Committees of the Board of Directors

Executive Committee (EC)

Sl.	Name	Status with the Bank	Status with the Committee
1	Mir Nasir Hossain	Director	Chairman
2	Salina Ali	Director	Member
3	Anis Ahmed	Director	Member
4	Ali Reza Iftekhar	Managing Director & CEO	Member

Secretary: Md. Abdullah Al Mamun FCS

Audit Committee (AC)

Sl.	Name	Status with the Bank	Status with the Committee
1	Dr. Toufic Ahmad Choudhury	Independent Director	Chairman
2	Mufakkharul Islam Khasru	Director	Member
3	Gazi Md. Shakhawat Hossain	Director	Member
4	Ashiq Imran	Independent Director	Member

Secretary: Md. Abdullah Al Mamun FCS

Risk Management Committee (RMC)

Sl.	Name	Status with the Bank	Status with the Committee
1	Mir Nasir Hossain	Director	Chairman
2	Mufakkharul Islam Khasru	Director	Member
3	Gazi Md. Shakhawat Hossain	Director	Member
4	Zara Namreen	Director	Member
5	Dr. Toufic Ahmad Choudhury	Independent Director	Member

Secretary: Md. Abdullah Al Mamun FCS

Board of Directors of the Subsidiaries

Name of the Subsidiaries	Name of the Directors (Nominated by EBL)	Position
EBL Securities Limited (EBLSL)	Mohd. Noor Ali	Chairman
	Mufakkarul Islam Khasru	Director
	Ashiq Imran	Director
	Ahmed Jamal	Independent Director
	Ali Reza Iftekhar	Director
	Mahmoodun Nabi Chowdhury	Director
EBL Investments Limited (EBLIL)	Mohd. Noor Ali	Chairman
	Mufakkarul Islam Khasru	Director
	K.J.S. Banu	Director
	Ashiq Imran	Director
	Ali Reza Iftekhar	Director
EBL Asset Management Limited (EBLAML)	Dr. Toufic Ahmad Choudhury	Chairman
	Gazi Md. Shakhawat Hossain	Director
	Ahmed Shaheen	Director
EBL Finance (HK) Limited	Ahmed Shaheen	Director
	Ali Reza Iftekhar	Director

Ownership composition

As on 31 December 2022, shareholding position of EBL by the directors, general public and financial institutions is presented below:

Shareholders' group	No. of shares	% of Share holding
Directors	329,082,425	30.67%
General public	604,717,737	56.35%
Financial institutions	139,297,363	12.98%
Total	1,073,097,525	100.00%

Stock exchange listing

Ordinary share of the Bank is listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC. Shares of EBL are categorized as 'A' in both the stock exchanges.

Listing year

Dhaka Stock Exchange Limited	20 March 1993
Chittagong Stock Exchange PLC	28 September 2004

Capital (31 December 2022)

Authorized capital	BDT 25,000,000,000 (face value per share: BDT 10)
Paid-up capital	BDT 10,730,975,250 (face value per share: BDT 10)

Accounting year

1 January to 31 December

Auditors

Howladar Yunus & Co., Chartered Accountants
(An independent member firm of Grant Thornton International)

Corporate governance auditor

A. Qasem & Co., Chartered Accountants
(A member firm of ECOVIS International)

Tax consultant

ACNABIN
Chartered Accountants
(A network member of Bakertilly)

Legal advisors

Sadat Sarwat & Associates

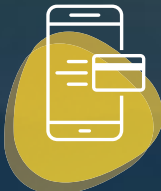
Registered office & Head office

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



skybanking.ebl-bd.com

100+ services on Skybanking



Add Money
(from any bank's Visa
and Mastercard Debit,
Credit and Prepaid cards)



Fund Transfer
(NPSB, BEFTN RTGS &
BINIMOY)



**Other Bank's Credit Card
Bill Payment**
(Any Local Visa Credit
Card Bill Payment)



**Passport
Endorsement Status**
(Endorsement Amount,
Spending Amount, Expiry
Date etc.)



QR payment
(Using Visa QR &
Bangla QR)



Government Bills
(BTCL, DPDC, DESCO and
Wasa)



Augmented Reality
(for finding nearest
Branches, ATMs and
Benefit Partner's list)



Instant Card's Foreign Part
Enable/Disable and
Limit Conversion
(BDT-USD/USD-BDT)

& many more!



Organizational Structure



8th Anniversary



*Celebrating eight wonderful years
of imagination and creation*

Date of Inauguration: January 18, 2015

|| 136 Sessions || 1,837 Participants || 4,000+(Uncut) ideas ||

Year	Number of Sessions	Number of Participants
2015	19	331
2016	15	241
2017	16	267
2018	16	217
2019	15	202
2020	3	43
2021	12	123
2022	40	413



Profile of Board of Directors



Md. Showkat Ali Chowdhury
Chairman

A renowned business leader of the country, Md. Showkat Ali Chowdhury is successfully running a large conglomerate with diverse interests in ship recycling, tea plantation and production, RMG industries, real estate, agency business and engineering services, inland container depot (ICD), commercial banking, insurance and securities. He joined the Board of Eastern Bank Limited (EBL) in 1993.

He is associated with many local and international organizations including life member of SAARC Chamber of Commerce & Industry (SAARC CCI), member of Bhatiary Golf & Country Club Limited, Chittagong Press Club, Chittagong Maa O Shisu General Hospital, Chittagong Club Limited, Chittagong Seniors' Club Limited and Bangladesh Ship Breakers & Recyclers Association (BSBRA). He is the first vice president of Chattogram Metropolitan Chamber of Commerce & Industry (CMCCI). He did his graduation from the University of Chittagong.



M. Ghaziul Haque
Director

M. Ghaziul Haque joined EBL Board in 1993 and ever since serving the Board except a brief absence of five years from 2006 to 2011. He was also Chairman of EBL for two terms from 2000-2006, and 2013-2018.

After graduating from Chittagong Government College under University of Dhaka in 1955, he began his career with the reputed British company Bird & Co. Ltd. and rose to the position of the Managing Director in 1976 when the company was changed to Birds Bangladesh Ltd.

In 1980, he left the company to start his business and partnered with Aquamarine Limited, a Chattogram-based Shipping Company. Later, he formed a joint venture company Maersk Bangladesh Limited of Maersk Lines, Copenhagen, Denmark. He served as the Chairman of the company until 1997 with an excellent track record.

Currently, he is the Chairman of MGH Group, a large business house headquartered in Singapore and spanning over 21 countries in Integrated Supply Chain, Total Cargo Management (TCM) for Low Cost Carriers (LCC), Global Distribution Systems for Airlines, Cross Border Freight Trains, and Satellite Fulfilment Centre (SFC) operators, FM Radio Stations, Tea and Rubber Plantations, Food & Beverage Retail, and Retail & Commercial Banking.



Mir Nasir Hossain
Director

One of the most revered business leaders of the country, Mir Nasir Hossain has a diverse range of business interests including construction, real estate, telecom, ICT, Software Development, ceramic tiles manufacturing, Textile, Liquefied Petroleum Gas (LPG), banking and insurance. He excelled as a student and achieved his post-graduation in accounting from the University of Dhaka with distinction. He joined EBL Board in 1993.

Mir Telecom Ltd., a business concern under his dynamic leadership, won the National Export Gold Trophy thrice in 2012-13, 2013-14 & 2016-2017 in Service Sector. He received the export trophy award from the Honorable Prime Minister of the People's Republic of Bangladesh. He was declared a CIP (Commercially Important Person) by the Ministry of Industries for 2012, 2013, 2017 and CIP Export 2014 & 2015 from the Ministry of Commerce for his significant contributions to the industrial growth of the country.

He led the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade organization of the country, as its President from 2005 to 2007, and served the organization prudently with commitment and dedication. He held many important positions in various regional business and trade bodies including Senior Vice President of SAARC Chamber of Commerce and Industry (SCCI) and Vice President of Confederation of Asia Pacific Chambers of Commerce and Industry (CACCI). Currently, he is the President of Faridpur Diabetic Association and Chairman of the Governing Body of Faridpur Diabetic Association Medical College. He is the Chairman of Mir Securities Ltd.

He is the Chairman of both the Executive Committee (EC) and Risk Management Committee (RMC) of the Board of EBL. He also serves as the Chairman of Shariah Supervisory Committee of EBL Islamic Banking.

He is actively engaged in various social works, most notably Bangladesh Red Crescent Society as life time member.



Salina Ali
Director

Salina Ali, a renowned business personality of the country, is the Chairperson of Unique Group (a leading business conglomerate in Bangladesh) having business interests in real estate, ceramic industry, hospitality & tourism, power plant, manpower export, banking services and human resources development. She is also the Chairperson of Unique Hotel and Resorts PLC and involved with The Westin Dhaka, The Sheraton Dhaka (True Five Star hotel in the country) and Hansa Premium Residence by Unique Hotel & Resorts PLC from the beginning of its commercial operation. She is also the Vice-Chairman of the Board of Trustees of Noor Ali Family Trust.

She is a member of the Executive Committee (EC) of the Board of Directors of Eastern Bank Limited.

She did her Honors and Master's in Sociology from the University of Dhaka.

She is involved in many social and philanthropic works and committed for making positive changes in the society.



Anis Ahmed
Director

Anis Ahmed is the Founder and Group CEO of MGH Group, a large conglomerate headquartered in Singapore with footprint over 21 countries in Integrated Supply Chain for Global Fashion, Automotive industry and Electronics Brands, Total Cargo Management (TCM) for Low Cost Carriers (LCC), Travel Commerce for Airlines, Cross Border Freight Trains, Trucking, Satellite Fulfilment Centre (SFC) operators, FM Radio Stations, Tea and Rubber Plantations, Food & Beverage Retail, and Retail & Commercial Banking. He has keen interest in investing into innovative bootstrapped startup ventures.

He is a member of the Executive Committee (EC) of the Board of Directors of EBL.

Anis earned his BSc in Finance from the University of Utah and MBA from Arkansas State University, USA, and began his career with A.P. Moller Maersk as an intern at its Morristown, New Jersey Headquarters. He later joined his father's business, an A.P. Moller Maersk joint venture in Bangladesh (Maersk Bangladesh Ltd) and left after four years to establish his own start-up, MGH, named after his father M. Ghaziul Haque, currently Director of EBL and Chairman of the MGH Group.

He, along with his wife Suhana, is the Co-Founder, Co-Chair and a Trustee member of Suhana & Anis Ahmed Foundation (SAAF). The foundation is in the process of launching DristiVan, Bangladesh's first-ever Mobile Eye Diagnostic Clinic built on a 4-ton truck chassis to reach out to schools and colleges at far-flung villages, and thanas to prevent childhood glaucoma and blindness.

The foundation's commitment continues to 16 scholarships at BRAC University for meritorious but underprivileged students pursuing Computer Sciences (CSE) degrees while providing financial supports to Monwara Islam Tajul Islam Welfare Trust to sustain "Shailan Probeen Nibash" operations, an old home for senior citizens. The couple has provided comprehensive financial, and operational supports to BSMMU's 31-bed Leukemia ward for children to minimize child mortality suffering from Blood Cancer.



Mufakharul Islam Khasru
Director

Mufakharul Islam Khasru did his B.Com from Chattogram Commerce College and MBA from Institute of Business Administration (IBA), University of Dhaka.

Currently, he is the Managing Director of Finlay Properties Ltd., an affiliate of JF (Bangladesh) Ltd. Before taking up the current responsibilities at Finlay Properties in 2010, he was the CEO of SANMAR, a leading business house with diversified business interests in property development, custom brokerage, stevedoring, and commodity trading.

He is a member of both Audit Committee (AC) and Risk Management Committee (RMC) of the Board of Directors of EBL. He is also a Director of EBL Securities Limited and EBL Investments Limited, both fully owned Subsidiaries of EBL.

He is an avid reader and has a strong impulse to travel and explore the world. A sport enthusiast, he enjoys socializing. He is an active member of a number of clubs including Chittagong Club Ltd., Bhatiary Golf & Country Club, Chittagong Boat Club, and a life member of Bangladesh Diabetic Society.



Gazi Md. Shakhawat Hossain

Director

A noted business executive, Gazi Md. Shakhawat Hossain wears many hats. He is the Chief Executive Officer (CEO) of Unique Group and Director as well as member of the Audit Committee (AC), Investment Committee & Nomination and Remuneration Committee of Unique Hotel & Resorts PLC, Director of Bay Hill Hotel & Resorts Limited, General Electric Company (BD) Limited and Unique Meghnaghat Power Limited.

He is a member of both the Audit Committee (AC) and Risk Management Committee (RMC) of the Board of EBL. He is also a Director of EBL Asset Management Limited, a fully owned subsidiary of EBL.

He obtained his Master's in Accounting from the University of Dhaka. He is well known for his expertise in the areas of financial reporting and management, insurance, power plant, and hospitality industry.



K.J.S. Banu

Director

Kishwar Jahan Sayeeda Banu, better known as K.J.S. Banu is a renowned philanthropist. She completed her Master's degree from the University of Dhaka in 1966. Beyond philanthropic works, she is involved with various social development projects in Dhaka and Chattogram and has a keen interest in banking and healthcare. She joined the Social Welfare Committee of Samorita Hospital in the year 2000. Currently, she is the Chairman of the Abul Mansur Shaukat Ali Family Trust.

She has been actively involved with the Inner Wheel Club of Dhaka Midtown for a number of years. She has also been an active member of Gulshan Ladies Club, Uttara Ladies Club, Dhaka Ladies Club, Baridhara Diplomatic Club and Gulshan Club.

A connoisseur of art, she is popular among the artists circle for her patronage of talented and promising young artists.

She is a Director of EBL Investments Limited, a fully owned Subsidiary of EBL. Previously, she was a member of the Board of Directors of EBL for a three-year term from 2003 to 2006.



Zara Namreen
Director

Zara Namreen is currently the Executive Director of JF (Bangladesh) Limited and associated with Namreen Enterprise Limited, Z.N. Enterprise Limited and M/s. S.N. Corporation. She is the Managing Director of Finlay Bazar Ltd., Managing Partner of BaliSera Ship Recycling and Partner of ShoreLink Ship Recycling. She is a member of the Risk Management Committee (RMC) of the Board of Directors of EBL.

She did her BSc from University of Hull, UK and MSc from Queen Mary University of London.

She is a member of Chittagong Club Limited.



Dr. Toufic Ahmad Choudhury
Independent Director

A renowned economist, Dr. Toufic Ahmad Choudhury did his Ph.D. from Himachal Pradesh University, Shimla, India under Indian commonwealth scholarship. He is currently serving as the Director General of Bangladesh Academy for Securities Markets and also as a board member of a number of institutions including Palli Karma Sahayak Foundation (PKSF) and Institute for Inclusive Finance and Development (InM). He was Director General of Bangladesh Institute of Bank Management (BIBM) from 2010 to 2019. He also served as the General Secretary of Bangladesh Economic Association (BEA) for consecutive two terms from 2010-14.

Dr. Toufic started his professional career as a Research Associate with Bangladesh Institute of Development Studies (BIDS). In 1981, he joined Bangladesh Institute of Bank Management (BIBM) as a lecturer and became professor in 1997. He received numerous professional trainings organized by IMF Training Institute, Toronto Centre, Standard Chartered Bank, USAID and World Bank.

He is a member of both the Audit Committee (AC) and Risk Management Committee (RMC) of the Board of Directors of EBL. He is a Director of EBL Asset Management Limited, a fully owned Subsidiary of EBL. He is also a member of EBL Shariah Supervisory Committee (EBL-SSC) of Islamic Banking.

An expert in financial institution management, risk management, international trade payment and finance, he has over fifty publications in national and international journals.



Ashiq Imran
Independent Director

A renowned architect, Ashiq Imran is the Honorary Consul of The Russian Federation in Chattogram and a representative of Belarus Chamber of Commerce and Industry (BelCCI). He obtained his M. Arch in 1993 from Belarus National Technical University, Belarus, CIS under a scholarship program from former USSR government. He was awarded medal of recognition for his contributions to the development of bilateral relations between Russia and Bangladesh and was instrumental in setting up a memorial in the Laldighi area of Chattogram in honor of Yuri Redkin, a Soviet Naval Officer killed in a mine-clearing operation at Chattogram port in 1973.

He was an elected chairman of Institute of Architects Bangladesh (IAB) for a two-year term 2021-22. Currently, he is the CEO and principal architect of the Chattogram-based architectural consulting firm Fialka.

He is associated with numerous organizations as member/ adviser including member of Chittagong Chamber of Commerce and Industry (CCCI); Board member of Chattogram Development Authority; Adviser of Suchinta Bangladesh, Chattogram Division; General Secretary of Soviet Alumni Association (SAAB), Chattogram and other prestigious organizations.

He is a member of the Audit Committee (AC) of the Board of Directors of EBL and Director of EBL Investments Limited and EBL Securities Limited, both fully owned Subsidiaries of EBL.



Ruslan Nasir
Director

Ruslan Nasir is the Deputy Managing Director of Mir Ceramic Limited and Director of several enterprises including Mir Holdings Limited, Mir Securities Limited and Mir Telecom Group comprising Mir Telecom Limited, Bangla Telecom Limited, Coloasia Limited and BTS Communications Limited. Under his dynamic leadership, Mir Telecom Limited won the National Export Gold Trophy thrice in 2012-13, 2013-14 and 2016-2017 in service sector. He also won the President's Award for Industrial Development in 2019 for Mir Ceramic Ltd. and Bangabandhu Sheikh Mujib Industrial Award in 2020 for Mir Telecom Ltd. He joined the Board of Directors of Eastern Bank Limited in 2021.

He is known for his vast experience in wide range of businesses including ceramic tiles, construction, telecom, ICT, real estate, food chain and banking.

He is also serving as a Director of Bangladesh Chamber of Industries (BCI) and sits on the board of Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA).

He did his MBA from Rotman School of Management, University of Toronto, and Bachelor of Engineering from Carleton University, Canada.

His philanthropic works include social development projects of Faridpur Diabetic Association and patronage of a number of hospitals and orphanages.



Barrister K.M. Tanjib-ul Alam
Independent Director

K. M. Tanjib-ul Alam, a Senior Advocate of Supreme Court of Bangladesh, joined EBL Board as an independent director in 2022. He graduated with LLB honors from University of London in 1996 and was called to the Bar of England and Wales from prestigious Lincoln's Inn, UK in 1997. Currently, he is the head of the chambers of Tanjib Alam and Associates, an international law firm with offices in Europe and Asia.

In a long and outstanding career, apart from being an international arbitrator and a leading corporate and constitutional lawyer, he served as a legal consultant or performed advisory roles for International Finance Corporation (IFC), PricewaterhouseCoopers (PWC), Dhaka Stock Exchange (DSE), UNDP, Institutional Reform International Inc. (IRIS) USA, and the World Bank. He played pivotal role in drafting two key legislations while acting as the technical consultant for the World Bank funded projects on the reform of Energy and Telecom sectors, which resulted in the enactment of the Bangladesh Energy Regulatory Commission Act and the Bangladesh Telecommunication Act. As the lead Project Consultant of IFC, he prepared the draft Companies Act as part of technical assistance to the Government of Bangladesh for the reform in corporate sector of the country to attract foreign investment. He is regarded as one of the finest lawyers of the country and has won numerous awards from multiple foreign organizations for his contribution in the legal profession in the South East Asia region.

He also serves as a Director of Biman Bangladesh Airlines and numerous multinational companies operating in Bangladesh.



Ali Reza Iftekhar
Managing Director & CEO

The longest serving top executive of Bangladesh banking industry, Ali Reza Iftekhar is an ardent promoter of sustainable growth. As the Managing Director & CEO of EBL, he has successfully introduced international best practices and ethical banking and transformed the organization into a leading financial brand in the country. Under his leadership, the bank has achieved many a laurel including the Bank of the Year awarded by the Banker Magazine for two consecutive years, Best Retail Bank in Bangladesh awarded by The Asian Banker for six consecutive years, Euromoney Best Bank in Bangladesh for three consecutive years, Asiamoney Best Corporate and Investment Bank of Bangladesh for four consecutive years, FinanceAsia Best Bank of Bangladesh in 2017 and 2019, the IFC Global Award for the Best Partner for Working Capital Systemic Solution, ICSB National Award for Corporate Governance Excellence, the Best Financial Institution 2010 at the DHL-Daily Star Bangladesh Business Award.

He led the Association of Bankers, Bangladesh (ABB), a forum of managing directors of Bangladesh's scheduled banks, for two terms 2020-21 and 2014-2015.

An achiever throughout his career spanning over three decades, he was awarded CEO of the Year 2012 at Asian HR Leadership Award held in Dubai and the World Business Outlook magazine awarded him the Best Banking CEO of the Year 2022 of Bangladesh.

STABILITY

IS OUR STRENGTH

Sound asset quality
Strong liquidity
Adequate capital
Good corporate governance
All these made EBL a symbol of stability

Most awarded bank
in the country by local
and international
institutions

Best known for
international best
practices

Two-time winner of
Bank of the Year by
prestigious "The
Banker" magazine

Rated by
Global Rating
Agency Moody's
since 2016

Trusted partner of
international banks and
development finance
institutions

With Strong AA+
Credit rating, EBL
is a safe destination
for depositors
money

A key partner
of country's
development



Eastern Bank Ltd.

Management Committees

MANCOM



Ali Reza Iftekhar
Managing Director & CEO



Ahmed Shaheen
AMD & Head of Corporate Banking



Muhammad Mustafa Haikal Hashmi
DMD & Head of ICC & CAMLCO



M.Khorshed Anowar
DMD & Head of Retail & SME
Banking



Mehdi Zaman
DMD & Head of Treasury, FIs &
Offshore Banking



Riad Mahmud Chowdhury
DMD & Head of Corporate Business,
Dhaka



Mahmoodun Nabi Chowdhury
DMD & Head of Planning,
Strategy & Governance



M.Khurshed Alam
DMD & Chief Risk Officer



Mahiuddin Ahmed
DMD & Head of Operations



Ashraf -Uz- Zaman
Head of Corporate Business, Chattogram



Zahidul Haque
Chief Technology Officer



Monjurul Alam
Head, Human Resources



Masudul Hoque Sardar
Chief Financial Officer



Md. Maskur Reza
Head of Business Information
Systems



Mostafa Sarwar
Head of Credit Risk Management



Md. Abdullah Al Mamun
Company Secretary

MANCOM

Sl.	Name	Designation	Status in Committee
1	Ali Reza Iftekhhar	Managing Director & CEO	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	Muhammad Mustafa Haikal Hashmi	DMD & Head of ICC & CAMLCO	Member
4	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	Member
5	M. Khurshed Alam	DMD & Chief Risk Officer	Member
6	Mahiuddin Ahmed	DMD & Head of Operations	Member
7	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
8	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
9	Riad Mahmud Chowdhury	DMD & Head of Corporate Business, Dhaka	Member
10	Ashraf -Uz- Zaman	SEVP & Head of Corporate Business, Chattogram	Member
11	Zahidul Haque	SEVP & Chief Technology Officer	Member
12	Monjurul Alam	SEVP & Head, Human Resources	Member
13	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
14	Md. Maskur Reza	EVP & Head of Business Information Systems	Member
15	Mostafa Sarwar	EVP & Head of Credit Risk Management	Member
16	Md. Abdullah Al Mamun	SVP & Company Secretary	Member Secretary

Extended Management Team (EMT)

Sl.	Name	Designation	Status in Committee
1	M. Khurshed Alam	DMD & Chief Risk Officer	Chairman
2	Major Md. Abdus Salam, psc, (Retd)	SEVP & Head of Administration & Security	Member
3	Md. Obaidul Islam	SEVP & Head of Relationship Unit, Corporate Banking	Member
4	Mahdiar Rahman	SEVP & Head of Relationship Unit, Corporate Banking	Member
5	Md. Mokaddas	SEVP & Head of Trade Operations	Member
6	Syed Zulkar Nayen	SEVP & Head of Business, Retail & SME Banking	Member
7	Ahsan Ullah Chowdhury	SEVP & Head of Digital Financial Services	Member
8	Ziaul Karim	SEVP & Head of Communications & External Affairs	Member
9	Md. Zahid Hossain	SEVP & Head of Service Delivery	Member
10	Mohammad Mainul Hasan Faisal	SEVP & Head of Relationship Unit, Corporate Banking	Member
11	Md. Maskur Reza	EVP & Head of Business Information Systems	Member
12	Mohammed Moinul Islam	EVP & Head of Special Asset Management	Member
13	Tasnim Hussain	EVP & Head of Cards	Member
14	Farzana Ali	EVP & Branch Area Head, Dhaka, Retail & SME Banking	Member
15	Sarmin Atik	EVP & Head of Liability & Wealth Management, Retail & SME Banking	Member
16	Sanjit Dutta	SVP & Head of Technology Development & Transformation, ICT Division	Member
17	Mohammad Salekeen Ibrahim	SVP & Head of Asset, Retail & SME Banking	Member
18	Istiak Ahmed	SVP & Branch Area Head, Outstation, Retail & SME Banking	Member
19	A. K. M. Zakir Hossein	SVP & Head of Credit Administration	Member
20	G.K. Salauddin Ahmed (Kibria)	SVP & Head of Retail Risk	Member
21	Md. Zahirul Hoque Khan	SVP & Senior Manager, Credit Risk Management	Member
22	Saiful Islam	SVP & Head of Risk Management Division	Member
23	Md. Syedul Islam	SVP & Head of Audit, Internal Control and Compliance	Member
24	Md. Shahjahan Ali	SVP & Head of Compliance, AMLD & Deputy CAMLCO	Member
25	Md. Mueyed Hasnayan	SVP & Head of Cards Operations	Member
26	Shah Muntasin Mujtaba	SVP & Head of Markets & Sales, Treasury	Member
27	Riyadh Ferdous	SVP & Head of Brand	Member
28	Muhammad Shohidul Islam	VP & Head of Core Banking System, ICT Division	Member
29	Abu Rassel Md Masum	VP & Branch Area Head, Sylhet and Narayanganj, Retail & SME Banking	Member
30	Amin Md. Mehedi Hasan	VP & Head of Digital Banking	Member
31	Rajan Kumer Saha	VP & Head, Financial Planning, Reporting & Analysis	Member Secretary
32	Faisal M. Fathe - Ul Islam	VP & Head of M-Commerce & E-Commerce	Member
33	Sujan Barua	VP & Head, Financial Integrity, Reporting & Portfolio Management	Member
34	Md. Riyad Hossain	VP & Head, People's Acquisition, Human Resources	Member

Asset Liability Committee (ALCO)

Sl.	Name	Designation	Status in Committee
1	Ali Reza Iftekhhar	Managing Director & CEO	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
4	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member Secretary
5	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
6	Saiful Islam	SVP & Head of Risk Management Division	Member
7	Md. Talhatul Islam	FAVP & Senior Manager, ALM Desk, Treasury	Member

Executive Risk Management Committee (ERMC)

Sl.	Name	Designation	Status in Committee
1	M. Khurshed Alam	DMD & Chief Risk Officer	Chairman
2	Muhammad Mustafa Haikal Hashmi	DMD & Head of ICC & CAMLCO	Co-Chairman
3	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
4	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	Member
5	Mahiuddin Ahmed	DMD & Head of Operations	Member
6	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
7	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
8	Zahidul Haque	SEVP & Chief Technology Officer	Member
9	Monjurul Alam	SEVP & Head, Human Resources	Member
10	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
11	Mostafa Sarwar	EVP & Head of Credit Risk Management	Member
12	Mohammed Moinul Islam	EVP & Head of Special Asset Management	Member
13	A. K. M. Zakir Hossein	SVP & Head of Credit Administration	Member
14	Saiful Islam	SVP & Head of Risk Management Division	Member Secretary

Purchase Committee (PC)

Sl.	Name	Designation	Status in Committee
1	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	General Secretary
2	Zahidul Haque	SEVP & Chief Technology Officer	Member
3	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
4	Major Md. Abdus Salam, psc, (Retd)	SEVP & Head of Administration & Security	Member
5	Md. Maskur Reza	EVP & Head of Business Information Systems	Member
6	Md. Abdullah Al Mamun	SVP & Company Secretary	Member

Credit Risk Management Committee (CRMC)

Sl.	Name	Designation	Status in Committee
1	M. Khurshed Alam	DMD & Chief Risk Officer	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
4	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
5	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
6	Mostafa Sarwar	EVP & Head of Credit Risk Management	Member Secretary
7	Mohammed Moinul Islam	EVP & Head of Special Asset Management	Member
8	Saiful Islam	SVP & Head of Risk Management Division	Member

Supervisory Review Process (SRP) Team

Sl.	Name	Designation	Status in Committee
1	Ali Reza Iftekhhar	Managing Director & CEO	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	Muhammad Mustafa Haikal Hashmi	DMD & Head of ICC & CAMLCO	Member
4	M. Khurshed Alam	DMD & Chief Risk Officer	Member
5	Mahiuddin Ahmed	DMD & Head of Operations	Member
6	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
7	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
8	Zahidul Haque	SEVP & Chief Technology Officer	Member
9	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
10	Mostafa Sarwar	EVP & Head of Credit Risk Management	Member
11	Saiful Islam	SVP & Head of Risk Management Division	Member Secretary

Sustainable Finance Committee (SFC)

Sl.	Name	Designation	Status in Committee
1	M. Khurshed Alam	DMD & Chief Risk Officer	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	Muhammad Mustafa Haikal Hashmi	DMD & Head of ICC & CAMLCO	Member
4	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	Member
5	M. Khorshed Anwar	DMD & Head of Retail & SME Banking	Member
6	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
7	Riad Mahmud Chowdhury	DMD & Head of Corporate Business, Dhaka	Member
8	Zahidul Haque	SEVP & Chief Technology Officer	Member
9	Ashraf -Uz- Zaman	SEVP & Head of Corporate Business, Chattogram	Member
10	Monjurul Alam	SEVP & Head, Human Resources	Member
11	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
12	Ahsan Ullah Chowdhury	SEVP & Head of Digital Financial Services	Member
13	Major Md. Abdus Salam, psc, (Retd)	SEVP & Head of Administration & Security	Member
14	Syed Zulkar Nayan	SEVP & Head of Business, Retail & SME Banking	Member
15	Ziaul Karim	SEVP & Head of Communications & External Affairs	Member
16	Md. Maskur Reza	EVP & Head of Business Information Systems	Member
17	Mostafa Sarwar	EVP & Head of Credit Risk Management	Member Secretary
18	Mohammad Salekeen Ibrahim	EVP & Head of Asset, Retail & SME Banking	Member
19	Mohammed Moinul Islam	EVP & Head of Special Asset Management	Member
20	A. K. M. Zakir Hossein	SVP & Head of Credit Administration	Member
21	Saiful Islam	SVP & Head of Risk Management Division	Member
22	Sheikh Shahriar Amin	VP & Senior Manager, Planning, Strategy & Governance	Member

Central Compliance Committee (CCC)

Sl.	Name	Designation	Status in Committee
1	Muhammad Mustafa Haikal Hashmi	DMD, Head of ICC & CAMLCO	Chairman
2	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	Member
3	M. Khurshed Alam	DMD & Chief Risk Officer	Member
4	Mahiuddin Ahmed	DMD & Head of Operations	Member
5	M. Khorshed Anwar	DMD & Head of Retail & SME Banking	Member
6	Riad Mahmud Chowdhury	DMD & Head of Corporate Business, Dhaka	Member
7	Zahidul Haque	SEVP & Chief Technology Officer	Member
8	Monjurul Alam	SEVP & Head, Human Resources	Member
9	Ahsan Ullah Chowdhury	SEVP & Head of Digital Financial Services	Member
10	Md. Mokaddas	SEVP & Head of Trade Operations	Member
11	Md. Abdul Awal	EVP & Head of Monitoring, Internal Control & Compliance	Member
12	Md. Shahjahan Ali	SVP & Head of Compliance, AMLD & Deputy CAMLCO	Member Secretary
13	Md. Mueyed Hasnayan	SVP & Head of Cards Operations	Member
14	Muhammad Abul Kalam Azad	VP & Head of Information Security & Compliance, ICT Division	Member

Cost Olympic Committee (COC)

Sl.	Name	Designation	Status in Committee
1	Masudul Hoque Sardar	SEVP & Chief Financial Officer	President
2	Zahidul Haque	SEVP & Chief Technology Officer	Member
3	Syed Zulkar Nayan	SEVP & Head of Business, Retail & SME Banking	Member
4	Monjurul Alam	SEVP & Head, Human Resources	Member
5	Major Md. Abdus Salam, psc, (Retd)	SEVP & Head of Administration & Security	Member
6	Md. Maskur Reza	EVP & Head of Business Information Systems	Member Secretary
7	Iftikhar Imam	SVP & Head of Inbound Business & China Desk	Member
8	Mueyed Hasnayan	SVP & Head of Cards Operations	Member
9	Riyadh Ferdous	SVP & Head of Brand	Member

ICT Steering Committee

Sl.	Name	Designation	Status in Committee
1	Ali Reza Iftekhar	Managing Director & CEO	Chairman
2	Ahmed Shaheen	AMD & Head of Corporate Banking	Member
3	Muhammad Mustafa Haikal Hashmi	DMD & Head of ICC & CAMLCO	Member
4	Mahmoodun Nabi Chowdhury	DMD & Head of Planning, Strategy & Governance	Member
5	M. Khurshed Alam	DMD & Chief Risk Officer	Member
6	Mahiuddin Ahmed	DMD & Head of Operations	Member
7	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
8	Zahidul Haque	SEVP & Chief Technology Officer	Member
9	Monjurul Alam	SEVP & Head, Human Resources	Member
10	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
11	Md. Maskur Reza	EVP & Head of Business Information Systems	Member Secretary

ICT Security Committee

Sl.	Name	Designation	Status in Committee
1	Zahidul Haque	SEVP & Chief Technology Officer	Chairman
2	Muyeed Hasnayan	SVP & Head of Cards Operations	Member
3	Sanjit Dutta	SVP & Head of Technology Development & Transformation, ICT Division	Member
4	Amin Md. Mehedi Hasan	VP & Head of Digital Banking	Member
5	Faisal M. Fathe - Ul Islam	VP & Head of M-Commerce & E-Commerce	Member
6	Hasan Riaz	VP & Head of Operations Control, Operations Division	Member
7	Muhammad Abul Kalam Azad	VP & Head of Information Security & Compliance, ICT Division	Member Secretary
8	Muhammad Shohidul Islam	VP & Head of Core Banking System, ICT Division	Member
9	Sarwar Al Ahmed	VP & Unit Head, Products & e-Channels, Corporate Banking	Member
10	Sazia Afrin	VP & Head of Branch Operation & Support, Retail & SME Banking	Member
11	Tanvir Jubair Islam	VP & Head, Payment Systems, ICT Division	Member
12	Md. Amanallah Majumder	SAVP & Head of Data, Network & Service Management, ICT Division	Member
13	Rashedul Islam	SAVP & Head of Audit - Unit 3, Internal Control and Compliance	Member
14	MD. Marzuq Chowdhury	FAVP & Senior Manager, Risk Management Division	Member

ICT Risk Management Committee

Sl.	Name	Designation	Status in Committee
1	Zahidul Haque	SEVP & Chief Technology Officer	Chairman
2	Md. Abdul Awal	EVP & Head of Monitoring, Internal Control and Compliance	Member
3	Saiful Islam	SVP & Head of Risk Management Division	Member
4	A. K. M. Zakir Hossein	SVP & Head of Credit Administration	Member
5	Sabera Sultana Mili	VP & Head of Service & Business Quality and Sales Governance, Retail & SME Banking	Member
6	Md. Golam Sarwar	SAVP & Head of ICT Infrastructure & BCP, ICT Division	Member
7	Mohammad Aktarul Hassan	SAVP & Senior Manager, Payment Systems, ICT	Member
8	K. M. Shamsul Huda	SAVP & Head of Cards Account Services, ICT Division	Member
9	Md. Zia Masum Hayder	FAVP & Senior Manager, Core Banking System, ICT Division	Member
10	A. S. M. Mahbubur Rahman	FAVP & Senior Manager, Data Administrator, ICT Division	Member
11	Md. Ohidul Islam	FAVP & Senior Manager, Procurement, Administration	Member
12	A.K.M. Mustafizul Haque	FAVP & Senior Manager, Information Security & Compliance, ICT Division	Member Secretary

Integrity Committee

Sl.	Name	Designation	Status in Committee
1	M. Khurshed Alam	DMD & Chief Risk Officer	Chairman & Focal Point
2	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
3	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
4	Monjurul Alam	SEVP & Head, Human Resources	Member & Deputy Focal Point
5	Ziaul Karim	SEVP & Head of Communications & External Affairs	Member
6	Farzana Ali	EVP & Branch Area Head, Dhaka, Retail & SME Banking	Member

Products & Services



RETAIL & SME BANKING



Deposit Products

Retail Accounts

Savings Account

- EBL Classic Savings
- EBL Power Savings
- EBL Max Saver
- EBL Premium Savings
- EBL Platinum Plus Savings
- EBL 50+ Savings

- EBL Women's Savings
- EBL RFCD
- EBL Insta Savings

Current Account

- EBL Current Account
- EBL Current Plus
- EBL Insta Current
- EBL Freelancer Account

DPS Account

- EBL Confidence
- EBL Millionaire Scheme
- EBL Millionaire Women DPS
- EBL Kotipoti
- EBL Multiplier

Fixed Deposit Account

- EBL Repeat FD

- EBL 50+ FD
- EBL Fixed Deposit
- Extra Value Fixed Deposit
- EBL Earn First FD
- EBL Super FD
- EBL Super FD Repeat

Business Accounts

Current Account

- Current Deposits
- FCY Account
- Export Retention Quota

- EBL Ovilashi

SND Account

- Short Notice Deposit
- EBL Shubidha
- EBL Super HPA

DPS Account

- EBL Equity Builder

Fixed Deposit Account

- EBL Fixed Deposit
- Extra Value Fixed Deposit

- EBL Alo
- EBL Diamond
- EBL Super FD
- EBL Repeat
- EBL Earn First SME FD



Retail Loan Products

- EBL Executive Loan
- EBL Women's Loan
- EBL Assure Loan
- EBL Home Loan

- EBL Home Credit
- EBL Mortgage Loan Payment Protection
- EBL Auto Loan

- EBL Two Wheeler Loan
- EBL Shohojogita
- EBL Fast Loan
- EBL Fast Cash

- EBL Education Finance Pack



SME Loan Products

- EBL Business Wonder
- EBL Business Solution
- EBL Cash Credit
- Stimulus Fund for CMSMEs

- EBL Mukti
- EBL Uddipon
- EBL Utkorsho
- EBL Udoy

- EBL Asha
- EBL Krishi
- Startup Explorer
- EBL E-Loan/Cash

- EBL Fleet Financing
- EBL Shomonnoy



NRB & Expat Products

NRB Deposit Products

- EBL Global
- EBL NFCD
- EBL Shonchoy

Remittances

- Remitted fund can be disbursed through EBL branches, and smart remit card

NRB Loan Products

- Personal Secured Loan (Fast Loan)
- Personal Secured Credit (Fast Cash)

EBL Expat

- EBL Expat is a 360 degree banking solution that is perfect for any foreign national currently working in Bangladesh.

- EBL Expat FCY account
- EBL Expat LCY account

Investment

- Wage Earners Development Bond (WEDB)
- US Dollar Investment Bond (USDIB)
- US Dollar Premium Bond (USDPB)



Payroll Banking Services

- Executive Account – for salary disbursement
- EBL Visa Payroll Card – smart expense card
- EBL Salary Shield – employee insurance scheme
- EBL Connect – secured digital platform for salary disbursement



Priority Banking

- Power Banking
- General Priority
- Priority Plus
- Priority Infinity



Student Banking Products & Services

- EBL Junior
- EBL Campus Account
- EBL Child Future Plan
- EBL Aspire
- EBL Student File Services



Digital Financial Services

- EBL Skybanking app & web
- Missed call alert service
- EBL Contact Center
- Fixed deposit & DPS opening
- Half yearly & yearly statement download
- Secured loan application
- Information update

EBL 365

- Automated Teller Machine (ATM)
- Cash Recycling Machine (CRM)
- Real Time Deposit Machine (RTDM)
- DROPBOX

EBL Self Service

- INSTA Banking: Open instant account using e-KYC from anywhere in the world

M-Commerce & E-Commerce

- EBL SKYPAY payment gateway service
- Visa Credit Card bill payment
- Visa Debit Card fund transfer



Agent Banking

- All types of account opening
- Biometric cash deposit and cash withdrawal
- Cash withdrawal through POS for EBL cardholders
- Fund transfer within EBL
- Fund transfer to other bank
- Inward foreign remittance disbursement
- Utility bill payment
- Card bill payment
- Instant mobile recharge
- Payment of salary
- Debit card and cheque book request & delivery
- Balance inquiry
- Loan & credit card application
- Loan EMI payment etc.



Cards

EBL Credit Cards

- EBL Visa Classic Credit
- EBL Visa Gold Credit
- EBL Visa Platinum Credit
- EBL Visa Women Platinum Credit
- EBL Visa Signature Lite Credit
- EBL Visa Signature Acci-Shield Credit
- EBL Visa Infinite Credit
- EBL Mastercard Titanium Credit
- EBL Mastercard World Credit
- EBL Diners Club International Credit
- EBL UnionPay International Platinum Credit

EBL Corporate Credit Card

- Revolving loan facilities for corporate houses to manage Company's local and global travel & entertainment expenses

EBL Debit Cards

- EBL Visa Classic Debit
- EBL Visa Platinum Debit
- EBL Visa Women Platinum Debit
- EBL Visa Signature Debit
- EBL Visa Priority Signature Debit
- EBL Visa Business Debit
- EBL Visa Global Debit
- EBL Visa Payroll Debit
- EBL Visa Junior Debit
- EBL Mastercard Titanium Debit
- EBL Mastercard World Debit
- EBL Mastercard Payroll Debit
- EBL Mastercard Women Platinum Debit
- EBL UnionPay International Classic Debit

EBL Prepaid Cards

- EBL Visa Lifestyle Prepaid
- EBL Visa Payroll Prepaid
- EBL Visa Hajj Prepaid
- EBL Mastercard Aqua Prepaid
- EBL Diners Club International Global Prepaid
- EBL UnionPay International Dragon Prepaid

Co-brand Cards

- EBL Visa Bangladesh Army Platinum Credit
- EBL Visa Bangladesh Air Force Platinum Credit
- EBL Visa Bangladesh Navy Platinum Credit
- EBL Visa Meena Bazar Platinum Credit
- EBL Mastercard Shwapno Titanium Credit
- EBL Mastercard BASIS Titanium Credit
- EBL Mastercard Rotary Titanium Credit

- EBL Mastercard JCI Titanium Credit
- EBL Mastercard Oil & Gas Credit
- EBL Visa BAT Co-brand Corporate Credit
- EBL Visa Bangladesh Foreign Service Association Signature Credit
- EBL Diners Club International Vroom Credit
- EBL Visa Oil & Gas Credit
- EBL Visa Flight Expert Credit
- EBL Visa GHC Credit
- EBL Visa Marks & Spencer Credit
- EBL Visa Ministry of Textiles and Jute Credit
- EBL Visa Bangladesh Communication Satellite Company Limited Credit
- EBL Visa Bangladesh Doctors Foundation Credit & Prepaid
- EBL Visa ISIC Prepaid
- EBL Visa Healthcare Pharmaceuticals Prepaid
- EBL Visa GPL Employee Payroll Prepaid
- EBL Visa Unilever Prepaid
- EBL Visa ACCA Prepaid
- EBL Visa Grameenphone Express Prepaid
- EBL Visa BATA Prepaid
- EBL Visa Netizen Prepaid
- EBL Mastercard BASIS Prepaid
- EBL Mastercard Robi Smart Prepaid
- EBL Mastercard Berger Prepaid
- EBL Mastercard Novo Air Prepaid
- EBL Mastercard Rotary Prepaid
- EBL Mastercard DHL One Prepaid
- EBL Banglalink Payroll Prepaid
- Others

Facilities

- EBL ZIP (Zero% Installment Plan)
- EBL EasyCredit
- EBL Want2Buy



TREASURY

Money Market Products

- Call money
- Term money
- Notice money
- Re-purchase agreement
- Reverse repo
- Commercial paper
- Foreign exchange swap
- Foreign currency placement

Fixed Investment Products

- Government securities to inter-bank
- Government securities to customers
- T-Bond to foreign individuals, investors & institutions
- Subordinated bond
- EBL Fixed Income

Foreign Exchange Products

- Inter-bank spot in major currency pairs
- Customers spot in major currency pairs
- Foreign remittance

Derivative products

- Forward contract
- Interest rate swap (IRS)



CORPORATE BANKING



Digital Products & Cash Management Solutions

- Nationwide Collection Service (NCS)
- Virtual account solution
- EBL Cheq Pro
- Cash pick-up & delivery service
- Veefin for supplier and dealer financing
- EBL Connect for electronic fund transfer
- Commercial Payments & Solutions (CPS)
- Utility bills collection
- Automated Chalan System for tax payment



Working Capital Solutions

Funded Facilities

- Import loan
- Demand loan
- Manufacturers demand loan
- Overdraft
- Time loan
- Packing credit
- Local Documentary Bill Purchase (LDBP)
- Foreign Documentary Bill Purchase (FDBP)

- Export development fund
- Foreign Documentary Bill Purchase (FDBP)
- Export facilitation fund
- Export facilitation pre-finance fund
- Pre-shipment credit refinancing scheme

Non-Funded Facilities

Letter of Credit (Cash/Back to Back LC)

- Sight LC
- Usance/Deferred LC

- Structured LC

Guarantee (Open ended/Close ended)

- Performance guarantee
- Bid bond
- Advanced payment guarantee
- Retention bond
- Security bond



Bridge Financing

- To finance temporary funded requirement for onward conversion to other facilities.



Long-term Financing

- Term Loan (Normal/Amortized/Capitalized)
- Term Loan (Bangladesh Bank's Pre/Re- financing Scheme)



Offshore Financing

Foreign Currency Financing

- Import loan
- Demand loan

- Bill discounting/financing
- Term loan
- Guarantee



Structured Financing

- Local & foreign currency syndicated term financing
- Syndicated working capital financing
- Multilateral financing
- Advisory services
- Trustee & agency services
- Arranging debt (Bonds/Commercial Paper)
- Preference share
- Export Credit Agency (ECA) Backed Financing



Supply Chain Financing

- Supplier finance
- Distributor finance

Timeline

1992

08 August
Incorporated.

16 August
Commenced banking operations.

1993

20 March
Listed with Dhaka Stock Exchange Ltd.

2004

19 May
Commenced Offshore Banking Operations in Bangladesh.

28 September
Listed with Chittagong Stock Exchange PLC.

2009

30 December
Established 'EBL Investments Limited', a fully owned subsidiary to do merchant banking operations (Got license in January 2013).

2011

09 January
Incorporated 'EBL Asset Management Limited', a fully owned subsidiary of the Bank to manage funds especially mutual funds.

25 June
Adjudged the Best Financial Institution 2010 at the DHL-Daily Star Bangladesh Business Award, one of the most prestigious awards in Bangladesh.

28 November
'EBL Finance (HK) Limited', the fully owned first foreign subsidiary of EBL incorporated with Hong Kong authority.

2014

31 July
EBL received 'Global Brand Excellence Awards' from The World Brand Congress in 'Brand Revitalization' category in recognition of EBL's sustainability in innovative branding.

2015

18 January
A Capacity Enhancement Center named 'EBL Nest' started its journey as an idea generation and innovation center with a tagline 'Imagine without Fear'.

2003

17 July
Launched online banking services across all the branches.

2006

09 November
Partnered with ADB under Trade Finance Facilitation Program (TFFP) to avail guarantee and revolving credit facility.

2010

01 March
Acquired 60% shares of a brokerage house 'LRK Securities Limited' renamed afterwards as 'EBL Securities Limited' and was acquired fully in 2012.

04 April
Became first bank in Bangladesh to implement 'Universal Banking System (UBS)', world's one of the renowned core banking solutions.

2012

25 September
EBL CEO awarded 'CEO of The Year' by World HRD Congress and World Brand Congress hosted by Asian Confederation of Businesses in Dubai.

2016

21 March
EBL as a first bangladeshi bank was assigned long-term rating Ba3 with stable outlook by Moody's, one of the top international rating agencies.

01 October
EBL achieved PCI DSS certification for implementing global information security standard from world's cybersecurity leader NCC Group, UK.

2018

22 March

Adjudged the 'Best Retail Bank in Bangladesh' for 2018 consecutively for six years by The Asian Banker.

24 June

EBL moved into its permanent home at 100 Gulshan Avenue, Dhaka. This is a state-of-the-art intelligent building and also an architectural landmark of the city.

18 July

EBL repeated the performance in 2018 by winning Euromoney Best Bank in Bangladesh award for the third consecutive year.

10 November

EBL won the gold award at the 'ICSB National Award for Corporate Governance Excellence 2017' in the 'Banking Companies' category by the Institute of Chartered Secretaries of Bangladesh (ICSB).

2020

01 April

EBL was awarded the Best Corporate and Investment Bank in Bangladesh for three consecutive years from 2018-2020 by Asiamoney.

15 October

EBL was awarded for its performance in the product innovation and cards business from VISA in three categories - Excellence in Product Innovation, Excellence in E-commerce Acquiring Business and Excellence in Cross-Border Business for the year 2019-2020.

28 October

EBL was awarded 'Leading SME Trade Bank' by ADB in the year 2020 for its outstanding contribution in supporting small and medium-sized enterprises (SMEs) in Bangladesh.

02 December

EBL was awarded 'Bank of the Year 2020' for Bangladesh by The Banker.

2022

10 January

EBL was awarded Fastest Growing Digital Bank of 2021 by International Finance Banking Awards as the only bank in Bangladesh.

23 June

EBL won Visa Excellence Award in four different categories at the Visa Leadership Conclave-Digital Payments for Smart Bangladesh 2022. The categories are Excellence in Cross-Border Issuing Business, Excellence in E-commerce Acquiring Business, Excellence in CyberSource Processing, and Excellence in Value Added Service (VAS) Products.

30 June

EBL was awarded as one of the top ten banks in Sustainability Rating Recognition 2021 by Bangladesh Bank.

15 December

EBL CEO won 'Best Banking CEO of the Year, Bangladesh 2022' from World Business Outlook.

17 December

EBL won gold award in the banking category at the 9th ICSB National Award for Corporate Governance Excellence 2021.

2019

08 September

EBL won the Bangladesh Best Employer Brand Award 2019 at the 14th Employer Branding Awards ceremony by the globally renowned Employer Branding Institute.

15 December

EBL won the prestigious 'ICMAB Best Corporate Award 2018' securing first position in the Private Commercial Bank category.

16 December

EBL won the 'Most Innovative Retail Bank - Bangladesh 2019' by the International Finance Magazine.

2021

January 17

EBL was awarded by International Finance Corporation (IFC) under World Bank Group as the Best Partner for Equipment Trade in South Asia under Global Trade Finance Program.

27 November

EBL won the first Bangladesh FinTech award in 2021 in the Fintech Innovation of the year-Banks category for EBLConnect, a solution developed for corporate customers.

01 December

EBL was awarded the prestigious Bank of the Year 2021 for Bangladesh by The Banker.

Key Events 2022



Inauguration of new branch at Dhanmondi



EBL organizes a virtual seminar titled "Father of the Nation Bangabandhu Sheikh Mujibur Rahman's vision of sustainable development" in observance of the National Mourning Day



Agreement signing with Bangladesh Bank on term loan facilities to CMSMEs



EBL signs agreement with BSCL to connect EBL ATM network with Bangabandhu Satellite-1



Seminar on Capital Market Investment for Japanese Investors in Bangladesh jointly organized by EBL, DSE and JETRO



EBL organizes AML and TBML conference 2022



EBL launches women-centric prepaid card



EBL launches co-brand cards and products with Startup Bangladesh



Inauguration of Kallyanpur sub-branch



Launching of EBL-DSE VISA co-brand credit card



Launching of co-brand Visa Cards with Alpha Life Insurance Limited



EBL organizes training program on AML & Combating the Financing of Terrorism as lead bank



EBL launches co-brand Visa cards with Chartered Life Insurance Company



EBL and Intercontinental Dhaka sign customer benefit agreement



EBL and Yashoda group of hospitals sign customer benefit agreement



EBL team pays a visit to the Managing Director of Bangladesh Textile Mills Corporation



Committed to promoting governance excellence

Our fourth gold award at the 9th ICSB National Award for Corporate Governance Excellence 2021 is a testimony to our continuous effort to adopt and adapt to international best practices in corporate governance. Over the years, EBL has transformed itself as a symbol of good governance in the country's banking sector. We thank our customers and well-wishers for their trust in us and regulators for their prudent guidance and board members for inspiring us to excel.





STEWARDSHIP



Chairman's Message

► **Md. Showkat Ali Chowdhury** . Chairman of the Board of Directors





“ We believe in the philosophy of caring for our people who in turn will care for our customers. Our people is one of our core strengths and retaining and motivating them is at the core of all our HR activities. 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. ”

Dear shareholders,

On behalf of the Board of Directors I convey my sincere thanks and gratitude and have the pleasure in welcoming you all to the 31st Annual General meeting of EBL. The resilience and agility we have continued to demonstrate during the most trying times gives me confidence about meeting our strategic goals in future. Our Annual Report containing audited financial statements for the year 2022 presented herewith reflects our performance, positions and aspirations.

Global economic outlook

As the global economy gaining slow momentum in 2021 after the COVID-19 pandemic then came geo-political tensions centering on Russia-Ukraine war in 2022 and its spillover effects reflected through global supply chain disruptions, record high inflation and depreciation of local currency against USD and depletion of FCY reserve mostly in developing countries. According to IMF, global economic growth slowed down to 3.40% in 2022 and is expected to further fall up to 2.80% in 2023 before rising modestly to 3.0% in 2024. Global inflation, on the other hand, is projected to soften from 8.70% in 2022 to 7.0% in 2023. Recent stress in financial markets following the collapse of a few global banks is adding concerns and fueling the projection that the global economy is poised to slow this year.

Resilience and consistency in financial performance

External shocks coupled with local challenges put a dent in the profitability, liquidity, solvency, asset quality and customer confidence in the banking system of Bangladesh in 2022. Despite all odds, EBL managed its portfolio efficiently and closed the year 2022 with an NPL of 2.78% (3.70% in 2021) which is significantly lower than that of industry average (8.16% in December 2022). Our strategy of efficient balance sheet management focusing on portfolio growth has produced encouraging results despite downward pressure on spread. We have exceeded BDT 300 billion mark in loan and deposit and BDT 5 billion mark in Profit After Tax (PAT) for the first time in 2022. Amid loss of customer confidence in general, the deposit of EBL grew by more than 18% in 2022 which speaks volume about the increasing trust in brand EBL.

EBL recorded a decent growth of around 10% in Profit After Tax (PAT) which reached to BDT 5,107 million in 2022 compared to that of 2021. The consistency of our financial performance has once again been reflected in the key profitability ratios including ROA and ROE of 1.21% and 15.46% respectively and improved Earnings Per Share (EPS) of BDT 4.76 (Solo basis) in

2022 compared to BDT 4.34 in 2021 (restated). The Capital to Risk Weighted Assets Ratio (CRAR), the major solvency ratio of the Bank, has improved to 14.61% (solo) in 2022 from 14.08% in 2021 against the regulatory requirement of 12.50%. Apart from maintaining all regulatory ratios (liquidity, solvency) our focus has been on the balance sheet growth, maintaining asset quality, mobilizing stable deposits, and rationalizing costs during the year under review. All these have a positive reflection in our overall performance.

We are people-centric

We believe in the philosophy of caring for our people who in turn will care for our customers. Our people is one of our core strengths and retaining and motivating them is at the core of all our HR activities. 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. We truly believe in a symbiotic relation between the goals of our people and the bank which spreads a shared sense of growth and prosperity. We love to see EBL as an 'Employer of Choice' and will continue to invest in our human capital development to remain as such.

Good governance for sustainability

When things fall apart, good governance comes as a rescue. For us good governance practice has always been a matter of deliberate choice, not a regulatory compulsion, in winning the trust of stakeholders. At EBL, we uphold strong and best international corporate governance practices to cultivate a culture of accountability, integrity, transparency, and sound financial management, which ultimately leads to overall sustainable business and financial performance. Leveraging our tagline 'simple math', we will continue to invest in our people and technology to automate and simplify our banking operations in line with relevant regulations. Over the years, we have been setting up transparent set of rules and controls in which every stakeholders will have commensurate incentives to perform with ease and confidence. These efforts have been recognized by the ICMAB Best Corporate Award and the ICSB National Award for Corporate Governance Excellence for a number of times.

Investing in the community we operate

As a responsible corporate citizen, we believe in investing in the community we operate in by actively supporting initiatives aimed at making positive changes and impacting lives. We believe, our long-term success depends on the progress of the community and the people we serve. Over the years we have been contributing towards various social activities related to education, healthcare, sports, art, and culture which demonstrates our interest in wider social issues.

To strengthen youth confidence and help them to grow as skilled workforce, we have been offering scholarship to meritorious but

disadvantaged students of University of Dhaka. We have also allocated our CSR expenditure for emergency disaster relief, impacting lives of disadvantaged people and women empowerment.

Our strategy is flexible, not the goal

The world around us has been evolving constantly, so does our strategy. We have been challenging ourselves to bring innovative products and services to the market and leveraging our core strengths to transform EBL into a more agile and future-ready organization. To cater to the evolving needs of varying range of stakeholders and to ensure best customer service, we have always been open to embrace new technology, have remained flexible to adopt evolving business models, and put customers at the center of all our strategies. Our efforts and achievements have been felicitated and awarded by prestigious local and international organizations.


Consistency in paying dividend

In line with relevant Bangladesh Bank circulars, the Board has proposed 12.5% cash dividend and 12.5% stock dividend for the year 2022. We always give utmost importance to maintain a fine balance between consistency of dividend payment and strengthening the capital base for sustainable business growth. We make our decision to distribute dividend based on an in-depth assessment of organization's earning capacity and growth prospects in compliance with various regulatory conditions.

Vote of thanks

While we are upbeat with our performance in 2022 we must continue to remain alert to the evolving situations in order to respond timely. The Board will continue to oversee and work closely with management in striking the right balance between growth potentials and the risk controls.

I would like to thank team EBL under dynamic leadership of Managing Director and CEO Ali Reza Iftekhar for their unwavering commitment to the brand and passion for excellence. We remain ever grateful to the regulators, especially Bangladesh Bank and Bangladesh Securities and Exchange Commission for their constant support and prudent guidance in delivering excellence.



Md. Showkat Ali Chowdhury

Chairman of the Board of Directors



Payment of govt. fees through
Automated Challan System (ACS) of EBL

*EBL deposited the
highest government
payments in 2022
among all PCBs*

Earned highest commission income

Automated Challan (ACS) service from EBL



Dedicated ACS team with
expertise in Tax/VAT areas



Real-time deposit in
govt. exchequer with
confirmation copy



Served large corporates
in Telecom, Food &
beverage sector



Solution of any technical
issue within 0-3 days



24/7 Customer service for
ACS through EBL Contact
center 16230



Eastern Bank Ltd.

Managing Director & CEO's Review

► **Ali Reza Iftekhar**, Managing Director & CEO



EBL is committed to financing environment friendly and energy efficient projects. We believe growth should be sustainable and not abrupt. As a recognition of EBL's green financing practice, sustainable finance indicator, Corporate Social Responsibility (CSR) program and core banking sustainability, EBL features among the top 10 sustainable banks of 2021 by Bangladesh Bank.

The big picture

The world, still reeling under massive fallout of two-year long pandemic, had to concede powerful blows in global supply chain resulting from Russia-Ukraine war in 2022, record inflation, unrest in foreign currency market and slower economic growth. Banking sector being the lifeline to economy has been duly impacted in terms of shrinking spread due to inflation tagged deposit rate with lending rate cap in place, deceleration in trade business triggered by foreign currency crisis, sluggish credit growth caused mainly by shortage of energy for routine production, increase in non-performing loans and resulting rising pressure on maintenance of additional provision and capital. Despite the tremors in financial world and global supply chain, Bangladesh economy managed to grow by 7.10% in Fiscal Year (FY) 2022. EBL, with a track record of consistent business and financial performance, fared well riding on diversified portfolio, service excellence, and unwavering commitment to good governance practices and enhanced compliances to regulatory norms and instructions.

Putting up a solid performance

In a year when many customers lost confidence in some banks due to governance issues, EBL turned out to be a safer destination for many. Leveraging our strong brand image, we have crossed BDT 300 billion loan-deposit mark and BDT 5 billion profit after tax (PAT) for the first time in 2022. In a commendable continuity, our PAT increased by 9.75% to BDT 5,107 million. Net Interest Income (NII) of the Bank experienced a de-growth of 13.68% due to higher growth of interest expense triggered by hefty rise in inflation tagged term deposit rate compared to lower growth of interest income mainly due to lending rate cap of 9.00% (except credit card). But this NII shortfall has been more than compensated by 32.54% growth of fees, commission and exchange income and 10.13% growth of investment income. By the end of 2022, our total asset grew by 17.28% reaching to BDT 456 billion driven by loan growth of 14.67% and investment growth of 35.64%. Bank's deposit base also expanded by 18.31% compared to previous year, a testimony to our customers confidence in brand EBL.

Moreover, our strict credit underwriting standard and practice along with vigorous collection and monitoring drive helped us to maintain one of the lowest NPL ratio i.e. 2.78% (3.70% in 2021) at year-end 2022 which is far below the industry average. We ensured compliance in

all the regulatory ratios including liquidity and solvency ones. At the year-end 2022, bank's CET-1 ratio and CRAR stood at 10.73% and 14.61% (regulatory requirement 12.50%) respectively. Other key ratios were also in comfort zones i.e. AD ratio (77.83% ≤ 87%), LCR (104.36% ≥ 100%), NSFR (105.53% > 100%), leverage ratio (5.57% ≥ 3%), MCO (14.68% ≤ 16.50%), and capital market exposure (24.65 % ≤ 25%). Last but not the least, EBL closed the year with EPS of BDT 4.76 and NAV (per share) of BDT 32.66 which signifies our commitment to our shareholders.

(For details, please go to the section- Stakeholders Information, Management Discussion and Analysis, Risk Management Report and notes to the financial statements of this annual report).

Strengthening customer relationship

In service industry we know service excellence is the major differentiator between companies. To create delightful experience for our customers, we have been continuously innovating and upgrading our products and services and simplifying our processes. We are bringing more and more services under the umbrella of digitalization to make our customers life easier. Now customers can open account instantly, request for FD, open DPS and apply for secured loan by themselves over self-service portal. This year, we have launched 'EBL Shohojogita' to promote financial inclusion and 'EBL Fleet Finance' to bolster small businesses by financing their logistic requirements. We will keep our innovation drive on to provide delightful customer experience in the days ahead.

Motivating people, delighting customers

Our people is our core brand. We inspire them and keep them motivated by creating enabling environment where they can grow and excel. Here, we cherish the culture of cooperation and mutual respect to uphold the spirit of team performance. We have a long-standing practice of fair evaluation and recognition of employees' contribution through a transparent performance management system. To bolster engagement among our people and to recognize their latent talent, we arrange several talent hunt competitions of singing, cooking and photography at regular interval. Apart from these, we also listen to our people and arrange expert sessions to deal with various physical and mental wellness issues to eliminate the barriers of negativity and give them the confidence of "Our voice matters".

Transforming digitally for a cashless society

Banking industry embraced digital transformation well before the outbreak of COVID-19 pandemic. Customers were also getting accustomed to digital banking because of its fast, secured and cost effective nature. To make banking simple and more digital we have upgraded our core banking system in 2022. To make online transaction simple, secure and seamless, we have launched "Binimoy" into our mobile banking and digital payment platform. For our continuous innovation in digital banking services, we have been recognized as the "Fastest Growing Digital Bank" by International Finance Magazine in 2021. We will continue investing in technology to offer our customers comfortable, easy and safe banking experience.

Rationalizing cost

As the lending rate cap and inflation tagged interest rate on certain term deposits have been squeezing the spread for banks, we have to ensure that every taka we spend must earn commensurate 'value for money'. To keep our 'Cost to Income Ratio' within acceptable range, we are ever vigilant about the cost-benefit analytics of our projects, efficiency of our processes in order to enhance productivity of our people. EBL has a special committee called 'Cost Olympic Committee (COC)' which is exclusively delegated with the responsibility of cost planning and rationalizing. With the help of this committee we managed to keep our cost-to-income ratio to 43.53%, despite facing extra-ordinary inflationary pressure and a rise in FX rate directly hitting the operating expenses in 2022.

Moving towards a green future

As one of the leading banks of the country, EBL is committed to financing environment friendly and energy efficient projects. We believe growth should be sustainable and not abrupt. As a recognition of EBL's green financing practice, sustainable finance indicator, Corporate Social Responsibility (CSR) program and core banking sustainability, EBL features among the top 10 sustainable banks of 2021 by Bangladesh Bank. Even at all our offices we have adopted green practices like maximum use of daylight, plastic free premise, less use of paper at work, less wastage of water and so on. As part of our green commitment, EBL has collaborated with KfW DEG and JIM Foundation, to set up a pilot project on Carbon

Accounting to estimate the impact of its financial flows on the economy, society and environment to detect the contribution of EBL to the UN Sustainable Development Goals (SDGs). We believe these little green steps will go a long way in building a greener future.

Looking ahead

Since early 2020, Bangladesh banking industry has been on a bumpy ride due to abrupt changes in local and global events. Despite all the odds, EBL has endured the challenges well and created new dimensions to its services through innovation and digitalization. We are committed to cater our customers by offering better banking experience and to reward the shareholders with better performance. In the upcoming days also we will be working on creating competitive advantage following on our sustainable growth path. Withdrawal of rate cap for credit cards, increase of ceiling rate for retail loans, corridor-based rate on other loans and complete withdrawal of deposit rate floor as hinted in the MPS, may help arresting downfall of spread for the overall banking industry. Moreover, we will focus on managing costs through operational efficiencies and earning revenue through utilizing different investment opportunities to make our financial results sustainable.

Acknowledgment

I would like to express my sincere gratitude to the Chairman of the Board of Directors for his prudent directions and constant support and the entire Board of Directors for their precious advice and timely guidance. I am thankful to the Governor and officials of Bangladesh Bank and other regulatory bodies for their continuous support over the years. I also thank my colleagues for their commitment and passion that drive EBL to move forward through thick and thin. Last but not the least, my whole hearted appreciation to our valued shareholders, business partners, customers and other stakeholders for trusting us and being the source of inspiration for us to deliver excellence year after year.



Ali Reza Iftekhar
Managing Director & CEO

Directors Report 2022

The Board of Directors welcomes you all to the 31st Annual General Meeting (AGM) and is pleased to present before you the Annual Report along with the Audited Financial Statements of the Bank for the year 2022. A review of business and financial performance and the underlying forces affecting those have been briefly pointed out.

Global economic outlook

Even before recovering from the fallout of unprecedented COVID-19 pandemic, global supply chain and the economy at large were severely affected in 2022 by the Russia-Ukraine war, record high inflationary pressure, and the slowdown in China due to frequent lock downs under its zero COVID policy. To curb the inflationary pressure, advanced economies elevated policy rates which triggered capital outflows and currency depreciations in developing countries, increasing balance-of-payment pressures. Major equity markets also ended up with a fall in price. These developments had spillover effects on emerging markets and developing economies (EMDEs). According to IMF, global economic growth slowed down to 3.40% in 2022 and is expected to fall further to 2.80% in 2023 before rising modestly to 3.00% in 2024. However, the major forces affecting the world economy in 2022 is somehow overlaid by new financial stability concerns in 2023.

Global inflation is projected to decrease slowly from 8.70% in 2022 to 7.00% in 2023. Recent stress in financial markets is complicating the tasks of central banks which in turn is hampering the process of recovery. As a result, many economies are likely to experience slower growth in 2023.

Particulars	GDP growth (y-o-y) in percent		
	2022	2023 p	2024 p
World	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
Other Advanced Economies	2.6	1.8	2.2
USA	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Emerging Market and Developing Economies	4.0	3.9	4.2
China	3.0	5.2	4.5
India	6.8	5.9	6.3

Source: IMF World Economic Outlook Update (April 2023); p for projection.

A brief overview of Bangladesh economy

Bangladesh economy achieved impressive growth during previous two consecutive fiscal years: 6.94% and 7.10% real GDP growth in FY 2021 and FY 2022 respectively. Country's economy showed strong resilience against the COVID-19 shocks and rebounded sharply. The year 2022 was supposed to be a celebration of Bangladesh's economic progress with the opening of Padma Bridge and Dhaka metro rail. However, like other emerging markets and developing

economies, macroeconomic stability of Bangladesh considerably deteriorated in 2022 largely due to global macro-financial uncertainty. The growth momentum of Bangladesh was affected by a number of factors such as high inflation, trade deficit, exchange rate volatility, rising energy cost, and mounting pressure on foreign exchange reserve. To maintain macroeconomic stability, the government decided to take precautionary measures and applied for USD 4.50 billion loan to IMF in 2022.

Bangladesh's foreign exchange reserves began to deplete, after reaching a historic peak of USD 48 billion in August 2021, as export and remittance fell short due to the rise of import cost after reopening of economies from COVID-19 restrictions. This brought down the figure to below USD 33.75 billion by the end of 2022. To restrain foreign currency expenditure, BB and the government took several initiatives since April 2022 which resulted in the decrease of import by 2.02% (y-o-y) in H1 of FY 2023. On the other hand, total commodity export grew by 10.58% (y-o-y) during July-December in FY 2023.

Point-to-point CPI inflation started to decline by the end of December 2022 partly due to moderate global commodity prices. CPI based Headline inflation (point to point) came down to 8.71% at the end of 2022 after reaching a decade high 9.52% in August 2022 although it remained above the targeted level of 7.50% for FY 2023.

Workers' remittances increased during July-December FY 2023 by 2.48% (y-o-y) reaching to USD 10.49 billion. Various policy initiatives taken by BB and the government including 2.50% cash incentive, easing the rules on furnishing of documents and depreciation of exchange rate (BDT/USD) influenced this growth in inward remittances. BB has allowed Mobile financial Service (MFS) to bring more flexibility in repatriation of remittances, which is expected to have a positive impact on wage earners' remittance inflows.

The capital market exhibited a weak performance in H1 FY2023 reflected through the fall in price indices, turnover, market capitalization and price-earnings ratio mainly due to adverse impacts in the domestic and global economies. The DSEX index declined by 550 points or 8.14% at year-end 2022 compared to that of year-end 2021. BB and Bangladesh Securities and Exchange Commission (BSEC) took several steps to restore investors' confidence in the capital market. Moreover, to increase participation of foreign investors, a memorandum of understanding (MoU) was signed between the BSEC and the Securities and Commodities Authority (SCA) of the United Arab Emirates to explore opportunities for dual listing, bond issue, joint subscription, and commodities exchange in both countries. BB has also provided additional time for banks to bring down their investment exceeding the prescribed capital market exposure limit.

Banking industry in 2022

Bangladesh banking industry is fragmented into state-owned commercial banks (SCBs), local private commercial banks (PCBs) and foreign banks with a marked difference in mode of operations,

service quality, profitability and financial soundness indicators (governance, asset quality, capital adequacy etc.). Due to external shocks, banks in Bangladesh faced slower credit and deposit growth, challenges in import bill settlements, liquidity and exchange rate pressure in the last few months of 2022. The dent made in the repayment behavior of the borrowers during the period of COVID-19 havoc and the weakening governance issues in some banks have become a matter of concern for the financial stability of the country. To overcome these challenges, BB took series of policy initiatives including allowing Bangladesh Taka (BDT) to depreciate to an extent of around 11.28%, raising the policy interest rate amid quantitative tightening through selling of a significant amount of dollars (around USD 7.80 billion) to banks, continuing the repo and liquidity support facilities for banks, extending refinance facilities to neutralize the tight liquidity condition, discouraging imports of luxury and non-essential commodities by enhancing the requirements of LC margins, instructing the banks to reduce their operating expenses, reducing the export retention quota (ERQ) and banks' net open position (NOP), enhancing the facilities to improve the export receipts and inward remittances, and engaging with concerned commercial banks to deal with NPL and good governance issues.

The ratio of gross NPL to total loans stood at 8.16% at the end of 2022 compared to 7.93% at year-end 2021. This huge pileup of bad loans may choke the credit supply of the economy with due repercussions on the resilience of the private sector. Banking sector loans experienced a moderate growth of 14.1% (y-o-y) at the end of 2022 whereas deposit growth was only 5.6% (y-o-y) reflecting weaker savings due to high inflationary pressure. Consequently, the overall advance-deposit ratio (ADR) rose to 79.00% at year-end 2022 from 73.15% at year-end 2021.

After a healthy growth momentum during the post-pandemic rebound stage, private sector credit growth registered a moderate growth of 12.89% (y-o-y) at year-end 2022, lower than the growth target of 13.6%. Major factors attributable to this growth deceleration were tight liquidity conditions in the banking system, decelerated import growth amid sharp depreciation of BDT and several import limiting measures amidst looming global economic crisis. The spread between the weighted average interest rate on loans and deposits of banking industry was 2.99% at the year-end 2022. To ensure adequate liquidity in the banking system, BB took several supportive measures for both conventional and Islami banks. The weighted average call money rate in the inter-bank money market increased to 5.80% in December 2022 from 4.88% in June 2022 indicating higher demand for liquidity in the money market.

The overall solvency, reflected mainly through Capital to Risk Weighted Assets Ratio (CRAR), in the banking sector had been above the minimum regulatory requirement of 10% at the end of 2022, providing adequate capital buffers to absorb uncertainties and risks. The overall CRAR modestly increased to 11.83% at the end of 2022 from 11.01% at the end of September 2022. The banking sector as a whole maintained the required level of Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) and other liquidity ratios i.e. Liquidity Coverage ratio (LCR), Net Stable Funding Ratio (NSFR) as on 31 December 2022.

Some important initiatives taken by Bangladesh Bank in 2022 are as follows:

- Master Circular on loan rescheduling and restructuring.
- Relaxation of term loan classification criteria: minimum 50% of the installments payable against the loan from October 2022 to December 2022 repaid by last working day of December 2022.
- Refinance Facility under 'Supporting Post COVID-19 Small Scale Employment Creation Project' to support cottage, micro and small enterprises (CMSEs).
- Refinance scheme of BDT 5,000 crore for agriculture sector to ensure food security of the country.
- Time extension up to 31 December 2023 to bring down excess investment in Capital Market made by banks.
- Instruction to decrease the consumption of electricity and fuel and curtail certain operating expenses by 50%.
- A detail policy on interest waiver of loans.
- Guideline regarding classification of other assets and maintenance of provision.
- A detail guideline regarding single borrower and large loan exposure limit.
- Instruction to avoid high expense for luxurious vehicles, decoration and other matters for decreasing operating expense.
- Policy on Green Bond Financing for banks and FIs.
- Instruction to consider cost price as market value while considering exposure limit of banks in capital market.

Economy and business outlook 2023

The global economy appears to be gradually recovering from the devastating blows of the pandemic and Russia-Ukraine war. However, the fragility and fall of certain global banks can undermine the pace of recovery. The overall growth momentum of Bangladesh economy is expected to continue depending on prompt policy initiatives by BB and the government. Looking ahead, inflationary pressure in Bangladesh is likely to soften as the inflation scenario of the major trading partner economies are improving. However, the economic outlook can still become unstable due to rising geo-political tensions over Russia-Ukraine war and the subdued global financial conditions. Exchange rate pressure is expected to ease having favorable impact on imported commodity prices and the domestic inflation. Under the circumstances, Bangladesh government has decided to reduce GDP growth target to 6.5% for FY 2023 due to multifaceted controls and contractionary initiatives to stabilize the situation.

In 2023, IMF has approved USD 4.70 billion loan to Bangladesh under its different credit programs with certain time-bound conditions, including some key structural reforms. This 42-month loan programs have 30 conditions that are classified under three categories: quantitative performance criteria (QPC), structural performance criteria (SPC) and general commitment.

Although the ratio of non-performing loans to total loans showed some improvements in the 4th quarter of 2022, the narrowing excess liquidity may remain a concern in coming days. However, continuing several refinance schemes for the agricultural sector along with funding opportunities for the CMSMEs would pump up adequate liquidity in the banking sector. Moreover, optimistic outlook on external developments with declining import payments coupled with falling world commodity prices might improve liquidity situation in coming months. Nevertheless, good governance in the banking sector, an enhanced loan recovery drive, and constant monitoring would play an important role in maintaining stability in the banking industry.

Financial performance highlights of EBL

Banking industry passed a challenging year in 2022 due to certain external shocks aggravated by governance issues in some banks. Despite intensified challenges, EBL managed its portfolio efficiently closing the year 2022 with an NPL of 2.78% (3.70% in 2021) which is lower than that of industry average (8.16% as of December 2022).

Our primary focus in 2022 was on efficient balance sheet management, digitalization for service excellence, recovery of classified and written off loans, mobilization of stable deposits, and rationalizing costs. A brief review of financial performances of the Bank (solo) is as follows:

- Net interest income (NII) which contributed 38% of total operating income decreased by 14% in 2022 compared to previous year mainly due to faster growth of interest expense (52%) than the growth of interest income (21%). Benchmarking certain term deposit rate with that of yearly average inflation rate (which saw a hefty rise in 2022) had a significant impact on the rise of interest expense while the lending rate was capped
- at 9% except that of credit cards. However, non-interest income which contributed rest 62% increased by 18% mainly due to significant increase in fees and commission income (35%) and increase of income from investment (10%) in 2022 compared to those of previous year.
- Operating income increased by 4% while operating expense increased by 16% mainly due to channel expansion, increased cost of utilities, new headcount and routine increment and promotion of employees. Operating profit, therefore, decreased slightly by 4% and reached to BDT 10,046 million in 2022.
- Total provision against loans and other assets decreased by 14% in 2022 compared to that of 2021. General provision decreased due to lower growth of non-funded assets and availing rating benefit for some Letter of Guarantees during 2022. Due to decrease of NPL and higher amount of recovery from written off loans (BDT 793 million in 2022 compared to BDT 363 million in 2021), specific provision decreased by 23% in 2022. Special General Provision (GP) maintained in addition to the general provision routinely required had a provision relaxation on CMSME sector from 1.5% to 1% and some accounts that enjoyed payment by deferral (PBD) facilities in 2020 and 2021 were settled in 2022; combined effect of these two caused release of Special general provision for COVID-19 by BDT 225 million. In 2022, BDT 337 million provision was charged against listed securities due to fall in market prices and indices.
- Total tax provision decreased by 16% in 2022 compared to previous year mainly due to increase in revenue under concessional tax rate (dividend income) bucket and increase in amount of written off loans in 2022.
- Finally, Bank's profit after tax (PAT) increased by BDT 454 million or 10% to BDT 5,107 million in 2022 compared to that of 2021.

Following table summarizes comparative financial performance of EBL both as a Group and as the Bank

BDT in million

Particulars	Group			Bank		
	2022	2021	Change (%)	2022	2021	Change (%)
Net interest income (NII)	6,860	7,935	-14%	6,699	7,761	-14%
Non-interest income	11,593	9,908	17%	11,090	9,397	18%
Total operating income	18,453	17,842	3%	17,789	17,158	4%
Total operating expense	8,004	6,977	15%	7,744	6,690	16%
Operating profit (Profit before provision and tax)	10,448	10,866	-4%	10,046	10,468	-4%
Specific provision	1,281	1,734	-26%	1,278	1,655	-23%
General provision	464	843	-45%	464	843	-45%
Special general provision for COVID-19	(225)	153	-247%	(225)	153	-247%
Other provision charged/(released)	679	(396)	271%	432	(391)	210%
Total provisions	2,199	2,334	-6%	1,950	2,260	-14%
Profit before tax for the year	8,249	8,531	-3%	8,095	8,208	-1%
Tax provision for the year	3,128	3,731	-16%	2,988	3,554	-16%
Profit after tax (PAT)	5,121	4,800	7%	5,107	4,654	10%
Earnings per share (EPS) in BDT (2021 restated)	4.77	4.47	7%	4.76	4.34	10%

ROA and ROE have slightly decreased in 2022 due to lower growth of PAT compared to growth of equity/asset. Cost to income ratio has increased to 43.53% mainly due to higher growth of operating expense (16%) than that of operating income (4%). The Capital to risk weighted assets ratio (CRAR) has increased to 14.61% in 2022 from 14.08% in 2021. Following table presents some of the key financial ratios:

Particulars	Bank	
	2022	2021
Return on average equity (PAT/Average Equity)	15.46%	15.51%
Return on average assets (PAT/Average Assets)	1.21%	1.28%
Cost to income ratio (operating expense/operating income)	43.53%	38.99%
Capital to risk weighted assets ratio (CRAR)	14.61%	14.08%
NPL ratio	2.78%	3.70%
EPS in BDT (2021 restated)	4.76	4.34
Price to book value ratio (times) (restated)	0.97	1.33

Capital adequacy status under Basel III

Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently within the comfort zone against the requirement of 12.5% (Minimum total capital ratio plus capital conservation buffer) and ended at 14.61% on 31 December 2022. For details please see "Disclosure on Risk Based Capital (Basel III)" section of this annual report.

Status of asset quality

As on 31 December 2022, NPL ratio of the banking industry stood at 8.16% which was 7.93% in December 2021. In contrast, the NPL ratio of EBL was 2.78% at year-end 2022 which was 3.70% at the end of 2021. The status of unclassified and classified loans of the Bank is as follows:

Dividend History

Year	No. of AGM	Held on	Cash Dividend (%)	Stock Dividend (%)	Total (%)
1992	1 st AGM	09 December 1993	-	-	Nil
1993	2 nd AGM	24 December 1994	-	-	Nil
1994	3 rd AGM	14 December 1995	-	-	Nil
1995	4 th AGM	28 November 1996	-	-	Nil
1996	5 th AGM	20 November 1997	-	-	Nil
1997	6 th AGM	12 November 1998	10.00	-	10.00
1998	7 th AGM	30 August 2000	10.00	-	10.00
1999	8 th AGM	05 August 2001	-	20.00	20.00
2000	9 th AGM	14 December 2002	30.00	-	30.00
2001	10 th AGM		30.00	-	30.00
2002	11 th AGM	08 December 2003	20.00	15.00	35.00
2003	12 th AGM	30 June 2004	20.00	-	20.00
2004	13 th AGM	19 July 2005	43.00	-	43.00
2005	14 th AGM	21 May 2006	40.00	-	40.00
2006	15 th AGM	12 June 2007	20.00	25.00	45.00

BDT in million

Particulars	2022	2021	% Change
Unclassified loans	300,337	259,415	15.77%
Standard (Including staff loan)	296,136	257,387	15.05%
Special Mention Accounts (SMA)	4,200	2,028	107.11%
Classified loans	8,579	9,979	-14.03%
Sub-standard (SS)	1,352	925	46.10%
Doubtful (DF)	594	604	-1.57%
Bad/loss (BL)	6,633	8,450	-21.50%
Total loans	308,916	269,394	14.67%
NPL %	2.78%	3.70%	

Appropriation of profit

Profit after tax (PAT) of the Bank stands at BDT 5,107 million during the year including deferred tax income out of which BDT 118 million arises on specific provision made against Bad/Loss loans and cannot be distributed as dividend as per BRPD Circular No.11 dated 12 December 2011 of BB. BDT 1,192 million needs to be transferred to statutory reserve in 2022 to equalize statutory reserve with paid-up capital of the Bank. Thus, current year's profit available for distribution stands at BDT 3,797 million out of which the Board of Directors recommended 12.50% cash dividend and 12.50% stock dividend amounting to BDT 2,683 million for the year 2022.

Utilization of proposed stock dividend

Stock dividend has been recommended to strengthen the capital base of the Bank in order to support projected business growth and also to improve certain regulatory ratios.

Year	No. of AGM	Held on	Cash Dividend (%)	Stock Dividend (%)	Total (%)
2007	16 th AGM	25 May 2008	-	34.00	34.00
2008	17 th AGM	28 April 2009	-	20.00	20.00
2009	18 th AGM	30 March 2010	20.00	17.00	37.00
2010	19 th AGM	30 March 2011	-	55.00	55.00
2011	20 th AGM	28 March 2012	-	35.00	35.00
2012	21 st AGM	31 March 2013	20.00	-	20.00
2013	22 nd AGM	31 March 2014	20.00	-	20.00
2014	23 rd AGM	31 March 2015	20.00	-	20.00
2015	24 th AGM	19 May 2016	20.00	15.00	35.00
2016	25 th AGM	27 April 2017	20.00	5.00	25.00
2017	26 th AGM	05 June 2018	20.00	-	20.00
2018	27 th AGM	23 May 2019	20.00	10.00	30.00
2019	28 th AGM	05 August 2020	15.00	-	15.00
2020	29 th AGM	30 May 2021	17.50	17.50	35.00
2021	30 th AGM	19 May 2022	12.50	12.50	25.00
2022	31 st AGM	31 May 2023	12.50 (proposed)	12.50 (proposed)	25.00 (proposed)

Management discussion and analysis

A separate section titled “Management Discussion and Analysis” has been presented in page no. 173-212. Under this section, a comparative analysis of financial performance (2018-2022) of the Bank has been presented with analytics. A brief highlight of EBL business units namely Corporate Banking, Retail & SME Banking and Treasury, FIs & Offshore Banking has been presented along with strategic outlook. In pursuance of an inorganic growth route and to open up diversified earnings stream, EBL established or acquired four subsidiaries, all of them fully owned, till the reporting date i.e. 31 December 2022. A brief review of subsidiaries business during 2022 also has been presented under this section.

Internal control system

Robust internal control system helps EBL achieve goals and aspirations consistently. This control system also ensures that the Bank complies with local laws and regulations as well as policies, plans, internal and external rules, guidelines and procedures, and subsequently decrease the risk of unexpected loss or damage to the Bank. The Board has delegated the responsibility of overall supervision of internal control system to Audit Committee of the Board. The key functionalities that have been established in reviewing adequacy and integrity of the system of internal control are as follows:

- Different committees have been formed consisting of relative stakeholders with expertise on the subject matter to assist the Board in guiding the Bank's operation in line with its mission, vision and strategies.
- The internal audit department of the Bank checks for compliance with policies and procedures and the effectiveness of the internal control system on regular basis and highlights significant findings in respect of any non-compliance.
- The Audit Committee of the Board reviews the internal control findings identified by the Internal Audit of the Bank,

Inspection Team of Bangladesh Bank, External Auditors and Management, and evaluates the adequacy and effectiveness of the risk management and internal control systems.

- The Board of Directors holds meetings at suitable intervals with senior management, internal auditors, external auditors and the Audit Committee for evaluating the effectiveness of internal control system and provides necessary guidance.
- The internal audit department has direct access to the Audit Committee as and when required to ensure submission of internal audit findings to the Audit Committee without any management intervention.
- Self-Assessment of Anti-Fraud Internal Controls is carried out on half-yearly basis and is sent to Bangladesh Bank as per requirement of DOS Circular Letter No. 10 dated 09 May 2017 issued by BB after receiving compliance confirmation from respective stakeholders.

Risk management

The Risk Management Committee (RMC) of the Board reviews and monitors the overall risk management system of the Bank and updates the Board from time to time. Risk management functions are subject to continuous scrutiny of Internal Control & Compliance Division (ICCD) and supervision of Risk Management Division (RMD) to ensure appropriateness and integrity of the risk management practices and mechanism.

The risk management system of EBL has been described in “Risk Management Report” section and the major areas focused by RMC in 2022 have been presented in “Report of the Risk Management Committee of the Board” section of this annual report. Also the major areas focused by ERM in 2022 have been described in “Report of the Executive Risk Management Committee (ERMC)” section of this annual report.

Financial reporting

- Proper books of account as required by law have been maintained by EBL.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- Accounting estimates and underlying assumptions are made on reasonable ground applying prudent judgment, and are reviewed on an ongoing basis.
- The Financial Statements (FS) of the Bank are prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and relevant circulars/instructions issued by Bangladesh Bank (BB) and any departure from IFRS due to BB regulation has been adequately disclosed in the notes to the FS.
- A discussion on related party transactions has been stated in the 'Corporate Governance Report' and a statement with amount of related party transactions has been presented in the Annexure C1 of the FS 2022.
- Being responsible for preparation and fair presentation of the FS, the management of the Bank asserts that the FS prepared by the management as at and for the year ended 31 December 2022 present fairly, in all material respects, its state of affairs, the results of its operations, cash flows and changes in equity.
- There is no significant doubt on 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. Hence, the financial statements of the Bank have been prepared on going concern basis and the Bank will continue to operate for a foreseeable future.

Compliance with corporate governance guidelines

As a responsible corporate citizen, EBL duly complied with the provisions of corporate governance guidelines issued by Bangladesh Securities and Exchange Commission (BSEC). The compliance status of EBL on the said guidelines has been presented in the section 'Corporate Governance Report'. A. Qasem & Co., Chartered Accountants, has certified the compliance status of EBL on the BSEC's corporate governance guidelines during 2022 which is mentioned in page 112 of this annual report.

CSR activities

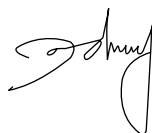
Being a socially responsible corporate citizen, EBL engaged in a number of CSR activities throughout the year, including a number of donations towards charitable causes.

- As a part of our emergency response to the flood-affected people in the country, we contributed BDT 100 million to the Prime Minister's Relief and Welfare Fund.
- To support the government efforts of providing financial assistance to underprivileged students in the country, we donated BDT 3.00 million to the Prime Minister's Education Assistance Trust.
- We donated 75,000 pieces (costing BDT 24.05 million) of blankets to Prime Minister's Relief & Welfare Fund through BAB for distribution among cold-hit people.
- We provided BDT 0.50 million to the Special Branch Kallyan Tohobil, Bangladesh Police to provide scholarships to the meritorious children of their employees.
- To support underprivileged students from low-income families, we donated 470 school bags along with computers, UPS, and monitors for Dhirasrom Government Primary School, Gazipur.

Contribution to national exchequer

EBL regularly pays corporate tax on time, sometime even before it falls due if demanded by the tax authority. We also deposit excise duty, withholding tax and VAT to govt. exchequer on time deducted from customers, employees' salary as well as on bills from third parties including vendors. During the calendar year 2022, we contributed BDT 9,566 million to national exchequer as tax, VAT and excise duty. We paid advance corporate tax of BDT 4,177 million while deposited withheld tax of BDT 4,020 million, VAT of BDT 866 million and Excise Duty of BDT 503 million in 2022.

On behalf of the Board of Directors,



Md. Showkat Ali Chowdhury

Chairman of the Board of Directors
Dhaka, 26 April 2023



ASIAMONEY

5x

Best Domestic, Corporate & Investment Bank in Bangladesh

EBL wins Best Domestic Bank for two successive years from 2021 and 2022 & Best Corporate & Investment Bank for consecutive three years from 2018- 2020.

We thank all our customers, well wishers for banking on us and the board and regulators for guiding us in our journey to excellence.





STAKEHOLDERS INFORMATION

Financial Highlights

BDT in million

Particulars	Group			Bank		
	2022	2021	Change (%)	2022	2021	Change (%)
Performance during the year						
Net interest income	6,860	7,935	-13.55%	6,699	7,761	-13.68%
Non interest income including investment income	11,593	9,908	17.01%	11,090	9,397	18.02%
Operating income	18,453	17,842	3.42%	17,789	17,158	3.68%
Operating profit	10,448	10,866	-3.84%	10,046	10,468	-4.03%
Profit after tax	5,121	4,800	6.67%	5,107	4,654	9.75%
Net operating cash flow (NOCF)*	(417)	13,453	-103.10%	37	13,339	-99.72%
Year-end financial position						
Loans and advances	311,085	271,602	14.54%	308,916	269,394	14.67%
Total investment	93,032	68,901	35.02%	90,407	66,653	35.64%
Deposits	316,327	267,448	18.28%	317,097	268,019	18.31%
Shareholders' equity	35,762	31,639	13.03%	35,045	31,017	12.99%
Total asset	459,868	392,187	17.26%	455,989	388,815	17.28%
Information per ordinary share						
Earnings per share (BDT) (restated)	4.77	4.47	6.67%	4.76	4.34	9.75%
Price earnings ratio (times) (restated)	6.66	8.61	-22.57%	6.68	8.88	-24.74%
Net asset value per share (BDT) (restated)	33.33	29.48	13.03%	32.66	28.90	12.99%
Market price per share (BDT)	31.80	38.50	-17.40%	31.80	38.50	-17.40%
Net operating cash flow per share (NOCFPS) BDT (restated)*	(0.39)	12.54	-103.10%	0.03	12.43	-99.72%
Ratios						
Capital to RWA ratio (CRAR) (as per Basel III)	14.43%	13.87%	3.99%	14.61%	14.08%	3.76%
Non performing loan	2.91%	3.81%	-23.62%	2.78%	3.70%	-25.03%
Cost to income ratio	43.38%	39.10%	10.93%	43.53%	38.99%	11.64%

* NOCF/NOCFPS decreased significantly in 2022 mainly due to purchase of high volume of trading securities (mostly treasury bonds) compared to significant sale of the same in 2021. Moreover, borrowing from other banks for funding those increased investments is commonly shown under 'Cash flow from financing activities' in the Cash Flow Statement of the bank following BB guideline.

Five-Year Financial Progression

BDT in million

Particulars	2022	2021	2020	2019	2018
Balance sheet metrics					
Authorized capital	25,000	12,000	12,000	12,000	12,000
Paid up capital	10,731	9,539	8,118	8,118	7,380
Reserve and surplus	24,314	21,478	20,858	17,449	15,586
Shareholders' equity	35,045	31,017	28,976	25,567	22,966
Borrowing	75,996	63,187	44,286	50,821	46,732
Deposits	317,097	268,019	242,358	240,164	199,629
Other liabilities	27,850	26,593	21,316	18,611	13,124
Total liabilities and shareholders' equity	455,989	388,815	336,936	335,163	282,451
Total Investment	90,407	66,653	63,949	39,797	27,720
Investment in govt. securities	64,604	41,229	50,518	31,928	22,222
Investment in capital market including special fund	4,722	4,260	3,628	4,170	3,648
Loans and advances	308,916	269,394	228,944	232,051	209,306
Fixed assets	8,501	7,632	7,711	7,349	6,637

BDT in million

Particulars	2022	2021	2020	2019	2018
Total assets	455,989	388,815	336,936	335,163	282,451
Contingent liabilities and other commitment	165,096	141,831	104,060	99,781	117,629
Earning assets	412,604	354,995	307,845	299,607	254,115
Earning assets to total assets	90.49%	91.30%	91.37%	89.39%	89.97%
Liabilities to shareholders' equity (times)	12.01	11.54	10.63	12.11	11.30
Interest bearing assets	400,054	344,012	292,937	292,905	247,935
Income statement metrics					
Net interest income (excluding investment income)	6,699	7,761	5,930	8,159	7,506
Income from investments	6,705	6,089	5,049	2,752	2,318
Fees, commission, brokerage and other operating income	4,385	3,308	3,155	3,687	3,315
Operating income	17,789	17,158	14,134	14,597	13,139
Operating expense	7,744	6,690	6,441	6,387	5,995
Operating profit (profit before provision and tax)	10,046	10,468	7,692	8,210	7,144
Provision charged for loans, investment and other assets (net off w/off recovery)	1,950	2,260	1,001	1,954	2,558
Profit before tax (PBT)	8,095	8,208	6,691	6,256	4,586
Profit after tax (PAT)	5,107	4,654	4,103	4,008	3,081
Capital metrics					
Risk weighted assets (RWA)	279,016	253,388	217,654	207,437	202,655
Minimum capital requirement (MCR)	27,902	25,339	21,765	20,744	20,266
Tier-1 capital	29,942	26,136	23,467	20,719	18,908
Tier-2 capital	10,819	9,538	9,678	9,850	5,740
Total regulatory capital (Tier 1 and Tier 2)	40,761	35,674	33,144	30,569	24,648
Capital surplus	12,859	10,335	11,379	9,825	4,382
Tier - 1 capital to RWA	10.73%	10.31%	10.78%	9.99%	9.33%
Tier - 2 capital to RWA	3.88%	3.76%	4.45%	4.75%	2.83%
Capital to risk weighted assets ratio (CRAR)	14.61%	14.08%	15.23%	14.74%	12.16%
Leverage ratio	5.57%	5.69%	5.97%	5.28%	5.26%
Liquidity metrics					
High quality liquid assets (HQLA)	86,375	60,090	66,510	52,124	38,606
Short-term liabilities (not more than 12 months term)	229,673	181,903	162,969	181,728	150,150
High quality liquid assets to total deposits	27.24%	22.42%	27.44%	21.70%	19.34%
High quality liquid assets to short-term liabilities	37.61%	33.03%	40.81%	28.68%	25.71%
AD Ratio - DBO	70.67%	74.71%	74.13%	77.20%	83.08%
Government securities to total loan ratio	20.91%	15.30%	22.07%	13.76%	10.62%
Statutory liquidity ratio (SLR) (at close of the year)	21.75%	17.86%	21.84%	13.97%	13.79%
Cash reserve ratio (CRR) (at close of the year)	4.71%	5.22%	4.56%	5.63%	5.69%
Maximum cumulative outflow (MCO)	14.68%	14.51%	13.51%	15.27%	15.31%
Liquidity coverage ratio (LCR) - DBO	104.36%	144.97%	210.90%	338.22%	127.67%
Net stable funding ratio (NSFR) - DBO	105.53%	104.40%	105.49%	114.45%	104.07%
Asset quality metrics					
Non performing/classified loans (NPLs)	8,579	9,979	6,226	7,771	4,926
NPL ratio	2.78%	3.70%	2.72%	3.35%	2.35%
Total loans and advances to total assets	67.75%	69.29%	67.95%	69.24%	74.10%
Large loan exposure (funded & non-funded)*	161,610	116,449	80,388	104,833	116,955
Large loan exposure (%)	31.00%	33.28%	28.62%	37.21%	43.84%
Total CMSME loan	32,531	33,554	34,534	31,366	18,712

* Large loan exposure as per Bangladesh Bank circular

BDT in million

Particulars	2022	2021	2020	2019	2018
CMSME loan to total loans	10.53%	12.46%	15.08%	13.52%	8.94%
General provision for loans and OBS exposures (cumulative)	5,869	5,538	3,678	3,350	3,290
Specific provision for loans (cumulative)	8,583	8,562	7,499	6,009	4,118
Total provision for loans and OBS exposure	14,452	14,101	11,177	9,358	7,409
Surplus provision	915	889	1,768	240	-
NPL coverage ratio [(specific provision + general provision)/gross NPL]	168.46%	141.31%	179.51%	120.42%	150.39%
Business growth metrics (y-o-y)					
Loans and advances	14.67%	17.67%	-1.34%	10.87%	13.74%
Deposits	18.31%	10.59%	0.91%	20.31%	19.29%
Export	38.10%	25.77%	-11.14%	9.06%	27.44%
Import (LC)	1.79%	63.70%	-7.82%	-3.26%	11.45%
Inward remittance	31.81%	-31.69%	-34.29%	14.59%	60.75%
Credit rating					
Credit rating agency (local)	CRISL	CRISL	CRISL	CRISL	CRISL
Long term (local)	AA+	AA+	AA+	AA+	AA+
Short term (local)	ST-1	ST-1	ST-1	ST-1	ST-2
Outlook (local)	Stable	Stable	Developing	Stable	Stable
Global rating (Moody's)	B1	B1	B1	B1	Ba3
Trade business and remittance metrics					
Export	227,359	164,629	130,898	147,306	135,070
Import (LC)	267,297	262,593	160,413	174,027	179,884
Guarantee	17,867	12,226	12,601	7,572	17,664
Inward remittance	28,726	21,793	31,902	48,551	42,371
Contribution to CSR & national exchequer					
CSR contribution	141	183	183	141	71
Corporate income tax	4,177	2,285	3,582	1,683	1,522
Withholding income tax	4,020	3,497	2,929	2,683	2,376
Excise duty on loans & deposits	503	436	352	234	278
Value added tax (VAT)	866	694	599	597	550
Efficiency ratios					
Return on average risk weighted assets	1.92%	1.98%	1.93%	1.95%	1.67%
Return on average equity (ROE)	15.46%	15.51%	15.04%	16.52%	13.83%
Return on average assets (ROA)	1.21%	1.28%	1.22%	1.30%	1.15%
Net profit margin (PAT/gross income)	16.66%	18.18%	14.72%	13.54%	12.10%
Cumulative written off loans (total claim) (A)	19,081	15,754	15,618	13,465	13,465
Cumulative recovery from written off loans (B)	5,089	4,295	3,932	3,206	2,571
Cumulative recovery to written off loans ratio (C = B / A)	26.67%	27.26%	25.18%	23.81%	19.09%
Cost of fund (interest expense/average borrowing and deposits)	3.55%	2.73%	4.76%	5.58%	5.30%
Cost to income ratio	43.53%	38.99%	45.58%	43.76%	45.63%
Weighted average interest rate of loan (year-end) (A)	7.85%	7.29%	8.22%	10.83%	10.44%
Weighted average interest rate of deposits (year-end) (B)	3.91%	3.25%	3.70%	6.16%	5.54%
Spread (C = A - B)	3.94%	4.04%	4.52%	4.67%	4.90%
Spread excluding consumer finance & credit card	3.61%	3.64%	4.16%	4.34%	4.59%
Operating income per employee (permanent)	8.08	8.69	7.45	7.72	7.66
Operating cost per employee (permanent)	3.52	3.39	3.40	3.38	3.50
Operating profit per employee (permanent)	4.56	5.30	4.06	4.34	4.17
Employee growth (permanent) (in %)	11.49%	4.17%	0.21%	10.32%	7.59%

BDT in million

Particulars	2022	2021	2020	2019	2018
Share based metrics					
Earnings per share (EPS) in BDT (not restated)	4.76	4.88	5.05	4.94	4.17
Operating profit per share in BDT (not restated)	9.36	10.97	9.48	10.11	9.68
Market price per share in BDT as on close of the year at DSE	31.80	38.50	36.00	33.20	36.00
Price earnings ratio (times)	6.68	7.89	7.12	6.72	8.62
NAV (book value) per share in BDT (not restated)	32.66	32.52	35.69	31.49	31.12
Market capitalization (at close of year)	34,125	36,724	29,225	26,952	26,568
Market price to NAV per share (times)	0.97	1.18	1.01	1.05	1.16
Dividend payment metrics					
Dividend (%)	25.00	25.00	35.00	15.00	30.00
Cash (%)	12.50	12.50	17.50	15.00	20.00
Stock (%)	12.50	12.50	17.50	-	10.00
Dividend per share (DPS) in BDT	2.50	2.50	3.50	1.50	3.00
Dividend coverage ratio (times)	1.90	1.95	1.44	3.29	1.39
Dividend payout ratio (DPS / EPS)	52.53%	51.24%	69.26%	30.38%	71.86%
Unclaimed dividend amount	35.81	31.59	83.54	73.41	68.34
Other information (actual figure)					
Number of employees (permanent)	2,202	1,975	1,896	1,892	1,715
Number of branches	83	85	85	85	85
Number of AD branches	18	18	18	18	17
Number of sub-branches	23	5	5	3	-
Number of priority centers	18	16	16	15	14
Number of agent banking outlets	63	46	29	26	2
Number of CDMs	68	70	67	61	59
Number of ATMs & CRMs	255	227	220	207	200
No. of ATM booths	240	214	208	198	188
Number of deposit accounts	712,031	666,591	631,516	620,793	569,552
Number of loan accounts	163,304	169,153	163,913	163,795	180,548
Number of foreign correspondents	539	524	512	489	592

Financial Goals and Performances (Bank)

Financial Goals and Performance (Bank)	Goals 2023	Actual 2022	Actual 2021
Capital to risk weighted assets ratio (CRAR)	15% Plus	14.61%	14.08%
Return on average equity (ROE)	15% Plus	15.46%	15.51%
Return on average assets (ROA)	1% Plus	1.21%	1.28%
Cost to income ratio	Less than 43%	43.53%	38.99%
NPL (%)	Less than 3.00%	2.78%	3.70%
Year end deposits (BDT million)	355,777	317,097	268,019
Year end loans and advances (BDT million)	341,034	308,916	269,394

Horizontal Analysis

Balance Sheet

Particulars	2022		2021		2020		2019		2018	
	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%
Property and assets										
Cash in hand and balances with Bangladesh Bank and its agent bank(s)	21,156	13.32%	18,669	18.92%	15,699	-20.27%	19,690	20.52%	16,338	14.08%
Balances with other banks and financial institutions	11,854	-27.14%	16,270	25.12%	13,003	-55.09%	28,957	70.75%	16,959	-4.89%
Money at call and short notice	6,440	309.36%	1,573	2522.00%	60	-89.90%	594	100.00%	-	-
Investments	90,407	35.64%	66,653	4.23%	63,949	60.69%	39,797	43.57%	27,720	13.79%
Loans and advances	308,916	14.67%	269,394	17.67%	228,944	-1.34%	232,051	10.87%	209,306	13.74%
Fixed assets	8,501	11.38%	7,632	-1.02%	7,711	4.92%	7,349	10.73%	6,637	12.06%
Other assets and non banking assets	8,716	1.07%	8,624	13.93%	7,569	12.56%	6,725	22.47%	5,491	-16.86%
Total assets	455,989	17.28%	388,815	15.40%	336,936	0.53%	335,163	18.66%	282,451	11.61%
Liabilities and equity										
Borrowing from banks, financial institutions and agents	75,996	20.27%	63,187	42.68%	44,286	-12.86%	50,821	8.75%	46,732	-8.36%
Deposits and other accounts	317,097	18.31%	268,019	10.59%	242,358	0.91%	240,164	20.31%	199,629	19.29%
Other liabilities	27,850	4.73%	26,593	24.76%	21,316	14.53%	18,611	41.81%	13,124	-0.10%
Total liabilities	420,944	17.65%	357,798	16.18%	307,960	-0.53%	309,596	19.31%	259,485	12.10%
Shareholders' equity										
Paid-up capital	10,731	12.50%	9,539	17.50%	8,118	0.00%	8,118	10.00%	7,380	0.00%
Statutory reserve	10,731	12.50%	9,539	17.50%	8,118	0.00%	8,118	10.00%	7,380	0.00%
General reserve	603	0.00%	603	0.00%	603	0.00%	603	0.00%	603	364.23%
Other reserve	2,474	4.82%	2,360	-33.55%	3,552	17.21%	3,031	2.21%	2,965	-19.34%
Surplus in profit and loss account	10,506	17.05%	8,975	4.56%	8,584	50.66%	5,697	22.85%	4,638	53.58%
Total shareholders' equity	35,045	12.99%	31,017	7.04%	28,976	13.33%	25,567	11.33%	22,966	6.40%
Total liabilities and shareholders' equity	455,989	17.28%	388,815	15.40%	336,936	0.53%	335,163	18.66%	282,451	11.61%
Total off-balance sheet items	165,096	16.40%	141,831	36.30%	104,060	4.29%	99,781	-15.17%	117,629	16.14%

Profit and loss account

Particulars	2022		2021		2020		2019		2018	
	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%
Interest income	19,569	20.75%	16,206	-17.60%	19,667	-15.09%	23,164	16.86%	19,821	37.66%
Interest paid on deposits and borrowings	(12,869)	52.39%	(8,445)	-38.52%	(13,737)	-8.45%	(15,005)	21.84%	(12,315)	42.30%
Net interest income	6,699	-13.68%	7,761	30.87%	5,930	-27.31%	8,159	8.69%	7,506	30.66%
Non-interest income	11,090	18.02%	9,397	14.55%	8,203	27.41%	6,439	14.30%	5,633	-15.37%
Total operating income	17,789	3.68%	17,158	21.40%	14,134	-3.18%	14,597	11.10%	13,139	5.96%
Total operating expenses	7,744	15.75%	6,690	3.86%	6,441	0.85%	6,387	6.54%	5,995	6.96%
Profit before provisions	10,046	-4.03%	10,468	36.08%	7,692	-6.31%	8,210	14.92%	7,144	5.13%
Provision for loans and off-balance sheet exposures	1,518	-42.76%	2,652	142.57%	1,093	-16.64%	1,311	-40.06%	2,188	-21.18%
Other provision	432	-210.45%	(391)	327.09%	(92)	-114.27%	643	73.43%	370	-1114.64%
Total provisions	1,950	-13.71%	2,260	125.68%	1,001	-48.74%	1,954	-23.62%	2,558	-6.61%
Profit before tax for the year	8,095	-1.37%	8,208	22.67%	6,691	6.95%	6,256	36.42%	4,586	13.05%
Total provision for taxation	2,988	-15.92%	3,554	37.31%	2,588	15.13%	2,248	49.36%	1,505	-8.88%
Profit after tax for the year	5,107	9.75%	4,654	13.44%	4,103	2.36%	4,008	30.10%	3,081	28.11%

Vertical Analysis

Balance sheet

Particulars	2022		2021		2020		2019		2018	
	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)
Property and assets										
Cash in hand and balances with bangladesh bank and its agent bank(s)	21,156	4.64%	18,669	4.80%	15,699	4.66%	19,690	5.87%	16,338	5.78%
Balances with other banks and financial institutions	11,854	2.60%	16,270	4.18%	13,003	3.86%	28,957	8.64%	16,959	6.00%
Money at call and short notice	6,440	1.41%	1,573	0.40%	60	0.02%	594	0.18%	-	-
Investments	90,407	19.83%	66,653	17.14%	63,949	18.98%	39,797	11.87%	27,720	9.81%
Loans and advances	308,916	67.75%	269,394	69.29%	228,944	67.95%	232,051	69.24%	209,306	74.10%
Fixed assets	8,501	1.86%	7,632	1.96%	7,711	2.29%	7,349	2.19%	6,637	2.35%
Other assets and non banking assets	8,716	1.91%	8,624	2.22%	7,569	2.25%	6,725	2.01%	5,491	1.94%
Total assets	455,989	100.00%	388,815	100.00%	336,936	100.00%	335,163	100.00%	282,451	100.00%
Liabilities and equity										
Borrowing from banks, financial institutions and agents	75,996	16.67%	63,187	16.25%	44,286	13.14%	50,821	15.16%	46,732	16.55%
Deposits and other accounts	317,097	69.54%	268,019	68.93%	242,358	71.93%	240,164	71.66%	199,629	70.68%
Other liabilities	27,850	6.11%	26,593	6.84%	21,316	6.33%	18,611	5.55%	13,124	4.65%
Total liabilities	420,944	92.31%	357,798	92.02%	307,960	91.40%	309,596	92.37%	259,485	91.87%
Shareholders' equity										
Paid-up capital	10,731	2.35%	9,539	2.45%	8,118	2.41%	8,118	2.42%	7,380	2.61%
Statutory reserve	10,731	2.35%	9,539	2.45%	8,118	2.41%	8,118	2.42%	7,380	2.61%
General reserve	603	0.13%	603	0.16%	603	0.18%	603	0.18%	603	0.21%
Other reserve	2,474	0.54%	2,360	0.61%	3,552	1.05%	3,031	0.90%	2,965	1.05%
Surplus in profit and loss account	10,506	2.30%	8,975	2.31%	8,584	2.55%	5,697	1.70%	4,638	1.64%
Total shareholders' equity	35,045	7.69%	31,017	7.98%	28,976	8.60%	25,567	7.63%	22,966	8.13%
Total liabilities and shareholders' equity	455,989	100.00%	388,815	100.00%	336,936	100.00%	335,163	100.00%	282,451	100.00%
Total off-balance sheet items	165,096	36.21%	141,831	36.48%	104,060	30.88%	99,781	29.77%	117,629	41.65%

Profit and loss account

Particulars	2022		2021		2020		2019		2018	
	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)	BDT mn	Mix (%)
Interest Income	19,569	63.83%	16,206	63.30%	19,667	70.57%	23,164	78.25%	19,821	77.87%
Interest paid on deposits and borrowings	(12,869)	-41.98%	(8,445)	-32.98%	(13,737)	-49.29%	(15,005)	-50.69%	(12,315)	-48.38%
Net interest income	6,699	21.85%	7,761	30.31%	5,930	21.28%	8,159	27.56%	7,506	29.49%
Non-interest income	11,090	36.17%	9,397	36.70%	8,203	29.43%	6,439	21.75%	5,633	22.13%
Total operating income	17,789	58.02%	17,158	67.02%	14,134	50.71%	14,597	49.31%	13,139	51.62%
Total operating expenses	7,744	25.26%	6,690	26.13%	6,441	23.11%	6,387	21.58%	5,995	23.55%
Profit before provisions	10,046	32.77%	10,468	40.88%	7,692	27.60%	8,210	27.73%	7,144	28.07%
Provision for loans and off-balance sheet exposures	1,518	4.95%	2,652	10.36%	1,093	3.92%	1,311	4.43%	2,188	8.59%
Other provision	432	1.41%	(391)	-1.53%	(92)	-0.33%	643	2.17%	370	1.46%
Total provisions	1,950	6.36%	2,260	8.83%	1,001	3.59%	1,954	6.60%	2,558	10.05%
Profit before tax for the year	8,095	26.40%	8,208	32.06%	6,691	24.01%	6,256	21.13%	4,586	18.02%
Total provision for taxation	2,988	9.75%	3,554	13.88%	2,588	9.29%	2,248	7.59%	1,505	5.91%
Profit after tax for the year	5,107	16.66%	4,654	18.18%	4,103	14.72%	4,008	13.54%	3,081	12.10%

SWOT Analysis

SWOT analysis is a strategic tool that helps to evaluate the strengths, weaknesses, opportunities, and threats of a business or organization. It provides a structured approach to identify and understand the internal and external factors that affect its performance and competitiveness.

Strength

- Eminent, experienced and harmonious Board of Directors.
- Quality HR under seasoned leadership.
- Unwavering commitment to good governance and compliance structure.
- Strong brand value leading to 'employer of choice'.
- Strong and consistent business and financial performance.
- One of the lowest cost-income ratio and NPL in the banking industry.
- Stable credit rating rated by Moody's.
- Strong capital base.

Weakness

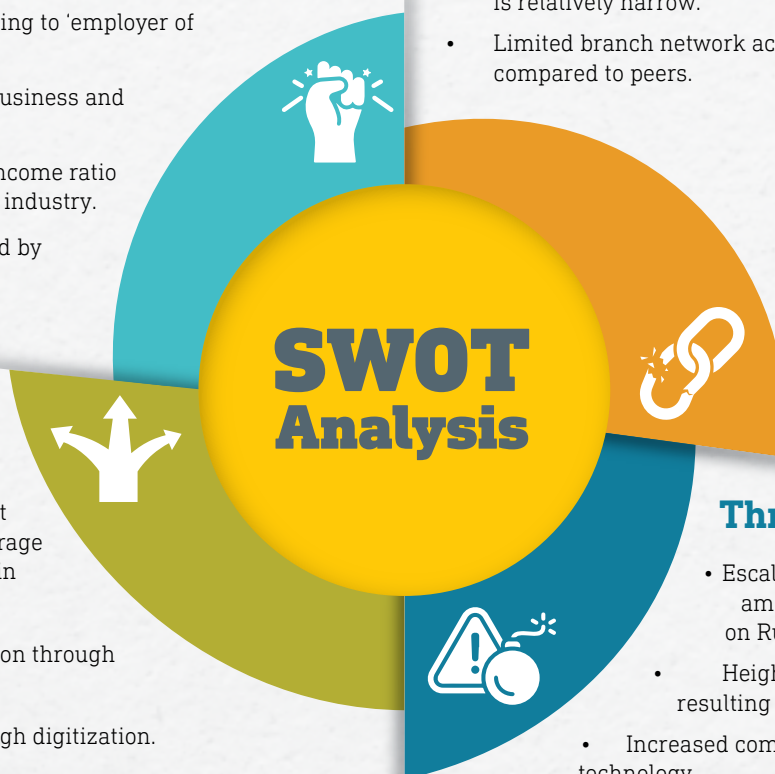
- Credit concentration among large corporates.
- The scope for diversifying the sources of revenue is relatively narrow.
- Limited branch network across the country compared to peers.

Opportunity

- Leveraging brand value to excel business amidst widespread media coverage on governance failures in certain banks.
- Creating value proposition through digital transformation.
- Inclusive banking through digitization.
- Emergence of Islamic Banking.

Threat

- Escalation of geo-political crisis among major powers centering on Russia-Ukraine war.
- Heightened cybersecurity threats resulting from rapid digitalization.
- Increased competition through disruptive technology.
- Attrition of seasoned employees.



PESTEL Analysis

P

POLITICAL

Stable political environment so far

The current government of Bangladesh has been in power for more than a decade which has created a sense of stable political environment much needed for implementing years-long mega projects and continuation of economic policies and aspirations. All these enhanced predictability of business and economic outlook for banks.

OUR PERSPECTIVE

- The stable political environment of our country is assisting us to plan and execute our business strategy with more certainty, reducing the risk of sudden changes in regulations or policies that could negatively impact the Bank's operations or profitability.

E

ECONOMIC

Bangladesh's economy continues to show resilience with moderate growth despite global economic challenges

Bangladesh's economy has shown remarkable resilience in the face of challenges caused by slower global growth, including subdued domestic demand and weaker export expansion following the Russia-Ukraine war.

Inflation is high due to increasing price pressures caused by the upward adjustment of domestic-administered prices for fuel oil, gas, and electricity, as well as higher global commodity prices.

Private investment growth is low due to energy shortages and higher production costs, while public investment growth is also slow due to revenue shortfalls, austerity measures, and depleting FCY reserves.

Financial assistance from the International Monetary Fund (IMF) will help Bangladesh to preserve macroeconomic stability and bolster its foreign-exchange reserves.

OUR PERSPECTIVE

- EBL has effectively maintained its systems and robust institutional mechanisms, enabling the Bank to overcome challenges posed by global conflicts and economic slowdown.
- EBL maintained strong financial performance, including good profitability, liquidity, and capital adequacy, affirmed by CRISL with "AA+" long-term rating and "ST-1" short-term rating.
- EBL exceeded its previous trade performance by achieving a trade business volume of USD 5.6 billion, which is a 3% increase from 2021. This accounts for around 4.3% of Bangladesh's total trade volume.

S

SOCIAL

Increased expectations for accessible and convenient banking services

As per Population and Housing Census of 2022 the working-age population (ages 15 to 64) constitutes 65.60% of the total population of 165 million which provides a significant demographic dividend, as the young and educated workforce can help drive economic growth and development.

According to HSBC Global Research, Bangladesh is expected to become the 9th largest consumer market globally by 2030, partly due to the country's rapidly expanding middle class. This presents a significant opportunity for businesses looking to expand their regional presence, particularly in retail, consumer goods, and financial services.

Customers' expectations and behavior are constantly evolving, driven by factors such as demographics, social media, and technology.

OUR PERSPECTIVE

- EBL meets its customers' needs by offering innovative and practical financial products and services through the "Segment of One" approach by treating every customer as an individual segment.
- EBL is continuously expanding its network of branches, ATMs, Dropbox, Cash Recycling Machines (CRM), and business centers while safeguarding customer information confidentiality and addressing complaints swiftly.
- EBL is dedicated to developing fast, efficient, and user-friendly digital services such as internet banking, EBL 365, Dropbox, SkyBanking app, and EBL SKYPAY to meet the changing needs of its customers.

T

TECHNOLOGICAL

The adoption of digital technology has significantly transformed Bangladesh's financial sector

The introduction of Mobile Financial Service (MFS) providers, payment service providers, and fin-tech has been playing a vital role in adopting technology in the country's banking system.

Agent banking took banking services to villages; and internet banking is facilitating the customer's smooth cash withdrawal, deposit and fund transfer services.

Banks are currently installing Cash Recycler Machines (CRMs) to provide faster deposit and cash withdrawal services to clients, a move that is helping customers cut dependence on branches and giving them more freedom to carry out banking activities. The CRMs are set to make Cash Deposit Machines (CDMs) obsolete.

Growing Cyber security incidents and threats.

OUR PERSPECTIVE

- The remarkable achievement of completing one of the fastest Core Banking System (CBS) migration projects in Bangladesh's banking industry, during a global pandemic, highlights EBL's technological prowess to excellence.
- By securing the top spot in the Bangladesh government's Financial Cyber Drill, EBL has once again demonstrated its ability to provide secure and reliable banking services to its customers.
- EBL is among the pioneering banks to adopt Binimoy, the Interoperable Digital Transaction Platform (IDTP) launched by BB, through its EBL Skybanking mobile app. Binimoy aims to promote a cashless society.

E

ENVIRONMENTAL

Green banking is on the trend

Customers are increasingly choosing to do business with companies that demonstrate a commitment to sustainability. Adopting green banking practices can help financial institutions improve their reputation and brand value.

The frequency and severity of climate change-related threats are on the rise in Bangladesh and hence climate action has becoming a key focus for the nation, with a commitment to making a positive impact on the environment.

Banks are prioritizing sustainability and contributing to the SDGs, which is allowing them to access new markets and business opportunities.

OUR PERSPECTIVE

- EBL was recognized as one of the top ten banks in Sustainability Rating Recognition for the year 2021, based on the commitment to sustainable finance, CSR, green refinance, banking sustainability, and service coverage.
- EBL partnered with KfW DEG and JIM Foundation to launch the first carbon accounting pilot project for any local bank in Bangladesh. The project will use Joint Impact Model to estimate financial flows and their social, economic, and environmental effects.

L

LEGAL

Regulatory changes have become more frequent for financial industry

The Central Bank is rapidly changing regulations in response to abrupt changes in business and economy.

Technological advancements have compelled banks to adopt time-consuming and expensive measures to combat fraudulent activities as part of regulations.

Since banks have to rely on the legal system to recover loans from defaulters including the wilful ones, many big defaulters are getting stay orders from the courts using the environs of the legal framework.

OUR PERSPECTIVE

- EBL stands out as one of the most compliant financial institutions in Bangladesh, consistently taking proactive measures in line with the Central Bank's requirements.
- In 2022, EBL's Special Asset Management team achieved the highest recovery in the past three years, with BDT 793 million recovered from written off accounts and BDT 1,062 million from classified loan accounts.

Market Value Added (MVA) Statement

This statement reflects the company's performance evaluated by the market through the share price. Difference between market capitalization and book value of the shares outstanding is measured to shed light on financial solvency as perceived by the market.

Market Value Added statement as at 31 December

Particulars	2022	2021
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	31.80	38.50
Number of shares outstanding	1,073,097,525	953,864,467
Total market capitalization (BDT million)	34,125	36,724
Book value of paid up capital (BDT million)	10,731	9,539
Market value added (BDT million)	23,394	27,185

Stock Performance

Month	DSE			CSE			Total volume on DSE & CSE
	Month high (BDT)	Month low (BDT)	Total volume (number)	Month high (BDT)	Month low (BDT)	Total volume (number)	
Jan-22	38.60	37.50	7,706,836	39.80	38.00	62,540	7,769,376
Feb-22	38.90	37.90	5,767,498	39.40	38.00	4,752,937	10,520,435
Mar-22	39.60	37.70	8,338,215	39.90	36.70	841,251	9,179,466
Apr-22	39.10	34.50	7,510,907	40.60	34.10	335,354	7,846,261
May-22	34.50	32.50	4,052,083	34.90	32.80	77,719	4,129,802
Jun-22	33.80	32.00	4,567,693	34.50	32.10	26,056,582	30,624,275
Jul-22	32.90	31.60	2,558,860	34.00	31.50	904,893	3,463,753
Aug-22	33.00	31.90	4,956,203	33.00	32.20	238,553	5,194,756
Sep-22	33.10	31.80	5,103,381	32.80	32.20	1,994,129	7,097,510
Oct-22	32.30	31.80	504,682	32.50	32.20	29,673	534,355
Nov-22	31.80	31.80	1,080,321	32.40	32.20	1,233,617	2,313,938
Dec-22	31.80	31.80	468,943	32.20	32.20	41,329	510,272

Price-volume movement of EBL



Stock Details

Particulars	DSE	CSE
Stock Symbol	EBL	EBL
Company Code	148	22025
Listing Year	1993	2004
Market Category	A	A
Electronic Share	Yes	Yes
Market Lot (Nos)	1	1
Face Value (Taka)	10	10
Total Number of Securities	1,073,097,525	1,073,097,525

Value Added Statement

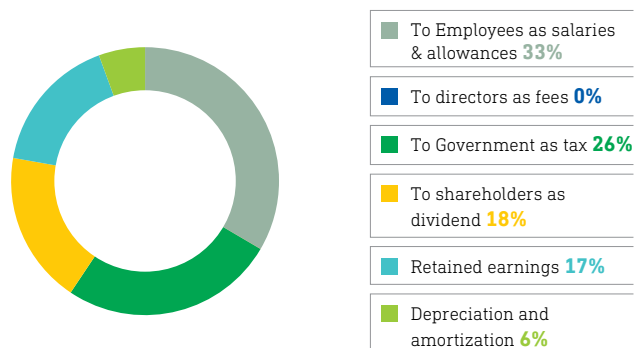
This statement presents the amount of wealth accretion made by the bank by providing banking and other financial services in 2022 for its employees, directors, government and shareholders in the form of salaries & allowances, fees, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

Value added for the year ended 31 December

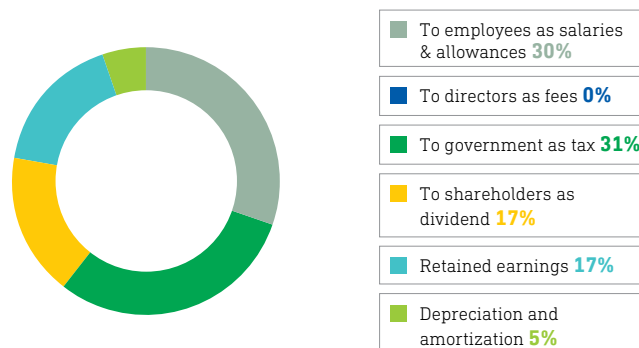
Figures in BDT

Particulars	2022	2021
Wealth creation		
Revenue from banking services	19,568,667,364	16,206,209,303
Less: Cost of services & supplies	(14,129,285,116)	(9,689,315,360)
	5,439,382,248	6,516,893,943
Non-banking income	11,090,134,995	9,396,917,887
Provision for loans & other assets	(1,950,187,563)	(2,260,138,385)
Total wealth creation	14,579,329,680	13,653,673,445
Wealth distribution		
Employees & directors		
Employees as salaries & allowances	4,874,580,930	4,128,981,013
Directors as fees	3,594,810	2,771,554
Government	3,778,173,539	4,162,397,925
Corporate tax	2,987,927,205	3,553,815,784
Service tax/value added tax	273,587,086	162,469,518
Municipalities/local taxes	14,129,448	9,856,613
Excise duties	502,529,800	436,256,010
Shareholders		
Dividend to shareholders	2,682,743,813	2,384,661,168
Retention for future business growth		
Retained earnings	2,424,713,851	2,269,203,559
Depreciation and amortization	815,522,738	705,658,227
Total wealth distribution	14,579,329,680	13,653,673,445

Wealth distribution (%) : 2022



Wealth Distribution (%) : 2021



Economic Value Added Statement

This statement measures the financial performance of an entity based on an underlying principle that since the management of a company deploys equity capital to earn profit, it must pay for the use of it. This measurement tool is useful to shareholders in particular and other stakeholders in general to take decision for increasing wealth.

EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off during the year minus cost of equity where cost of equity is the opportunity cost that the shareholders forego. This cost of equity is calculated considering the risk free rate based on weighted average rate of 10 years Treasury bond issued by Bangladesh Government plus 2% risk premium. EBL management is committed to maximize wealth of its shareholders and other equity providers.

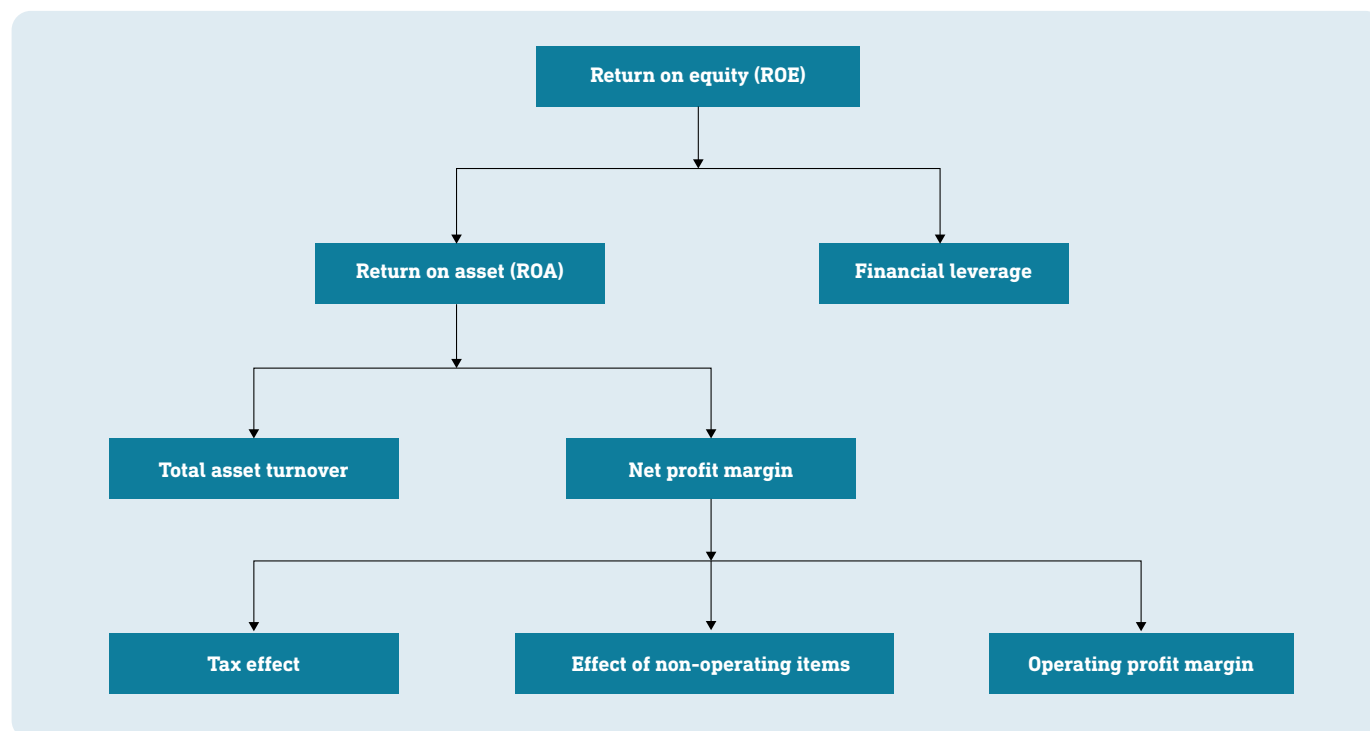
EVA statement for the year ended 31 December

Figures in BDT

Particulars	2022	2021
Shareholders' equity	35,045,444,496	31,016,575,398
Add: Accumulated provision for loans & advances and other assets	15,494,074,456	14,710,275,983
Capital deployed	50,539,518,952	45,726,851,381
Average capital deployed/shareholders' equity (A)	48,133,185,167	43,446,455,466
Earnings		
Profit after tax	5,107,457,663	4,653,864,726
Add: Provision for loans & advances and other assets charged during the year	1,950,187,563	2,260,138,385
Less: Written off interest suspense during the year	236,622,454	12,265,692
Net earnings (B)	6,821,022,772	6,901,737,419
Cost of equity (C)		
Average cost of equity (based on weighted average rate of 10 years treasury bond issued by the Bangladesh Government) plus 2% risk premium	10.33%	9.42%
Capital charge / cost of average equity (D=A x C)	4,972,158,028	4,092,656,105
Economic value added (B-D)	1,848,864,745	2,809,081,314

DuPont Analysis

DuPont Analysis is another extended tool to examine the return on equity (ROE) of a company in details by analysing net profit margin, asset turnover, and financial leverage. It gives a broader view to the management in earnings of shareholders' equity breaks down the ROE to analyze how corporate can increase the return for their shareholders.



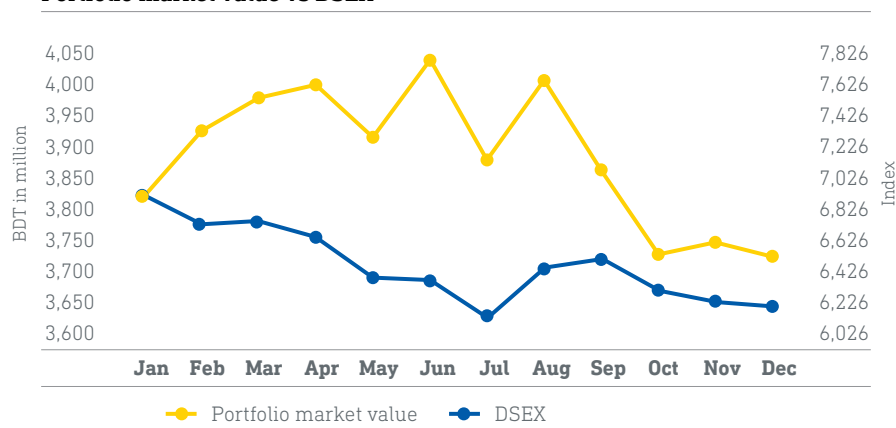
Particulars		2022	2021
Tax effect (in %)	PAT / PBT	63.09%	56.70%
Effect of non-operating items (in %)	PBT / profit before provisions	80.59%	78.41%
Operating profit margin (in %)	Profit before provisions / total income	32.77%	40.88%
Net profit margin (in %)	Tax effect x effect of non-op. Items x op. profit margin	16.66%	18.18%
Total asset turnover (in %)	Total income / average total assets	7.26%	7.06%
Return on asset (in %)	Net profit margin x total asset turnover	1.21%	1.28%
Financial leverage (in times)	Average total assets / average total shareholders' equity	12.79	12.10
Return on equity (in %)	Return on asset x financial leverage	15.46%	15.51%

Review of Capital Market Portfolio

Despite a positive start owing to investors' optimism about the economic recovery from COVID-19 fallbacks, the capital market of Bangladesh had a red ride round the year 2022 due to some economic challenges like Dollar crisis, liquidity crunch, high inflation and low investor confidence resulting from global adversities such as the escalating Russia-Ukraine war and worldwide recessionary forecasts. The DSEX plunged by 550 points or 8.14%, from 6,757 points as on 31 December 2021 to 6,207 as on 31 December 2022.

However, with strong fundamentals scrips in the basket, EBL well managed the portfolio to outperform the DSEX, limiting the loss in the portfolio market value. Despite realization of gain worth BDT 73 million, market value of portfolio fell by 1.41% in 2022 from that of 2021.

Portfolio market value vs DSEX

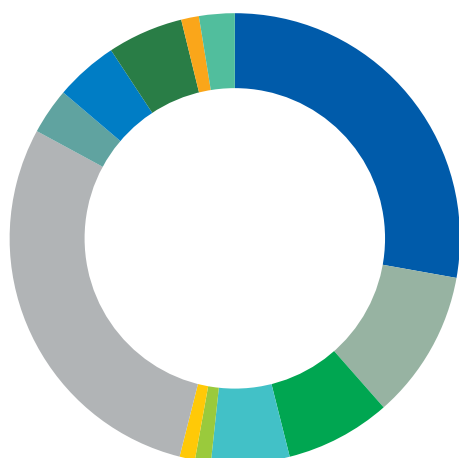


Return on investment

Despite facing abrupt challenges in 2022, EBL managed to make revenue of BDT 311 million from the capital market portfolio. EBL made a net capital gain of BDT 73 million and dividend income of BDT 239 million in 2022, where major income was generated from Mutual Funds, Bank and Engineering sectors.

Particulars	BDT in million	
	2022	2021
Investment (average)	4,491	3,944
Gain from sale of shares & MFs (net off loss)	73	341
Dividend income	239	169
Total income	311	511
Return on investment (ROI)	6.93%	12.95%

Sector wise return in 2022



Bank	28%	Mutual Funds	29%
Engineering	11%	NBFI	3%
Food & Allied	8%	Others	4%
Fuel & Power	6%	Pharmaceuticals	5%
Insurance	1%	Travel & Leisure	1%
Miscellaneous	1%	Unquoted	3%

Capital market exposure

EBL kept capital market investment exposure within the regulatory limit (i.e. 25% on solo basis and 50% on consolidated basis) and complied with relevant regulatory guidelines given by Bangladesh Bank. EBL maintained a diversified exposure in different sectors within set limit to minimize unsystematic risk with the guidance of EBL Investment Committee.

BDT in million

Particulars	Consolidated		Bank	
	2022	2021	2022	2021
Total of capital components	28,582	25,205	28,053	24,820
Exposure other than Special Fund	11,866	9,444	6,915	5,510
Exposure under Special Fund	1,103	1,020	750	636
Total exposure	12,969	10,464	7,665	6,146
Exposure in capital market (in %) (excluding Special Fund)	41.52%	37.47%	24.65%	22.20%

Exposures in different sectors by the Bank in 2022



Way forward

EBL will continue to focus on detailed analysis on the capital market and maintain a healthy portfolio composed of fundamental scrips with excellent dividend history and future prospect to generate good return, while complying with the prescribed rules and limit set by the regulators.

Credit Rating

Eastern Bank Ltd. (EBL)

Local (CRISL)

Date of Rating : June 28, 2022	Valid up to: June 27, 2023	
	Long Term	Short Term
Surveillance Rating	AA+	ST-1
Outlook	Stable	

The Long Term Rating "AA+" signifies that EBL is adjudged to be of high quality, offers higher safety and has high credit quality. The Short Term Rating "ST-1" indicates that Bank has the highest certainty of timely payment. Short term liquidity including fund generation is very strong and access to alternative sources of funds is outstanding.

Rationale

Credit Rating Information and Services Limited (CRISL) has reaffirmed EBL's abovementioned ratings based on the operational and financial performance of the Bank along with all its relevant quantitative and qualitative information and other prevailing factors through an in-depth analysis.

The above ratings have been assigned on the basis of its financial performance, asset quality, capital adequacy, liquidity, risk management practice, portfolio management, compliance and governance practice, robustness of IT infrastructure & IT risk management, HR development practice and above all EBL's strategy to address future contingency. While assigning the rating, CRISL also factored the operational performance and fund management efficiency of the Bank through its capital market subsidiaries.

Over the years, EBL has established itself as one of the leading private commercial banks in the country with established leadership in corporate banking with growing focus on SME and retail business.

Global (Moody's)

EBL is the first company in the country (bangladeshi bank) rated by Moody's, a renowned global rating agency, for the first time in March 2016. The current rating of the Bank is "B1".

Subordinated Bond

2nd Subordinated Bond of EBL (CRAB)

Date of Rating : October 30, 2022	Valid up to: May 31, 2023
Bond Rating (Long Term)	AA ₂ (Hyb)
Outlook	Stable

The Long Term Rating "AA₂ (Hyb)" signifies very strong capacity to meet financial commitments. This is judged to be of very high quality, subject to very low credit risk.

Rationale

Credit Rating Agency of Bangladesh Limited (CRAB) has affirmed the long term rating of Eastern Bank's issue of non-convertible 2nd subordinated bond (BDT 5,000 million) at "AA₂ (Hyb)" in line with CRAB's standard notching practices. CRAB performed the rating based on updated financial statements, past trend and other relevant information up to the date of rating declaration.

3rd Subordinated Bond of EBL (CRISL)

Date of Rating : April 18, 2023	Valid up to: April 17, 2024
	Long Term
Bond Rating	AA (Indicative)

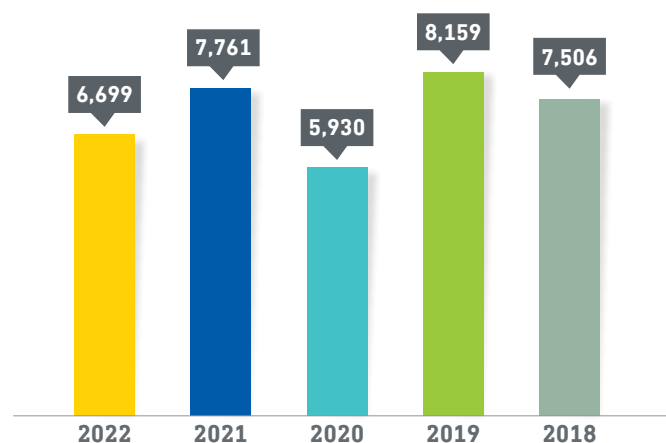
The Long Term Rating "AA" (Indicative) signifies that the bond is adjudged to be of high credit quality and offers higher safety. This level of rating indicates a security with sound credit profile and strong protection factors.

Rationale

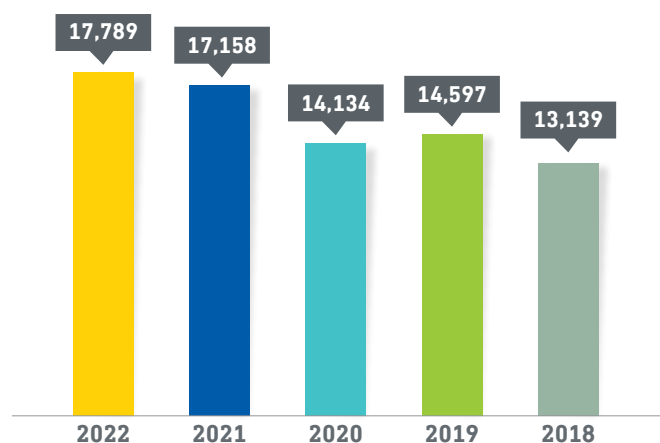
Credit Rating Information and Services Limited (CRISL) has assigned the issue rating "AA" (Indicative) to Eastern Bank's issue of non-convertible 3rd subordinated bond (BDT 5,000 million) in consideration of the fundamentals of the issue that include attractive coupon rate, a trustee-administered payment mechanism for the bonds, projected earnings support, regular repayment of obligations etc. CRISL also gives due weightage to the EBL's sound credit profile, diversified business mix, good financial performance, good capital adequacy, good liquidity, experienced top management, etc.

Key Financials in Graphs

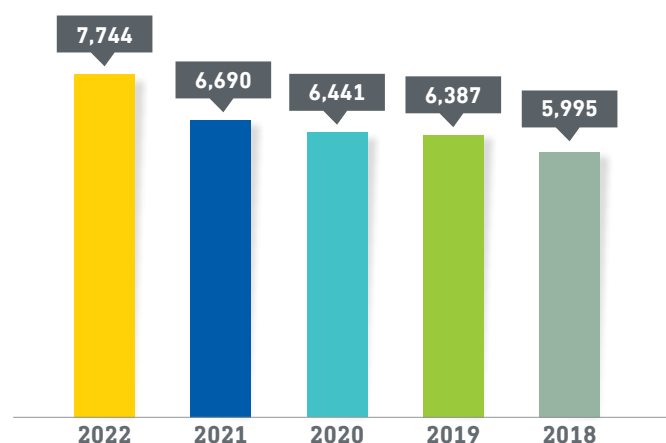
Net interest income (BDT in million)



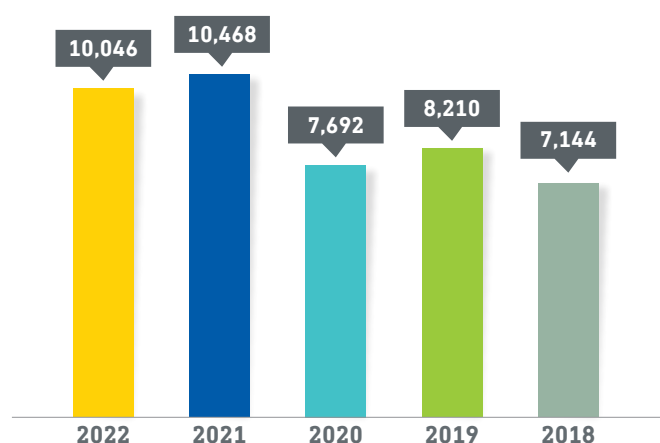
Operating income (BDT in million)



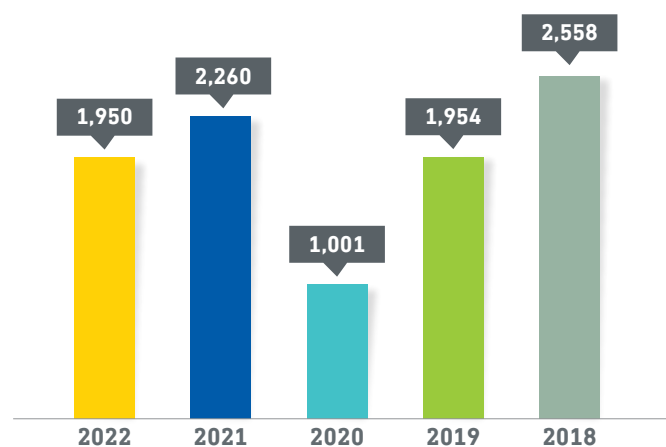
Operating expense (BDT in million)



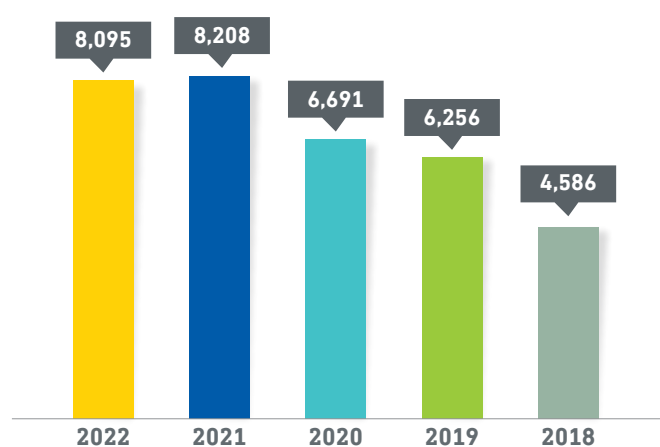
Operating profit (BDT in million)



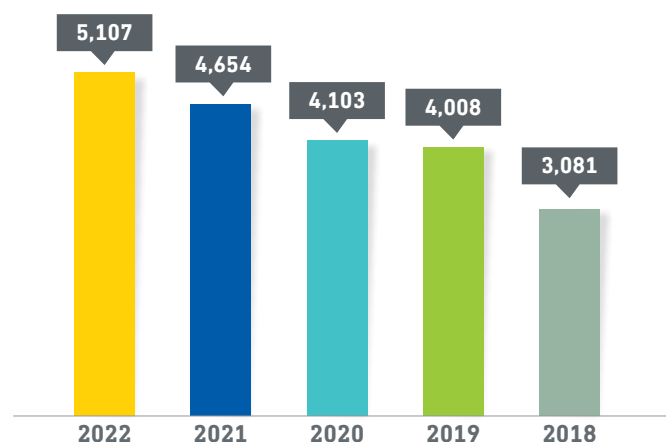
Total provision charged (BDT in million)



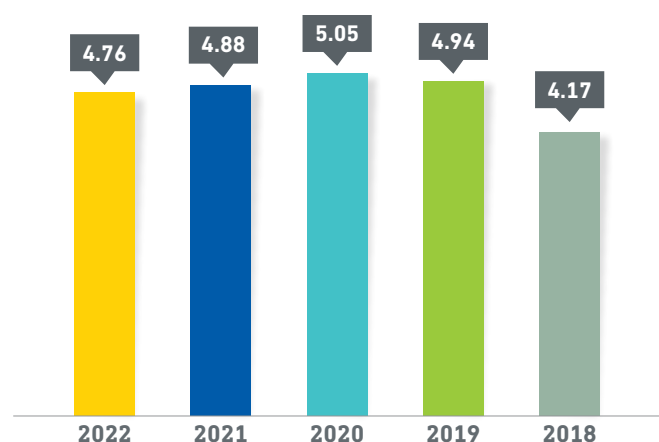
Profit before tax (BDT in million)



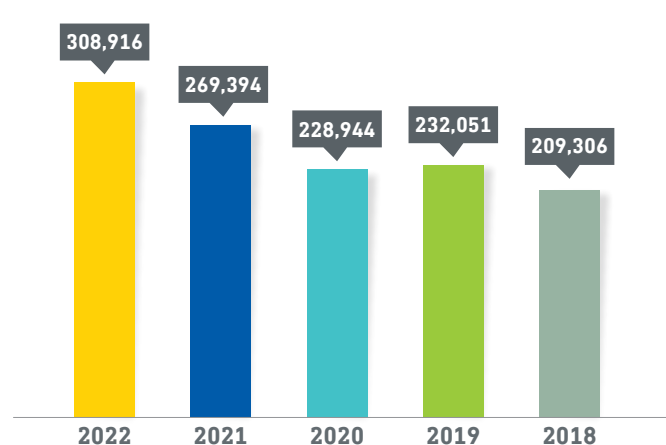
Profit after tax (BDT in million)



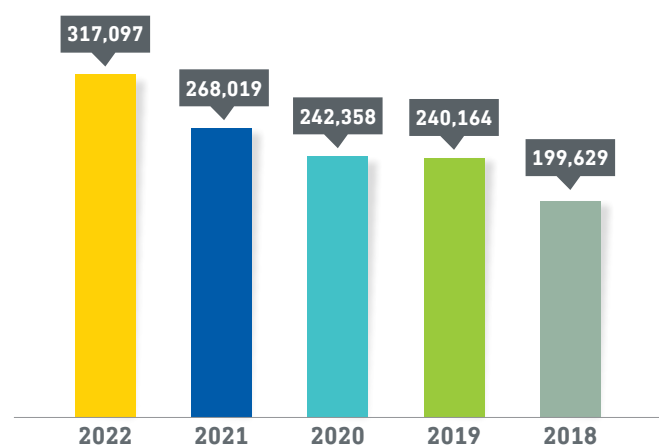
Earnings per share (not restated) (BDT)



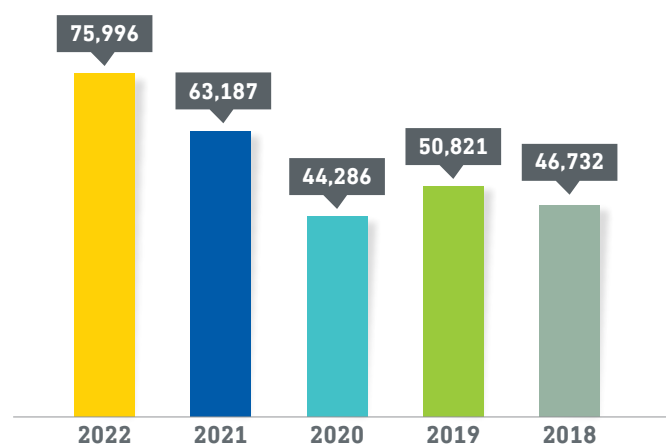
Loans and advances (BDT in million)



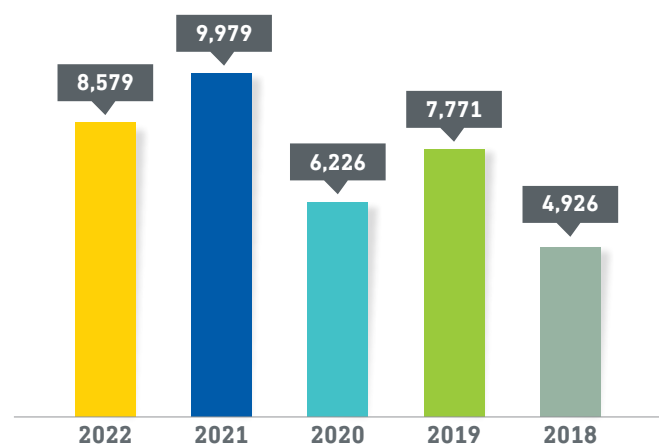
Deposits (BDT in million)



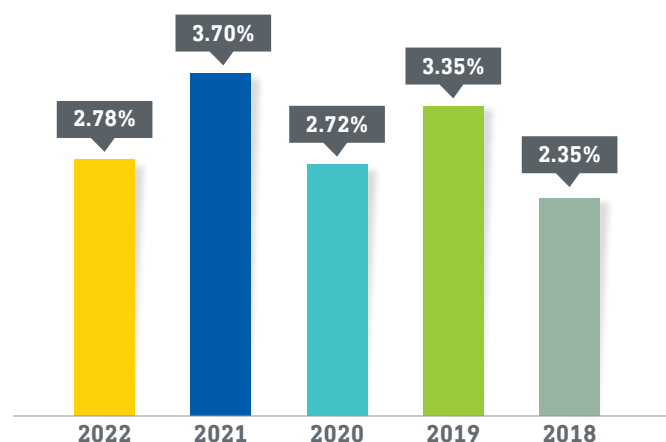
Borrowing (BDT in million)



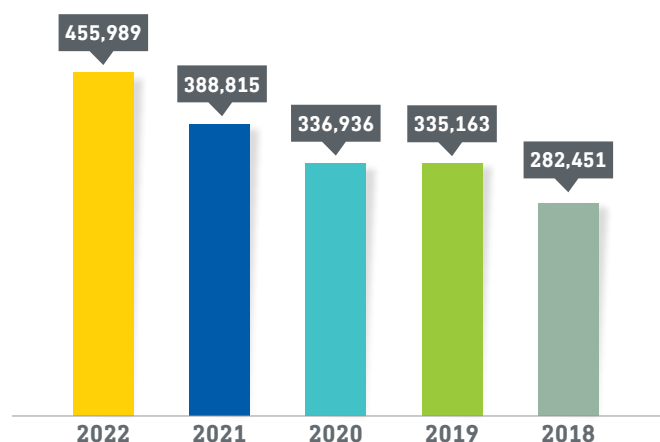
Non performing loan (BDT in million)



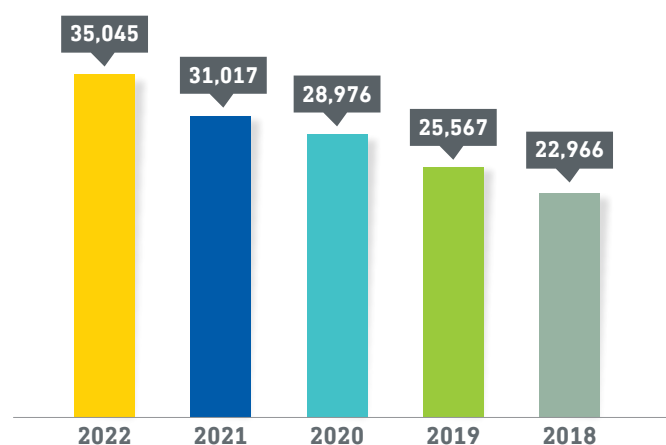
Non performing loan (Percentage)



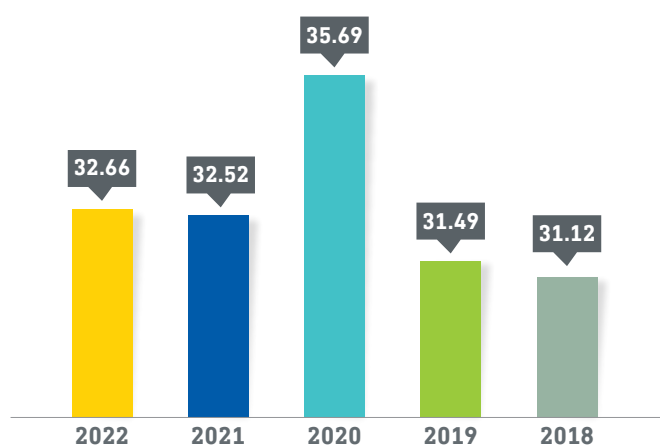
Total assets (BDT in million)



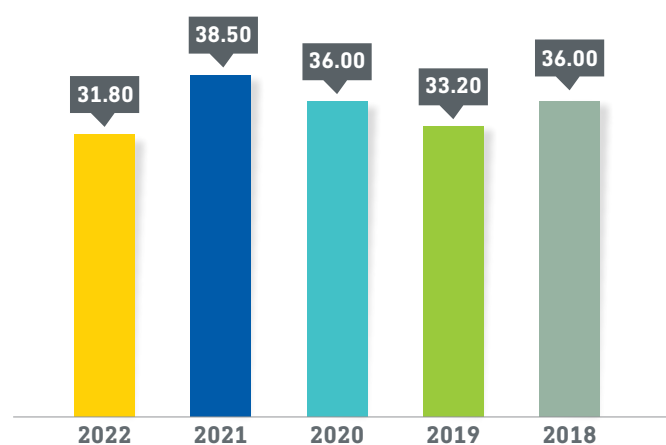
Shareholders' equity (BDT in million)



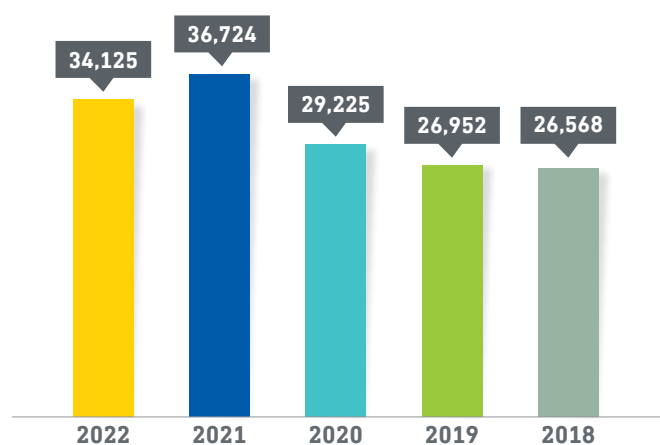
NAV per share (not restated) (BDT)



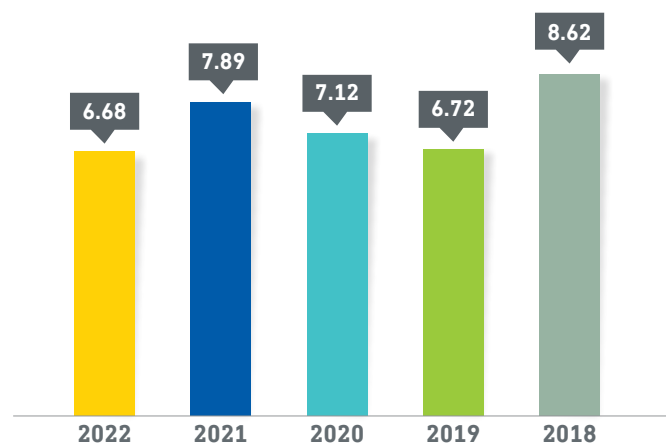
Market price per share (BDT)



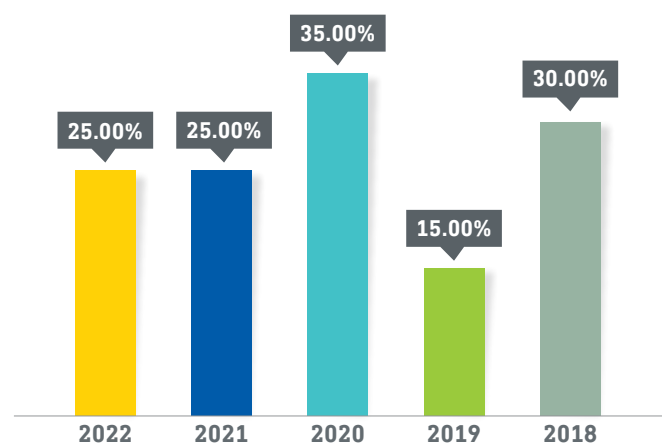
Market capitalization (BDT in million)



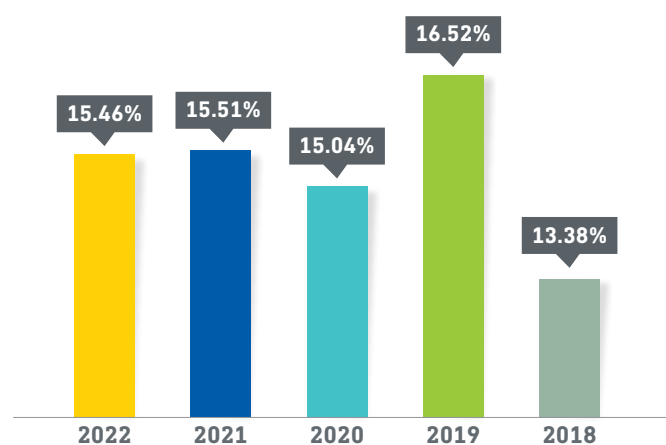
Price earnings ratio (not restated) (Times)



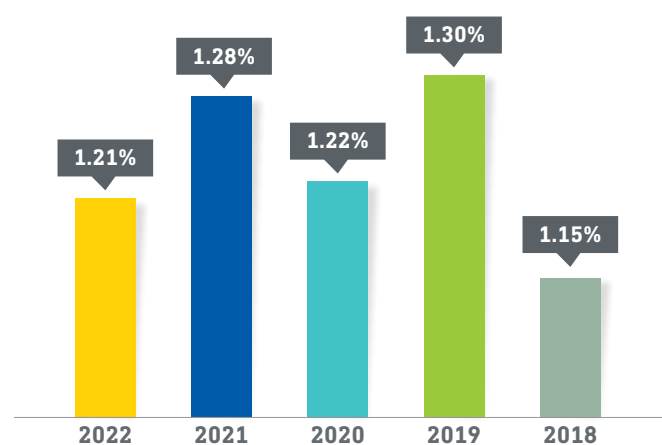
Dividend (Percentage)



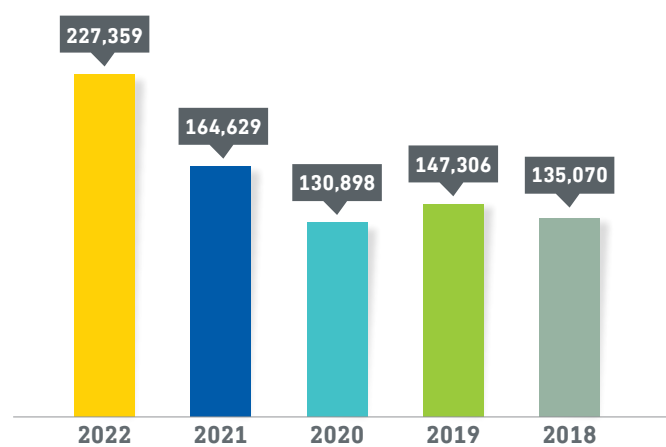
Return on average equity (Percentage)



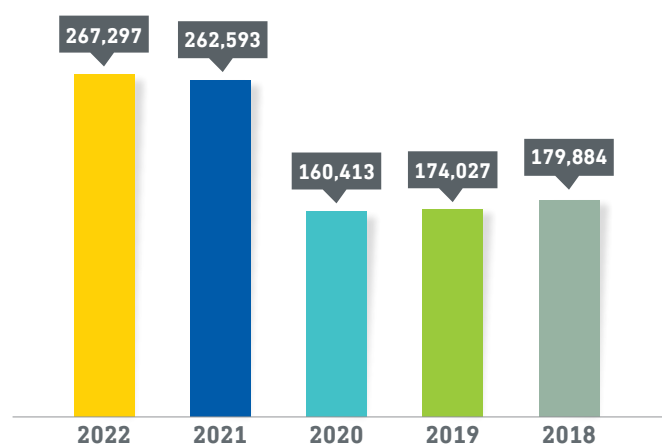
Return on average assets (Percentage)



Export (BDT in million)



Import (BDT in million)



Financial Calendar

Quarterly results

Particulars	Submission Date to BSEC
Unaudited financial statements for the 1st Quarter ended on 31 March 2022	27 April 2022
Unaudited financial statements for the 2nd Quarter ended on 30 June 2022	28 July 2022
Unaudited financial statements for the 3rd Quarter ended on 30 September 2022	27 October 2022

Dividend

30th Annual General Meeting	Notice Date	11 April 2022
Declared 12.50% Cash Dividend & issuance of 12.50% Stock Dividend for the Year ended 31 December 2021	Record Date	25 April 2022
30th Annual General Meeting	Held On	19 May 2022
Disbursement of Cash & Stock Dividend	Date of Disbursement	19 May 2022 (Cash Dividend), 30 May 2022 (Stock Dividend)

Information Sensitive to Share Price

Particulars	Date of disclosure
Corporate disclosure for issuance of '3rd Subordinated Bond' of EBL up to BDT 5,000 million for 7 Years to enhance capital base of the Bank subject to approval of the respective regulatory authorities	25 January 2022
Corporate disclosure upon approval of annual audited financial statements 2021, recommendation of dividend, record date for dividend entitlement of the 30 th AGM (19.05.2022) of EBL	31 March 2022
Corporate disclosure of 1st quarter financial information (unaudited) of EBL ended on 31 March 2022	25 April 2022
Corporate disclosure of 2nd quarter financial information (unaudited) of EBL ended on 30 June 2022	27 July 2022
Corporate disclosure regarding consent from Bangladesh Securities & Exchange Commission for issuance of '3rd Sub-ordinated Bond' of EBL for raising 'Tier-II Capital' amounting to BDT 5,000 million	21 September 2022
Corporate disclosure of 3rd quarter financial information (unaudited) of EBL ended on 30 September 2022	26 October 2022

Tax on dividend

Stock dividend is tax exempted for shareholders. In compliance with Section 54 and Section 56 of Income Tax Ordinance 1984, at the time of paying cash dividend to a shareholder, EBL shall deduct tax on the amount of such dividend, in the following manner:

Types of Shareholders	Applicable tax rate
If the shareholder is a resident or non-resident Bangladeshi person other than a company	10% (where the person receiving such dividend furnishes his Twelve digit E-TIN to EBL) 15% (where the person receiving such dividend fails to furnish his Twelve digit E-TIN to EBL)
If the shareholder is a company (resident/non-resident Bangladeshi)	20%
If the shareholder is a non-resident company, fund or trust	20%
If the shareholder is any other person not being a company, fund or trust (non-resident)	30%

Charge of tax on stock dividend

As per Section 16F of Income Tax Ordinance 1984, if in an income year, the amount of stock dividend declared or distributed exceeds the amount of cash dividend declared or distributed or without declaration or distribution of any cash dividend by EBL, tax shall be payable at the rate of 10% on the whole amount of stock dividend declared or distributed in that income year.

Tax on capital gain

Capital gain arising from transfer or sale of government securities is taxable at the rate of 15%. Capital gain arising from transfer or sale of securities of public limited companies listed with stock exchanges is taxable at the rate of 10%.

Charge of tax on retained earnings & reserves, surplus etc.

As per sec 16G of Income Tax Ordinance 1984, if in an income year, the total amount transferred to retained earnings or any fund, reserve or surplus, called by whatever name, by EBL exceeds 70% of the net income after tax, tax shall be payable at the rate of 10% on the total amount so transferred in that income year.

Officials at investors relation department

Shareholders of Eastern Bank Limited (EBL) may contact/communicate to the officials of Share Department for share related issues. The address of the Investors' Relation Department is as follows:

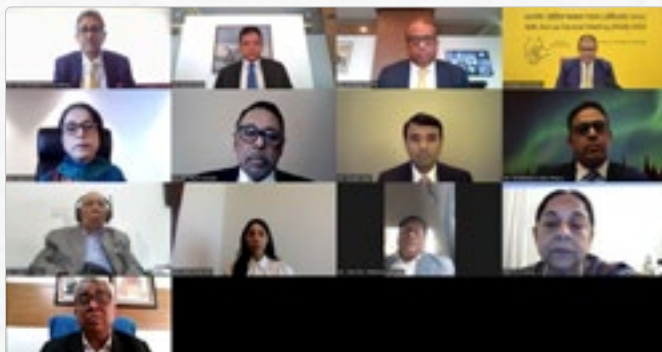
Share Department

Eastern Bank Limited (EBL)
Z Tower (6th Floor)
Holding No.04, Road No. 132
Gulshan-1, Dhaka-1212.
Fax: 880-2-9892353
E-mail: sharedepartment@ebl-bd.com
Telephone: 9892260 (Direct)
Mobile No. 01819-412340

Accessibility of annual report 2022

Annual Report 2022 and other information about EBL is available on EBL's website www.ebl.com.bd. EBL provides copies of Annual Reports to the Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange Limited and Chittagong Stock Exchange PLC as directed.

Glimpses from the 30th AGM



Md. Showkat Ali Chowdhury, Chairman of the Board of Directors of EBL, presides over 30th AGM of the Bank. EBL directors M. Ghaziul Haque, Mir Nasir Hossain, Salina Ali, Mufakkarul Islam Khasru, Gazi Md. Shakhawat Hossain, K.J.S. Banu, Zara Namreen, Ashiq Imran, Dr. Toufic Ahmad Choudhury, Ruslan Nasir are present. Ali Reza Iftekhar, Managing Director & CEO and Md. Abdullah Al Mamun, Company Secretary are also seen.



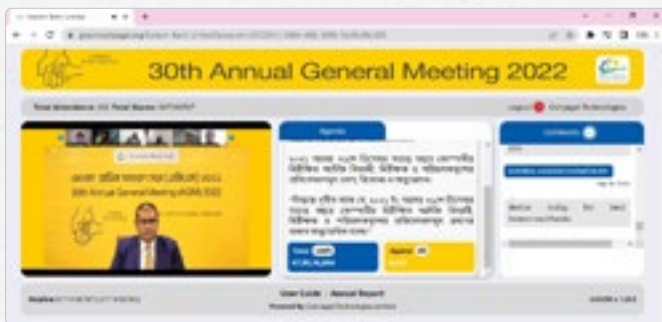
The deceased shareholders of EBL are remembered by offering dua at the 30th AGM of EBL



Chairman of EBL Md. Showkat Ali Chowdhury addresses the shareholders during the 30th AGM



MD & CEO of EBL Ali Reza Iftekhar responds to the queries of shareholders at the 30th AGM



Company Secretary of EBL Md. Abdullah Al Mamun gives his welcome speech at the 30th AGM



A shareholder gives his feedback on financial performance of EBL



A shareholder presents his analysis of overall performance of EBL



A shareholder makes a few points during his review analysis on overall performance of the bank



GOVERNANCE REPORTS



Directors Responsibility Statement

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

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

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

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

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

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

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

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

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

On behalf of the Board of Directors,



Md. Showkat Ali Chowdhury
Chairman of the Board of Directors

Report of the Audit Committee of the Board

Overview

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

Statement of purpose

This committee is to ensure:

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

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

Composition of the Audit Committee and meeting attendance in 2022

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

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

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

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

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

Roles and responsibilities of the Audit Committee

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

a) Internal control:

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

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

b) Financial reporting:

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

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

c) Internal audit

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

d) External audit

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

e) Compliance with existing laws and regulations

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

f) Other responsibilities:

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

Reporting to the Board

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

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

Meetings of the Audit Committee

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

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

Major issues reviewed by the Audit Committee in 2022

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

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

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

The Audit Committee further affirms that

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

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

Acknowledgement

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

On behalf of the Audit Committee,



Dr. Toufic Ahmad Choudhury

Chairman of the Audit Committee of the Board

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

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

Composition of the committee

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

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

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

How the RMC of the Board operates

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

Roles and responsibilities of RMC

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

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

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

Meeting of RMC in 2022

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

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

Major areas focused by RMC in 2022

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

- Reviewed monthly Risk Management Reports, half yearly Comprehensive Risk Management Reports (CRMR) and recommendations of Executive Risk Management Committee (ERMC) made during December 2021 to November 2022 and with certain directions endorsed the same for onward submission to Bangladesh Bank (BB).
- Reviewed business segment wise list of clients newly classified in 2021 and account wise detail position of Top 10 defaulters of that list (new-to-CL in 2021) and advised to increase monitoring to arrest further deterioration.
- Reviewed Stress Test Reports from quarter ending December 2021 to quarter ending September 2022 and endorsed the same for onward submission to BB. From 2022 four new stress scenarios were included in this exercise aligning with risk profile of EBL. These inclusions are additional to the minimum regulatory requirement.
- Reviewed the process to further strengthen monitoring and supervision for timely collection of scheduled EMIs, reviewed concerning accounts including unclassified and re-scheduled (pre or post classification) ones which may have been classified if payment deferral/classification pause had not been in place which was allowed during the pandemic. RMC also reviewed ownership structure of few entities exposed to succession risk and total liability position of few borrowers based on CIB report with analysis of total debt (composition of working capital and term loan), annual turnover, total assets and net worth to assess risks.
- Reviewed ICAAP (Internal Capital Adequacy Assessment Process) policy for 2022 and SRP (Supervisory Review Process) return for 2021 for onward submission to Board of Directors for consideration.
- Reviewed Comprehensive Risk Management Ratings of EBL for December 2021. Upon review, the committee endorsed the management strategy to mitigate the identified risks as highlighted in those rating reports.
- Reviewed risk performance against approved Risk Matrix (Key Risk Indicators) for the year ending December 2021, half year ending June 2022 and month ending positions from January to November 2022.
- Reviewed the reports on Risk Management Policies of EBL and effectiveness of risk management functions in the Bank for the year 2021.
- Reviewed and endorsed Bank's risk appetite/internal limits for 2022 on major risk areas to place before Board of Directors for approval. RMC recommended growth in thrust sectors and advised to be cautious in few sectors considering its inherent and emerging risks after COVID-19 pandemic.
- Reviewed risk performance against the risk appetite for the half year ended 2022 and endorsed exposures exceeding the risk appetite with an advice to bring down those exposures within limit.

- Reviewed bank's sustainability rating for the year 2021 and performance against the target of 2022.
- Reviewed Internal Audit Report on Post Import Finance (PIF) and report of PIF Monitoring Unit for Q3 and Q4, 2021, Q1, 2022 in compliance with BRPD Circular No. 12 dated 13 June 2021.
- Periodically reviewed Top 50 credit exposure (Group) of EBL in terms of limit offered to counterparties and advised management to closely monitor the account performance and to pay special attention to the vulnerable accounts.
- RMC highly focused on collection and recovery from delinquent accounts and reviewed implementation status of the strategies adopted in meetings. Throughout the year RMC regularly monitored position of classified, special mention, written-off and compromised settlement accounts, recovery status therefrom and progress in the law suits.
- Reviewed and revised the Foreign Exchange Value at Risk (VaR) limit from June 2022 after the abrupt changes of currency exchange rate. Also endorsed the breaches of Net Open Position (NOP) limit experienced in May 2022.
- Reviewed and endorsed Enterprise Risk Management (ERM) Guideline, Sustainable Banking/Environmental & Social Risk Management (ESRM) Policy, Product Program Guidelines (PPGs) of EBL Corporate Banking (both assets and liability products), fact finding report on corporate and commercial borrowers which became classified within 2 years of relationship, concept paper on financing business in export processing zones & economic zones, concept paper on alternative investments.

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

On behalf of Risk Management Committee,



Mir Nasir Hossain

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

Report of the Asset Liability Committee (ALCO)

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

ALM (Asset-liability management) desk

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

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

Meetings of the ALCO

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

Roles and responsibilities of ALCO

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

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

Major areas focused by ALCO in 2022

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

On behalf of the Asset Liability Committee,



Ali Reza Iftekhar

Managing Director & CEO

Chairman of the Asset Liability Committee

Report of the Executive Risk Management Committee (ERMC)

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

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

Composition of the committee

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

Meetings of ERMC

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

Roles and responsibilities of the committee

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

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

Major areas focused by ERMC in 2022

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

On behalf of the Executive Risk Management Committee,



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

Dividend Distribution Policy of EBL

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

Major highlights of the Dividend Distribution Policy are as follows:

Procedure for payment of dividends

Dividend would be recommended by the Board of Directors based on the Audited Financial Statements of the Bank. All requisite approvals and clearances, where necessary shall be obtained before the declaration of dividend. Dividend shall be approved by the Shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the Board of Directors but no dividend shall exceed the amount recommended by the Directors.

No dividend shall be paid other than out of profits of the year or any other undistributed profits of the Bank. No dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company, if any, or through reducing paid-up capital or through doing anything so that the post-dividend retained earnings become negative or a debit balance.

Interim dividend

The Board of Directors of the Bank shall take decisions with regard to recommending interim dividend for the shareholders on the basis of audited financial statements and declaring the shareholders who shall be entitled to such dividend. No stock or bonus entitlement shall be declared as interim dividend.

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

Final dividend

The Board of Directors of the Bank shall recommend final dividend for the shareholders on the basis of annual audited financial statements and declare the shareholders who shall be entitled to such dividend.

The decision about recommending or not recommending final dividend and entitlement for such dividend, if recommended, shall be taken after considering the interim dividend already distributed and cannot be changed prior to holding of the AGM.

In case of declaration of stock dividend for the year, the Bank shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report.

Entitlement to dividend

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

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

Payment of dividend

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

Cash dividend

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

- Within 10 (ten) days of declaration of cash dividend by the Board of Directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of EBL.
- EBL shall pay off cash dividend directly to the bank account of the entitled shareholders as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholders in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN).
- EBL may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN.
- Upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, EBL shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN.
- In case of non-availability of bank account information or if not possible to distribute cash dividend through BEFTN or electronic payment system, EBL shall issue cash dividend warrant and shall send it by post to the shareholders.
- EBL shall maintain detailed information of unpaid or unclaimed cash dividend and rationale thereof, as per BO account (number-wise or name-wise or folio number-wise) of the shareholders, and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item 'Unclaimed Dividend Account'. EBL shall publish the year-wise summary of its unpaid or unclaimed cash dividend in the website.

Stock dividend

EBL shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholders, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL). EBL shall follow the provisions of "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 entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee,

as applicable, within 15 (fifteen) days of receiving application with an intimation to the Bangladesh Securities and Exchange Commission (BSEC) and Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange PLC.

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

Payment of unclaimed or unpaid cash dividend and stock dividend

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

Submission of dividend distribution compliance report

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

Corporate Governance Report

Corporate governance

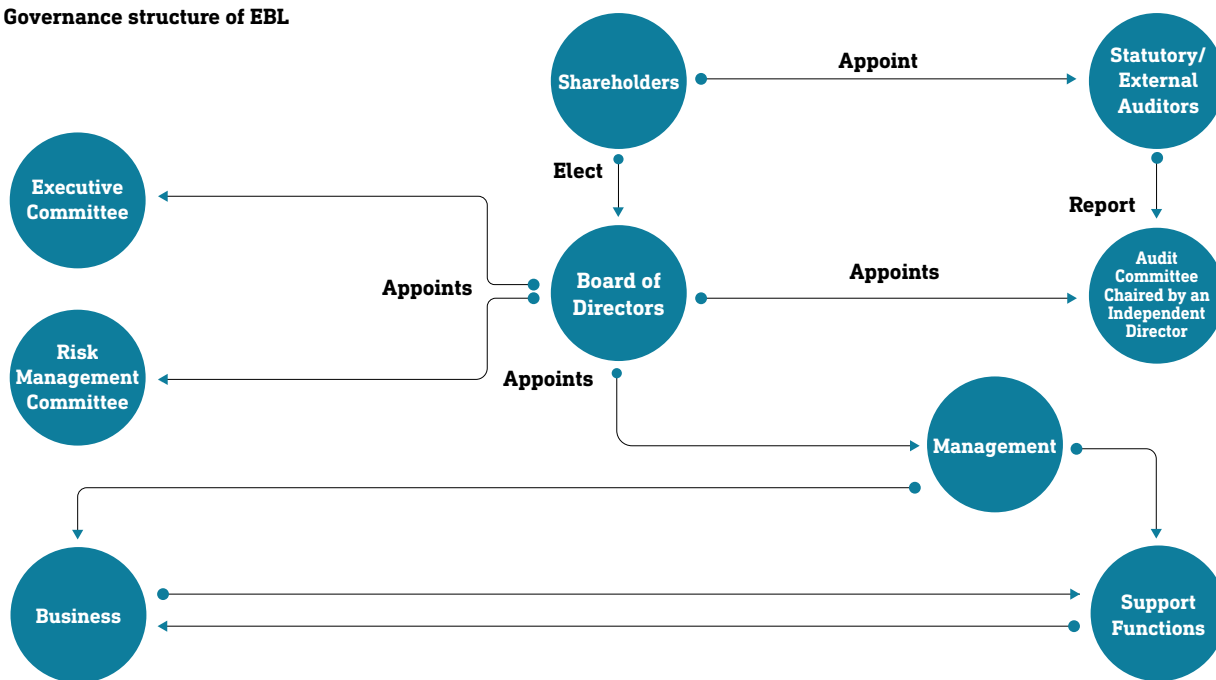
Good governance is the key to proper functioning and sustainable operations of the banking sector as well as overall economy of a country. Banks play an important role in the economy by intermediating funds from savers and depositors to activities that help drive economic growth. Banks' safety and soundness,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

Governance structure of the Bank

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

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

Governance structure of EBL



Guiding philosophy of governance practices

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

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

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

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

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

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

Structure of the Board

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

Policy on appointment of Directors

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

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

Retirement and election of Directors

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

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

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

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

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

Non-Executive Directors

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

Independent Directors

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

Board meeting and attendance

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

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

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

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

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

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

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

Ownership composition

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

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

Directors' shareholding status

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

Shareholding structure of directors is as follows:

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

Free Float Shareholding

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

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

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

Separation of Chairman and Chief Executive Officer Roles

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

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

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

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

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

Roles and responsibilities of the Board of Directors

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

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

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

Responsibilities of the Chairman of the Board

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

The overall responsibilities of the Chairman are to

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

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

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

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

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

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

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

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

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

Appointment of CFO, Head of ICC and CS

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

Independence of Non-Executive Directors

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

Annual appraisal of the Board's performance

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

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

Annual evaluation of MD & CEO by the Board

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

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

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

Training of Directors

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

Directors' knowledge and expertise in Finance and Accounting

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

Compliance with corporate governance guidelines

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

Vision, Mission and Strategy of the Bank

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

Board Committees and their Responsibilities

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

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

Executive Committee (EC)

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

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

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

Audit Committee (AC)

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

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

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

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

Risk Management Committee (RMC)

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

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

Benefits provided to Directors and Managing Director

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

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

EBL has fully complied with Bangladesh Bank Circulars and Guidelines.

Establishment and review of Internal Control System

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

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

Risk management

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

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

Appointment of external auditors

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

Appointment of Independent Scrutinizer for the 31st AGM of EBL

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

Services not provided by external auditors

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

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

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

Highlights on Central Bank inspections

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

Related party transactions

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

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

Code of Conduct and Ethical Guidelines

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

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

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

Compliance of Code of Conduct and Ethical Guidelines

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

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

Board's Review on Disaster Recovery Plan

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

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

Board's Policy on ICT Governance

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

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

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

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

Effective Anti-Money Laundering and Anti-terrorism Program

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

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

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

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

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

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

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

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

Whistleblowing and Anti-Fraud Program

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

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

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

Compliance with Secretarial Standards

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

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

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

Governance of Board of Directors of Subsidiary Companies

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

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

Human capital

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

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

Communication with stakeholders

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

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

Unclaimed dividends

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

Disclosures of dividend information to the shareholders

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

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

Environmental and social obligations

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

Internal Controls: the watchdog of transparency and accountability

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

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

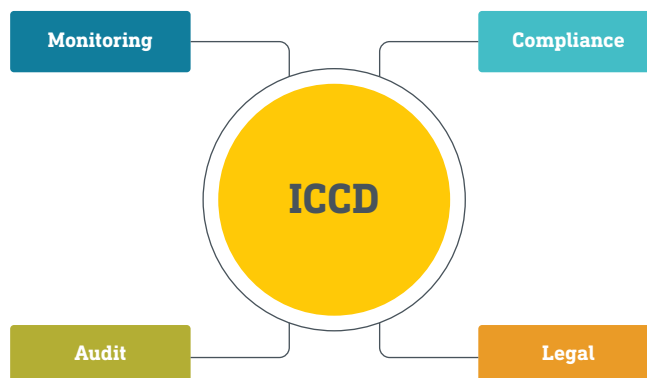
At EBL, the key objective of internal control and compliance is to ensure sustainable improvement in performance through appropriate and adequate use of governance structures. Establishing robust internal controls and ensuring an effective control framework has been one of the top priorities for EBL.

The principal objectives of Bank's internal control include:

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

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

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



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

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

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

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

Internal audit works to support the Bank by:

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

Independence of audit

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

Delivery of Audit department in 2022

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

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

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

Highlights of audit conducted in 2022



Internal audit amidst disruptive technological advancements

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

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

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

Monitoring consists of the following interrelated elements:

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

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

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

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

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

Some major roles of this department are as follows:

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

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

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

Redressal of Investors Complaints

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

Common areas of redressal



EBL's mechanism for redressal

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

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

The Process for Redressal of Investors' Complaints

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

- **Communication**

The concerned officer communicate with the investor regarding the status of the complaint and any further information or clarification required.

- **Resolution**

Based on the findings of the investigation, the Bank then take appropriate action to resolve the complaint.

- **Closure**

Once the complaint has been resolved to the satisfaction of the investor, then the issue is closed.

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



Registered Office Address

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



1st contact point

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



Escalation point

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

Redressal of investors' complaints during the year 2022

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

Synopsis of Q & A session of the last AGM

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

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

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

BSEC Code of Corporate Governance: Our Compliance Status

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

Report under Condition No. 9.00:

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

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

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

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

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

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

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

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

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

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

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

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

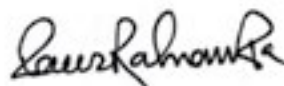
Such compliance with the Corporate Governance Code is the responsibility of the bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

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

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



Partner
Ziaur Rahman Zia FCA
Enrollment No.: 1259

Place: Dhaka
Dated: 18 April 2023

BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2023/046



Date of issue: January 18, 2023

Renewed Certificate

This is to certify that

EASTERN BANK LIMITED

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

This certificate remains current until 31st December 2023.




Secretary General

Going Concern and Viability

Key financial indicators

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

Good governance practices

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

Consistency in dividend payment

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

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

Regulatory compliance

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

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

Capital management

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

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

Credit rating

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

Data security

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

Strong brand image

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

Putting people first

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

Customer service excellence

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

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

From the Desk of Chief Risk Officer (CRO)

Risk management is believed to be one of the core pillars of EBL's functional structure and is designed to make the foundation of the bank stronger. The very nature of banking business makes risk management the fundamental capability towards ensuring sustained growth and supporting consistent value generation over time. So, EBL strives to manage risk precisely to maximize value for its shareholders, clients, employees, and communities.

Our core mandate is to manage portfolio optimally. Delivering on our mandate requires that we proactively manage both risks and opportunities and ensure that we do so in a sustainable manner at all times. In the past two years, we continued to closely monitor factors related to the COVID-19 pandemic and its wide-ranging fallouts. Global economic impacts of the Russia-Ukraine war were also significant. As part of our robust risk management process, we applied a number of stress scenarios to anticipate the consequences of plausible events like outright defaults and possible delays in the collection of maturing assets in order to assess the adequacy of EBL's capital and liquidity. EBL managed to maintain CRAR at 14.61% which is above the regulatory requirement of 12.50%.

We remained vigilant on the economic uncertainties that arose in the later part of 2022 as a result of the abrupt movement in the foreign exchange currency market creating FX liquidity shortage. EBL managed the situation well not to encounter any major impacts due to this scenario.

Reflecting its efforts to take a holistic approach towards managing the risks inherent to Bank's strategy, business and operations, EBL has adopted an Enterprise Risk Management (ERM) framework. By

setting out a standardized mechanism to identify, assess, manage and mitigate all quantitative, qualitative and emerging risks within the bank's risk universe, the ERM framework ensures that risk management is entrenched in all facets of the bank's planning and decision making processes at all levels of the business through a clearly defined risk governance structure.

EBL's Board approved Risk Appetite Statement (RAS) demarks the maximum permissible risks in each respective business segments. The Risk Management Committee (RMC) of the Board works with the Executive Risk Management Committee (ERMC) to establish the parameters for the RAS by providing strategic leadership and guidance, reviewing and approving annual budgets and forecasts for each department under both normal and stressed conditions. They also regularly review and monitor the risk performance through different reports.

Change is never easy and the responses we made to overcome the challenging economic condition were not only necessary to keep giving our customers a fulfilling banking experience, strengthen the foundation of the Bank, and meet rapidly changing regulations, but were also the right decisions that positioned us to usher a bright future for our bank.



M. Khurshed Alam

DMD & Chief Risk Officer (CRO)

Risk Management Report

Risk management at EBL

Risk management activities at EBL are always considered as a key pillar of Bank's strategy for making sure of EBL's journey for remaining EBL a robust, safe and sustainable bank. In 2022, our priority remained safeguarding the interests of our stakeholders while attaining sustainable portfolio growth and mitigating the economic and financial impact of the COVID-19 aftermath.

EBL supported its clients by providing liquidity, credit facilities and payment deferrals through Government and various refinancing and Government aid programs aimed to relieve the economic consequences of the pandemic. EBL's risk management, compliance and control model contributes to sustainable growth.

Key initiatives by EBL in 2022

Considering global and national risk trends, EBL took the following initiatives in 2022 to mitigate risks without hindering its growth potential:

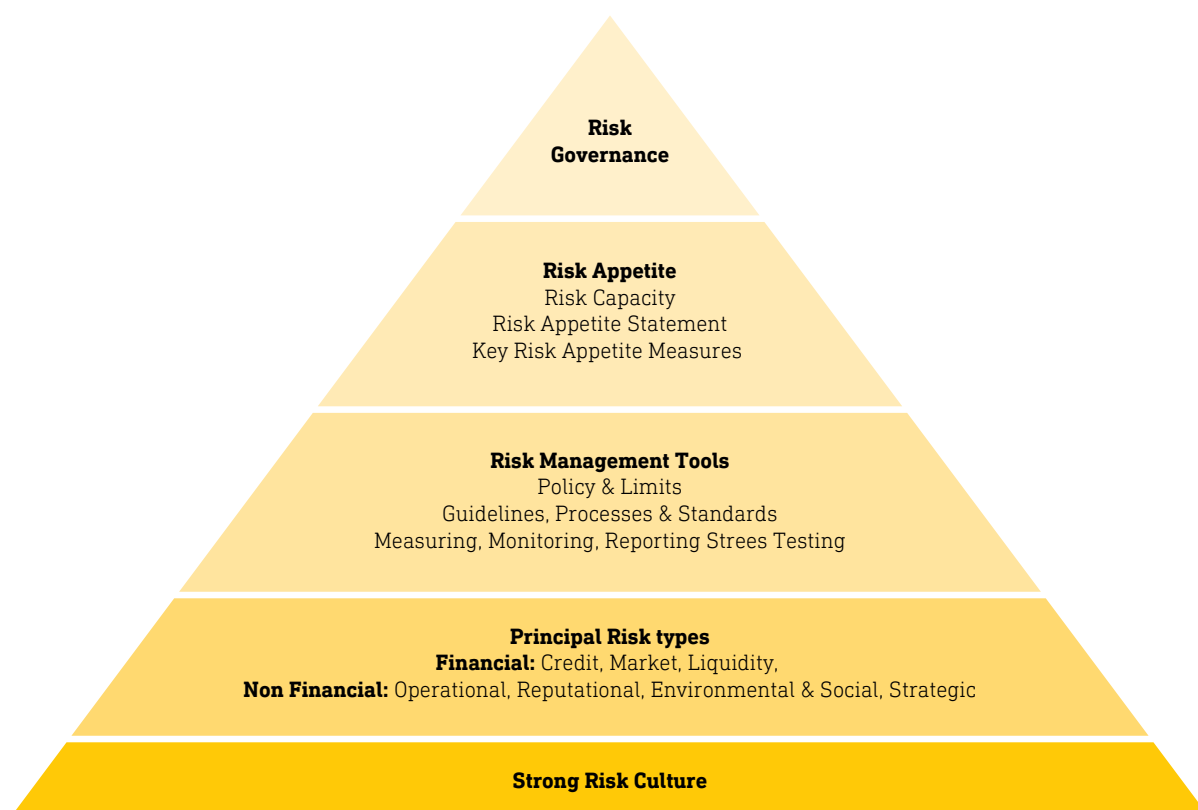
- EBL has taken several initiatives to support the clients. Extension of loan maturity, credit limits, documentation

deferral, and payment pause of installment are some of the mentionable initiatives.

- Initiated clearer segmentation to identify potential vulnerable industries/customer clusters and to modify risk mitigation processes accordingly. Also, initiated impact estimation under various scenarios to determine potential provision needs.
- Digitalized documentation process to reduce lead time of credit appraisal and disbursement.
- Ensured full vaccination of EBL employees and strict adherence to social distancing norms to maintain the operational continuity by minimizing the threat of the pandemic.
- Introduced Sustainable Finance Help Desk in 10 focused branches throughout Bangladesh to promote and enhance green and sustainable finance awareness and disbursement.
- Conducted Risk Management Diagnosis of the risk functions of EBL by IFC based on IFC's Risk Assessment Framework.
- Reviewed and revised Foreign Exchange Value at Risk (VaR) due to abrupt movement of foreign currency exchange rate in the market.

Risk management framework

The key purpose of risk management is to ensure that the outcomes of risk-taking activities are consistent with the Bank's strategies and risk appetite, and that there is an appropriate balance between risk and reward to maximize shareholders value. EBL's Enterprise-Wide Risk Management Framework articulates the foundation for achieving these purposes. This Framework is subject to constant evaluation in order to meet the challenges and requirements including regulatory standards and industry best practices.



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

Lines of Defense	Definition	Key responsibilities include
The First Line of Defense ("First LoD")	Refers to those roles in the Bank whose activities generate risks, whether financial or non-financial, and who own and are accountable for these risks. Management control is the First LoD.	<ul style="list-style-type: none"> Identify and highlight the risks required to undertake revenue-generating activities. Identify, assess, monitor and escalate risks and issues to the second line and senior management and promote a healthy risk culture and good conduct. Manage risks within Risk Appetite, set and execute remediation plans and ensure compliance of regulatory requirements.
The Second Line of Defense ("Second LoD")	Refers to the roles in the Bank which define the risk management framework for specific risk types. Risk control and compliance oversight functions established by EBL management are the Second LoD.	<ul style="list-style-type: none"> Identify, monitor and escalate risks and issues to the Chief Risk Officer, senior management and the Board and promote a healthy risk culture and good conduct. Oversee and challenge first-line risk-taking activities and review first-line risk proposals. Propose Risk Appetite to the Board; monitor and report adherence to Risk Appetite and intervene to curtail business if it is not in line with existing or adjusted Risk Appetite, there is material non-compliance with policy requirements or when operational controls do not help effectively manage risk. Ensure that there are appropriate controls to comply with applicable laws and regulations, and escalate significant non-compliance matters to senior management and the appropriate committees.
The Third Line of Defense ("Third LoD")	Refers to the Independent Internal Audit and Assurance, which is accountable for providing independent and objective assurance on the adequacy of the design, operating effectiveness and efficiency of the risk management system and systems of internal control.	<ul style="list-style-type: none"> Independently assess whether management has identified the key risks in the businesses and whether these are reported and governed in line with the established risk management processes. Independently assess the adequacy of the design of controls and their operating effectiveness.

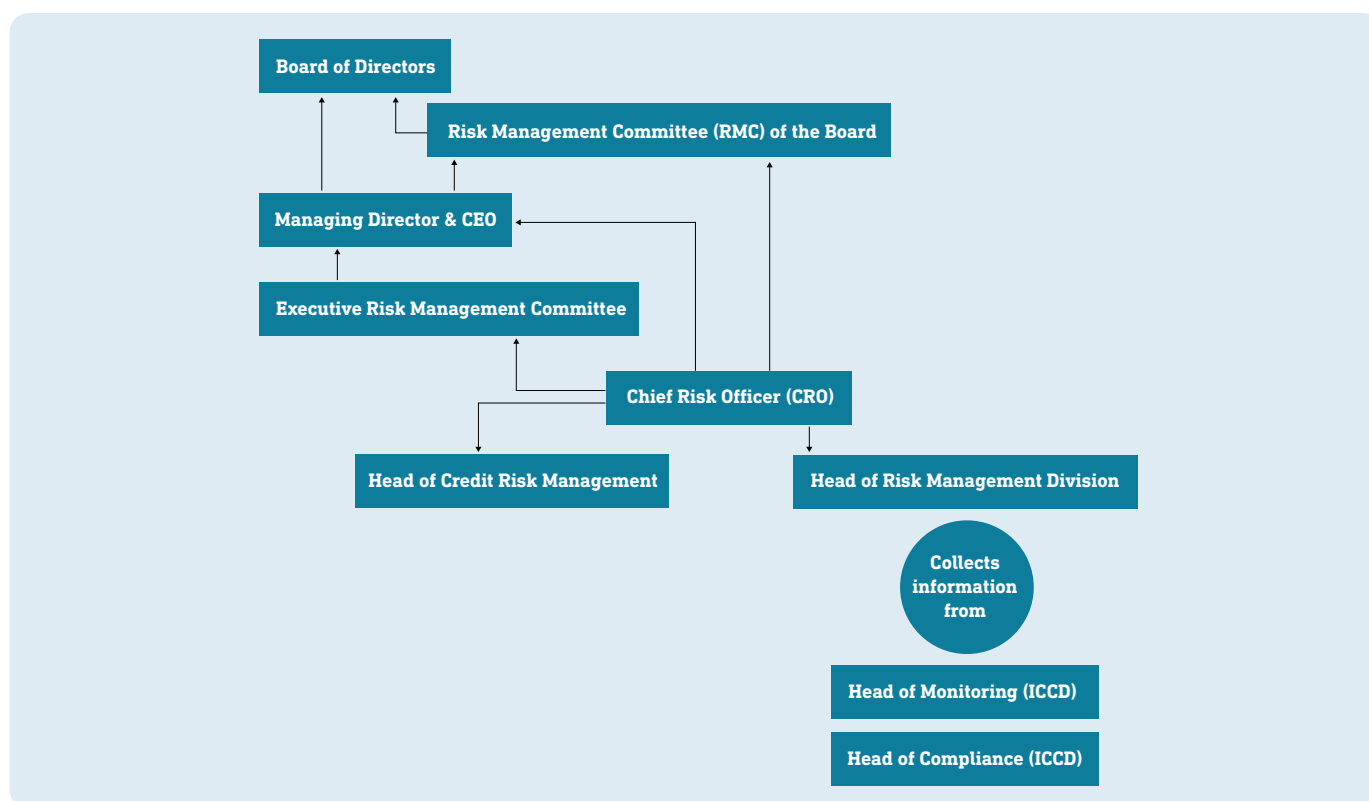
Risk management outline in EBL

- Each of the three lines of defense plays distinct roles in EBL's broader governance framework.
- Every employee of EBL is to act accordingly and consistently with its risk appetite, risk management standards and values.
- The management approved risk appetite is cascaded down and adhered to across all dimensions of the Bank, with appropriate consequences in the event of a breach.
- Within EBL's Risk Management Framework, risks are first identified and assessed. Then, risks are actively managed via appropriate risk mitigation and effective internal control systems.
- Risks are measured and escalated with accurate, complete and timely data using approved models.
- Regular stress tests are carried out against adverse scenarios and appropriate crisis response planning are established accordingly.

The risk management framework is applied enterprise-wide and consists of three key elements:

- Risk governance
 - Risk management governance structure
 - Risk management committees
 - Risk culture
- Risk appetite
- Risk management tools

Governance structure of risk management



Risk management committees

Committees	No of meetings held	Key objectives	Represented by
Risk Management Committee (RMC) of the Board	4	To ensure that the Bank-wide risks are managed within the risk strategy and appetite established by the Board of Directors.	Chaired by Mir Nasir Hossain. Gazi Md. Shakhawat Hossain, Mufakkarul Islam Khasru, Zara Namreen and Dr. Toufic Ahmad Choudhury (Independent Director) are members of the committee. All of them are Board members of EBL.
Executive Risk Management Committee (ERMC)	12	To monitor activities of the risk management division responsible for integrated risk management across the Bank.	Chaired by DMD & Chief Risk Officer. Representatives from Planning, Governance & strategy, Risk Management, Treasury, Business Heads, Operations, CRM, HR, IT, Finance, Internal Control & Compliance are members.
ICT Steering Committee	6	Provides guidance related to risks, funding or sourcing to achieve ICT strategic goals. Monitors and evaluates ICT projects implementation and achievements against ICT strategic plan.	IT, Risk Management, HR, Credit Administration, Operations, Finance and Internal Control & Compliance are members.
Asset Liability Committee (ALCO)	12	To maintain a balance between liquidity and profitability of the Bank containing liquidity risk and interest rate risk at desired level.	Chaired by Managing Director & CEO. Deputy Managing Director, Business Heads, Risk Management, Treasury, Finance are members.
Supervisory Review Process (SRP) Team	6	Implementation of Pillar-II of BASEL III as per requirement of Bangladesh Bank. Regulatory requirements to be the minimum standards to establish.	Chaired by Managing Director & CEO. DMD & CRO, Operations, IT, Treasury, Finance, Risk Management are members.
Credit Risk Management Committee	4	Review of Bank's credit risk appetite, tolerance and strategy considering current and prospective macroeconomic and financial environment.	Chaired by DMD & Chief Risk Officer. Business Heads, Risk Management, Finance and Credit Risk Management are members.
Sustainable Finance Committee	5	Formulate, review and update all policies and guidelines relating to sustainable finance.	Chaired by DMD – Planning, Governance & Strategy. Business Heads, Risk Management, Finance, Credit Risk Management, HR, Admin and Communication are members.

Role of the Board

EBL's operations in home and abroad are steered in line with the goals and policies set by the Board. The role of the Board is vastly important for establishing the overall strategies and policies relating to risk concentration, risk management and conduct of business in line with distinct risk parameters.

The Board is responsible for establishing proper business policies encompassing appropriate and effective risk management, as well as compliance with regulatory requirements and internal guidelines. The Board has established the Risk Management Committee (RMC) of the Board as the central forum for policy making, review and decision making on all risk related matters of the Bank. The RMC meets at least once in every quarter. It also delegates some of its duties to Executive Risk Management Committee (ERMC).

Risk Management Committee (RMC) of the Board supervises:

- Identification and assessment of Bank's risks and guides management to formulate the strategies.
- Implementation of effective risk governance culture.
- Periodic review and approval of Bank's risk management policy.
- Implementation of risk management policy.
- Bank's environmental & social risk management.

Risk culture at EBL

Risk-taking and risk management activities across EBL are guided by the following ideas:

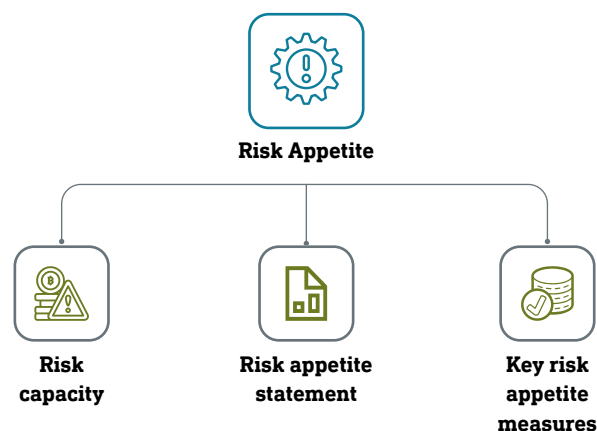
- Balancing Risk and Reward
- Understanding the Risks
- Forward Thinking

- Shared Accountability
- Customer Focus
- Protect the Brand "EBL"
- Robust and resilient control environment
- Performance and compensation structures

Risk appetite

Risk appetite is the amount and type of risk an organization is prepared to pursue or take in order to attain the objectives of the organization and those of its shareholders and other stakeholders.

EBL's risk appetite framework consists of risk capacity, risk appetite statement and key risk appetite measures. Application of the risk appetite statement and monitoring of the key risk appetite measures help to ensure that the Bank stays within appropriate risk boundaries. Bank's credit risk appetite further defines the Bank's risk appetite with respect to lending, counterparty credit risk, and other credit risks.



Risk Appetite Criteria	Appetite 2022	EBL's position	
		2022	2021
Credit risk			
Non-Performing Loans (NPL)	Less than 3.75%	2.78%	3.70%
Aggregate on and off balance sheet exposure on customers internally rated (CRGM) between 1-5	More than 60%	78.76%	82.88%
Exposure to obligor/s exceeding single borrower exposure limit	Less than 15%	0.96%	0.06%
Large loan concentration	Less than 46%	31.00%	33.28%
Loan concentration on top 20 borrowers	Less than 30%	26.89%	23.10%
Off balance sheet exposure as percentage of total assets	Less than 45%	36.21%	36.48%
Percentage of portfolio with credit rating	More than 65%	84.50%	82.88%
Market risk			
Impact on net interest income due to change in interest rate	Less than 10%	3.30%	3.91%
Value at Risk (VAR)	Less than Tk. 50 million	18.52	0.3
Concentration on top 10 depositors	Less than 20%	7.47%	10.51%
Capital Market exposure	Less than 25%	24.65%	22.20%
Liquidity risk			
Advance to Deposit Ratio (AD)	Less than 87%	77.83%	79.69%
Liquidity Coverage Ratio (LCR)	100% or more	104.36%	144.97%
Net Stable Funding Ratio (NSFR)	More than 100%	105.53%	104.40%
Maximum Cumulative Outflow (MCO)	Less than 16.5%	14.68%	14.51%

Risk Appetite Criteria	Appetite 2022	EBL's position	
		2022	2021
Operational risk			
Internal fraud	0.20% of last 3 years' avg. operating profit	0.00%	0.00%
External fraud	0.80% of last 3 years' avg. operating profit	0.00%	0.00%
Employment practice and workplace safety	0.10% of last 3 years' avg. operating profit	0.00%	0.00%
Clients, products, and business practice	0.10% of last 3 years' avg. operating profit	0.00%	0.00%
Damage to physical assets	0.20% of last 3 years' avg. operating profit	0.00%	0.00%
Business disruption and system failure	0.15% of last 3 years' avg. operating profit	0.00%	0.00%
Execution, delivery and process management	0.45% of last 3 years' avg. operating profit	0.00%	0.00%
Overall operational risk	2% of last 3 years' avg. operating profit	0.00%	0.00%
Capital management			
Capital to risk weighted assets (RWA) ratio (CRAR)	More than 12.50%	14.61%	14.08%
Leverage ratio	More than 3%	5.57%	5.69%
Tier 1 Capital ratio (including Capital Conservation Buffer)	More than 8.5%	10.73%	10.31%
Stress test (Impact on capital under combined minor shock)	More than 10.0%	10.32%	10.12%

Risk management tools



Policies and limits

Policies

Industry best practices and regulatory requirements are incorporated into the policies. Policies are guided by the Bank's risk appetite and set the limits and controls within which the Bank and its subsidiaries can operate.

- Key risk policies are approved by the Board of Directors.
- Management level risk policies/instruction manuals related to processes such as credit instruction manual and new products initiations are approved by senior executive management and/or key risk committees.

Limits

Limits control risk-taking activities within the tolerances established by the Board and senior management. Limits also establish accountability for key tasks in the risk-taking process and establish the level or conditions under which transactions may be approved or executed.

Guidelines, processes and standards

Guidelines

Guidelines ensure the Bank has the appropriate knowledge of clients, products, and markets and that it fully understands the risks associated with the business it underwrites. Guidelines may change from time to time, due to market or other circumstances. Risk taking outside of guidelines usually requires approval of the Bank's Managing Director & CEO.

Processes

The activities are associated with identifying, evaluating, documenting, reporting and controlling risk.

Standards

Standards are developed on an enterprise-wide basis, and documented in a series of policies, manuals and handbooks under the purview of Risk Management Division.

Forward looking exercises

Stress testing programs at enterprise level allow the Bank to estimate the potential impact on income, capital and liquidity of significant changes in market conditions, credit environment, liquidity demands, or other risk factors. The development, approval and on-going review of the Bank's stress testing programs are subject to Bangladesh Bank's updated guidelines and instructions. Stress testing report is prepared on quarterly basis and presented to the Risk Management Committee of the Board.

Promoting risk culture & risk awareness

To promote risk culture across the bank and to build up awareness the following employees were provided training:

Sl.	Subject	No. of Courses	Total Participants
1	Asset-liability risk management	7	232
2	Credit risk management	27	1,063
3	FX risk management	7	263
4	Internal control & compliance risk management	9	275
5	Anti-money laundering risk management	60	3,755
6	ICT risk management	17	3,460
7	Comprehensive risk management	19	340
8	Basel Core principles	1	1
Total		147	9,389

Risk assessment, monitoring and reporting

Risk assessment and measurement

The Bank uses models for different purposes including estimating the value of transactions, measuring risk exposures, determining credit risk ratings and parameters, and calculating economic and regulatory capital. The use of quantitative risk methodologies and models is balanced by a strong governance framework and includes the application of sound and experienced judgment.

Regular monitoring

The Bank ensures that business activities are within approved limits or guidelines, and are aligned with the Bank's strategies and risk appetite. Breaches, if any, of these limits or guidelines are reported to senior management, risk committees, and/or the Board depending on the limit or guideline.

Risk reports

Aggregate measures of risk across products and businesses are used in compliance with policies, limits, and guidelines. They also provide a clear statement of the amount, types, and sensitivity of the various risks in the Bank's portfolio. Senior management and the Board use this information to understand the Bank's risk profile and the performance of the portfolios.

Risk mitigation methodologies

Principal risk types at a glance



Quantitative Risks

- Credit risk
- Market risk
- Liquidity and funding risk
- Strategic risk



Qualitative Risks

- Operational risk
- Reputational risk
- Environmental & social risk



Emerging Risks

- Forex crisis
- War Situation

Risk types		Governing documentation	Application to risk appetite limits/ tolerances
Quantitative Risks	Credit risk	Credit policy manual, credit instruction manual, risk appetite	<ul style="list-style-type: none"> Exposure to a single customer or group of related parties. Industry concentrations (exposure and risk adjusted concentration limits).
	Market risk	Asset liability management policy, Foreign exchange risk management policy and Treasury mid-office operating guideline.	<ul style="list-style-type: none"> Various VaR limits, stress test results, equity and debt investment exposures. Structural interest rate and foreign exchange exposure. Duration analysis.
	Liquidity and funding risk	Asset liability management policy, Fund transfer pricing policy.	<ul style="list-style-type: none"> Hold appropriate levels of unencumbered high quality liquid assets that can be readily sold or pledged; Limits to control the maximum net cash outflow over specified short-term horizon; and Diversification of funding by source, type of depositor, instrument, term.
	Strategic risk	Risk appetite, annual budget, strategic planning	<ul style="list-style-type: none"> It links the Bank's risk appetite framework with the enterprise strategy, business line strategies and corporate function strategies.
Qualitative Risks	Operational risk	Internal control & compliance policy, fraud & theft risk prevention & management policy, ICT Security Policy, outsourcing policy, AML policy, People management policy	<ul style="list-style-type: none"> Systematic identification, measurement, mitigation and monitoring of operational risk. Minimization of residual operational risk; and Expressed quantitatively by an aggregate loss limit.
	Reputational risk	Customer service & complaints management policy	<ul style="list-style-type: none"> Low tolerance for reputational, legal, or taxation risks arising from business activities, initiatives, products, services, transactions or processes, or from a lack of suitability of products for clients.
	Environmental & social risk	Credit policy manual, Credit instruction manual	<ul style="list-style-type: none"> Ensuring that projects are developed in a socially responsible manner.

Credit risk management

Credit risk refers to potential financial loss from the default or credit quality deterioration of a customer or other third party with whom EBL has a contractual obligation. It is our most important risk in terms of exposure and capital consumption.

Effective management of credit risk requires the establishment of an appropriate credit risk culture. Board of Directors, either directly or through the Risk Management Committee (of the Board), reviews and approves the Bank's credit risk appetite annually and credit policy manual triennially.

The objectives of the Credit Risk Appetite are to ensure that:

- Target markets and product offerings are well defined at both the enterprise-wide and business line levels;
- Risk parameters for new underwritings and for the portfolios as a whole are clearly specified;

Credit Risk Policy articulates the credit risk management framework, including:



Key credit risk management principles



Delegation of authority



Counterparty risk management for trading and investment activities

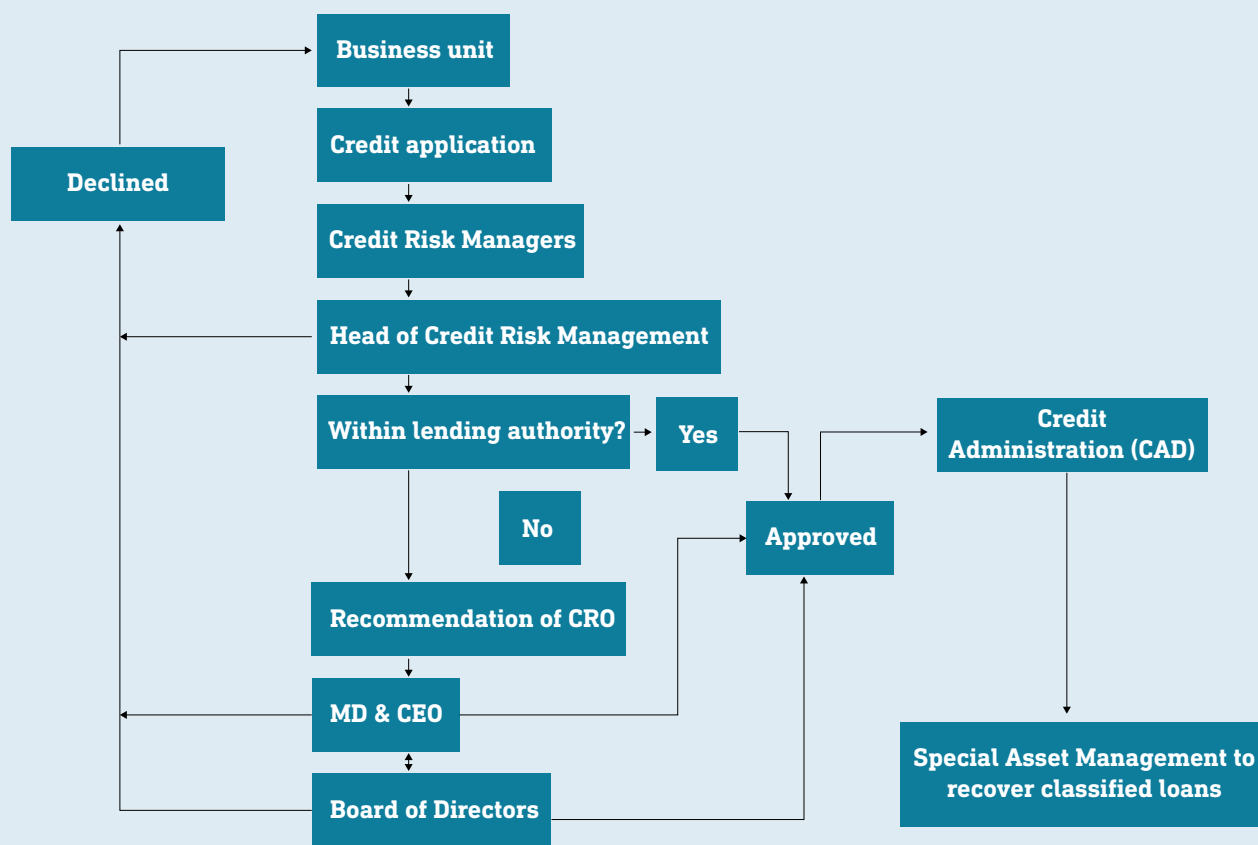


Aggregate limits, beyond which credit applications must be escalated to the Board for approval



Single borrower/ aggregation exposures, beyond which a summary of exposures must be reported to the Board.

Credit management process

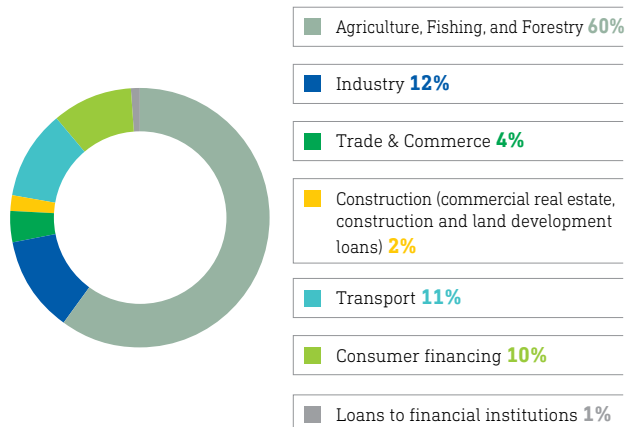


Industry and sector wise loan concentration scenario

14.67% Credit growth

Credit portfolio registered a growth of 14.67% in 2022. More than 62% of the portfolio is concentrated in industry sector. The second biggest concentration is in Trade & Commerce sector with a concentration of around 12% closely followed by consumer finance sector which is 10.17%.

Sector-wise Portfolio Concentration



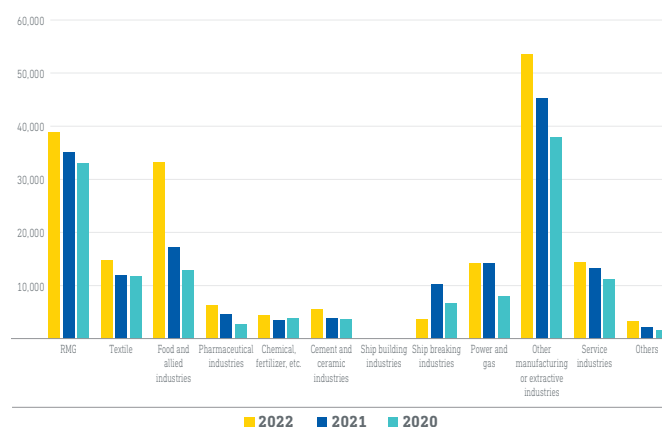
Industry concentration

62.63% Industry concentration

The concentration in industries is the highest in the entire portfolio. According to the guideline provided by the central bank if we segregate the industry sector into the twelve sectors we can see, other manufacturing & extractive industries has the highest concentration (27.8%) followed by RMG (20.19%). As economic activities are reviving in normal condition after lifting of the lockdown, EBL has increased exposure to previously tested clients with good credit background.

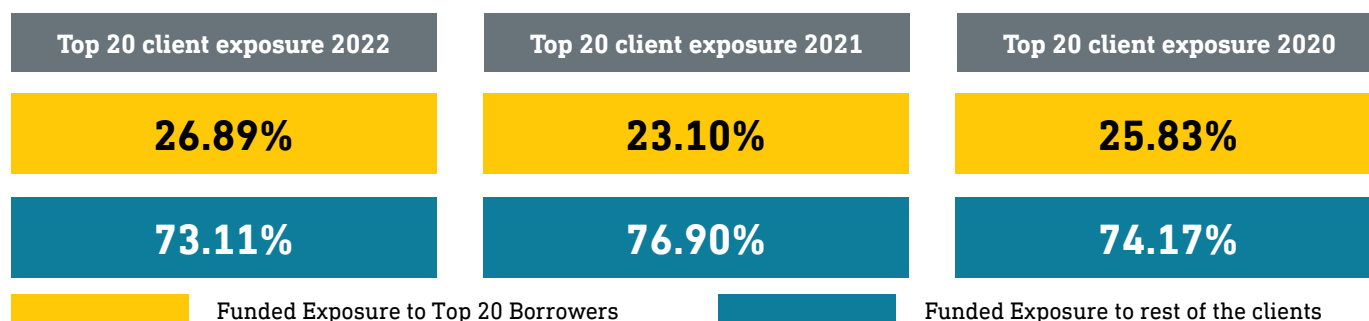
Industry Concentration

BDT in million



Concentration among top borrowers

Bank's fund based exposure to top 20 customers is about 26.89% of total loans and advances. To maintain a sustainable portfolio with steady growth, the bank has been diversifying its loan portfolio as evident from the following chart:



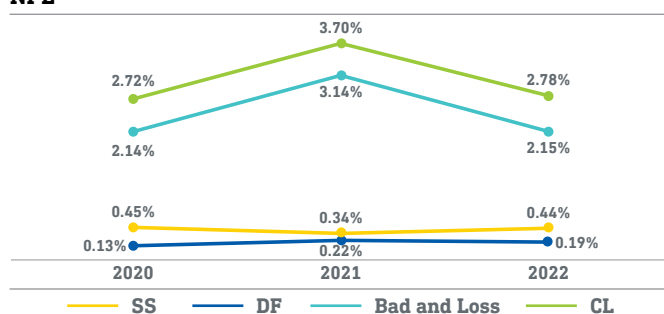
Asset quality

EBL NPL ratio **2.78%**

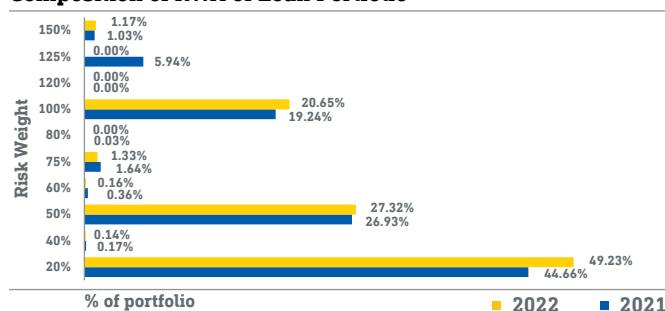
Banking industry NPL ratio **8.16%**

Both amount and ratio of classified loans decreased in 2022 from the position a year ago. NPL ratio of EBL stood at 2.78% as of December 2022 whereas industry NPL ratio was 8.16% as of that date. NPL ratio decreased by 92 bp from 3.70% of December 2021. NPL is the key challenge for not only EBL but also for the whole banking industry in recent times and EBL always puts utmost importance to keep the non performing portfolio as low as possible to protect the interest of the stakeholders.

NPL



Composition of RWA of Loan Portfolio



Particulars	2022	2021	2020
% of rated loans to total eligible loans for rating	84.5%	82.88%	78.42%

Percentage of rated portfolio increased year on year by 162 basis points and amount of rated portfolio increased by 34.97%.

Loan portfolio under stressed scenario

Particulars	2022			2021		
	Minor	Moderate	Major	Minor	Moderate	Major
Shock applied by the bank	3%	9%	15%	3%	9%	15%
CRAR due to Increase in NPL	12.48%	7.80%	2.14%	12.04%	7.58%	2.24%
Shock applied by the bank	10%	20%	40%	10%	20%	40%
CRAR due to Decrease in value of collateral taken against loans and advances	14.52%	14.42%	14.23%	13.99%	13.90%	13.71%
Shock applied by the bank	5%	10%	15%	5%	10%	15%
CRAR due to Negative Shift within NPL	14.36%	13.10%	12.90%	13.88%	11.70%	11.49%
Shock applied by the bank	3%	9%	15%	3%	9%	15%
CRAR if some sectors become classified	13.78%	12.11%	10.39%	13.42%	12.10%	10.75%
Shock applied by the bank	3	7	10	3	7	10
CRAR if some large borrowers become classified	9.88%	5.44%	2.45%	8.91%	4.67%	2.19%
Combined credit risk result (after shock)						
CRAR after combined credit shock	10.32%	2.47%	(6.23%)	11.74%	5.02%	(0.71%)

Capital to Risk weighted Assets Ratio (CRAR) stays above the regulatory requirement in most stressed scenarios as evident from the above table.

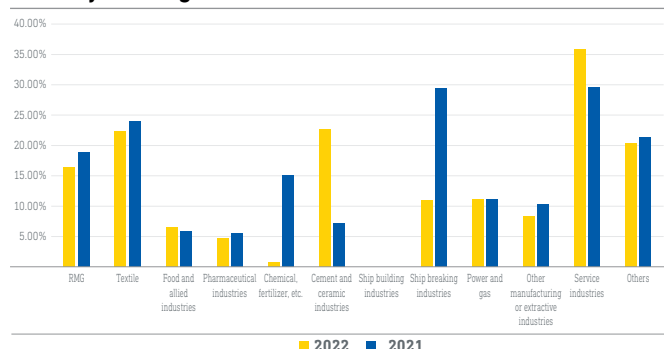
Credit risk mitigation – collateral/security

Collateral values are accurately identified at the outset and throughout the tenure of a transaction by using standard evaluation methodologies. The frequency of collateral valuations is also increased when early warning signals of a borrower's deteriorating financial condition are identified.

Bank procedures require verification including certification by Bank officials during initial, annual, and periodic reviews that collateral values/margins/etc. have been assessed and, where necessary, steps have been taken to mitigate any decrease in collateral values.

Industry wise security coverage scenario is presented below:

Security Coverage



Liquidity risk

Liquidity risk is the potential loss to a bank arising from either its inability to meet its obligations as they fall due or to fund growth of assets incurring unacceptable cost or losses.

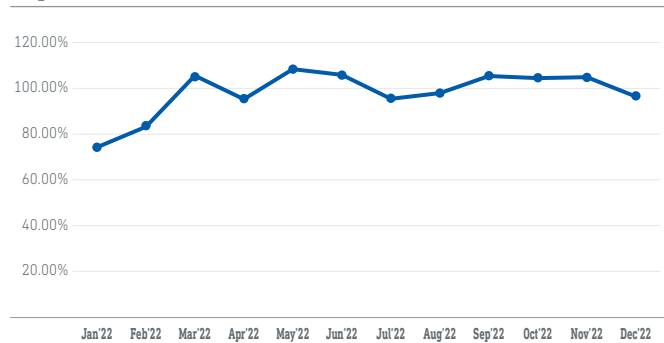
Liquidity risk measurement

An important aspect of measuring liquidity is making assumptions about future funding needs. EBL has identified several key liquidity risk indicators which are monitored on a regular basis to ensure healthy liquidity position.

Liquid assets to short term liabilities

To calculate liquid asset, cash in hand, balance with Bangladesh Bank, other banks & financial institutions, money on call and investment (Government) are considered. To calculate short term liabilities, those liabilities which will be maturing within 3 months are considered.

Liquid Assets to Short Term Liabilities

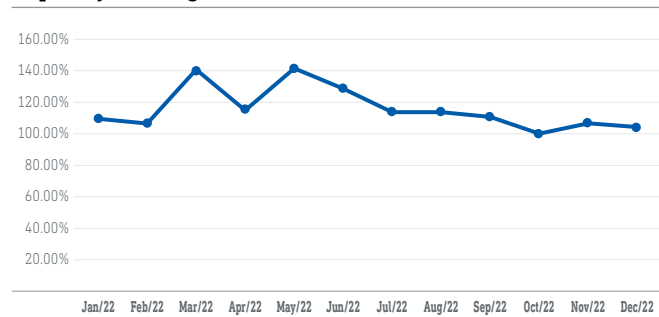


The average Liquid asset to short term liabilities ratio was 98.00% in 2022.

Liquidity Coverage Ratio (LCR)

115.97% Average LCR

Liquidity Coverage Ratio (LCR)

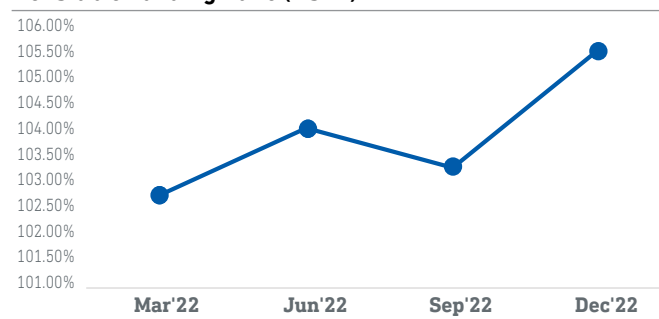


LCR signifies that a bank maintains an adequate level of unencumbered, high-quality liquid assets that can be converted into cash to meet its liquidity needs for 30 calendar days. Liquidity Coverage ratio is calculated as per format provided by Bangladesh Bank. Average LCR for 2022 was 115.97%, which is above the minimum regulatory requirement of 100%.

Net Stable Funding Ratio (NSFR)

103.90% Average NSFR

Net Stable Funding Ratio (NSFR)



NSFR aims at limiting over-reliance on short-term wholesale funding during times of abundant market liquidity and encourages better assessment of liquidity risk across all on- and off-balance sheet items. This ratio is part of BASEL III liquidity parameters and calculated on central bank's guidelines and methodologies.

Liquidity risk management and mitigation

In order to develop comprehensive liquidity risk management framework, EBL has Contingency Funding Plan (CFP), which is a set of policies and procedures that serve as a blueprint for the Bank to meet its funding needs in a timely manner and at a reasonable cost.

CFP is an extension of ongoing liquidity management that formalizes the objectives of liquidity management by ensuring:

- A reasonable amount of liquid assets is maintained;
- Measurement and projection of funding requirements during various scenarios; and
- Management of access to funding sources.

Market risk

Market risk is the risk of loss from changes in market prices and rates (including interest rates, credit spreads, equity prices, foreign exchange rates and commodity prices), the correlations among them and their levels of volatility.

Market risk governance

Risk Management Division (RMD) and the Bank's Treasury Department are responsible for risk identification, measurement, monitoring, control, and management reporting in relation to market risk. Overall risk parameters and exposures of the Bank are monitored by RMD and reported to Executive Risk Management Committee (ERMC).

Treasury mid office guideline contains core principles, functions, and responsibilities of mid office. Mid office monitors and analyzes treasury deals from the risk on counterpart, individual dealers, dealing currency, tenor, time of execution and appropriateness point of view. Findings from the analysis escalated to appropriate authority for notification and approval of exceptions (if any) on a daily, weekly and monthly interval.

Market risk factors

Interest rate risk

Interest rate risk of the Bank arises from adverse and unanticipated movements in future interest rates that could impact core business activities; granting of credit facilities, accepting deposits and issuing debt instruments, leading to fluctuations in earnings.

The techniques for measuring Bank's interest rate risk exposure begin with a maturity/re-pricing schedule that distributes interest sensitive assets, liabilities, and off-balance sheet positions into certain number of predefined time bands according to their maturity (if fixed rate) or time remaining to their next re-pricing (if floating rate).

Exchange rate risk

Exchange rate risk is the current or prospective risk to earnings and capital arising from adverse movements in currency exchange rates. Banks foreign exchange risk may arise from following activities:

- i. Holding foreign currency position in the banking book in the form of loans in foreign currency.
- ii. Engaging in derivative transactions that are denominated in foreign currency for trading or hedging.
- iii. Settlement risk due to default of counter parties.
- iv. Time-zone risk, which arises out of time lags in settlement of one currency in one center and settlement of another currency in another center located at different time zone.

Bank's foreign exchange risk management policies and procedure include:

- i. Accounting and management information systems to measure and monitor foreign exchange positions, foreign exchange risk and foreign exchange gains or losses;
- ii. Governing the management of foreign currency activities; and
- iii. Independent inspections or audits

Throughout 2022, banking sector witnessed abrupt movement of foreign currency exchange rate in the market. Foreign Exchange Value at Risk (VaR) was reviewed and revised to accommodate the changing market dynamics.

Investment portfolio risk

Bank holds investment portfolios to meet liquidity and statutory reserve requirements and for earning purposes. These portfolios expose the Bank to interest rate, foreign currency, credit spread and equity risks and are controlled by a Board-approved policy and limits.

Other risks

Operational risk

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk. Operational risks not only result in financial loss but also regulatory sanctions and damage to the Bank's reputation. In this regard, EBL is very successful at mitigating operational risk safeguarding client's assets and preserving shareholder's value.

Risk Management Division introduced comprehensive risk register for operational risk compiling the parameters as in regulatory frameworks. Risk Management team collects the status from the source departments to compile the risk performance and escalate the findings as appropriate.

Reputational risk

Reputational risk is the possibility of having negative impact on an organization's revenues, operations or customer base, or require costly litigation or other defensive measures due to negative publicity about the organization's conduct, business practices or associations whether true or not. However, EBL takes every step to safeguard its core values/purpose. Currently the adverse change in External Credit Rating of EBL, loss arising from internal and/or external frauds, non-payment or delayed payment of accepted bills and quality of customer service are considered for capital charge under pillar II as reputational risk factors of the Bank.

Environmental risk

Environmental risk refers to the possibility that environmental concerns might affect financial performance of the Bank. How EBL addresses this issue is more elaborately highlighted in sustainability report.

Strategic risk

Strategic risk is the risk that the Bank's business strategies are ineffective, being poorly executed, or insufficiently resilient to changes in the business environment. EBL believes that prudent and proactive approach in managing strategic risks would deliver results and outperform its peers in many aspects including profitability, customer loyalty and market share. Currently CAMELS rating of EBL, cost to income ratio, NPL ratio, recovery from classified loan in a year, written-off Loan for the year, interest waived during the year and comparison of base rate against lending rate are considered as measurement tool for strategic risk.

Money laundering & terrorist financing risk

Money Laundering (ML) & Terrorist Financing (TF) risk refers to financial, reputational, operational, legal risk of bank resulting from being conduit of illicit fund/assets of perpetrators. Using bank to place illicit origin or ill motive of funds is the prime intention of perpetrators. Since they are adopting modern techniques to use financial channels as conduit of ML & TF, global financial channels are facing new challenges to ensure AML/CFT compliance.

In compliance with timely initiative and instruction of regulators, we have strengthened AML/CFT compliance framework in EBL. Board of Directors & senior management have adopted “Zero Tolerance” stand against Money laundering & Terrorist Financing to set the tone at the Top. Central Compliance Committee (CCC) has been reconstructed with 14 crucial department/division heads so that they can actively contribute in AML/CFT compliance program. The committee reviews the emerging ML/TF risk issues and provides guidance on next course of action in quarterly meetings. DMD & Chief Anti-Money Laundering Compliance Officer (CAMLCO) is leading a dedicated AML Department consisting of 12 employees to address AML/CFT issues centrally from Head Office. AML Department is continuously monitoring transactions to identify unusual/suspicious transactions and ensure meticulous reporting to BFIU as and when required. In addition to nominating Branch Anti-Money Laundering Compliance Officer (BAMLCO) at 83 branches, EBL has nominated Department Anti-Money Laundering Compliance Officer (DAMLCO) at 25 crucial departments to oversee AML/CFT compliance. EBL has implemented automated transaction monitoring and sanction screening system to corroborate AML/CFT compliance program. As a result of deploying adequate resource in technology and skilled manpower, suspicious transactions/activities identification, escalation and reporting have been improved significantly. In aspiration to improve further and continue development programs, EBL has adopted awareness programs such as need based training, foundation trainings, certification programs etc. for its employees.

Information and communication technology (ICT) risk

Effective ICT risk management has become essential for EBL as it relies increasingly on technology to achieve the organizational objectives. As the risks emerge in tandem with technological advancements, ICT security efforts need to be strengthened to ensure appropriate security controls to maintain integrity, confidentiality and availability of information. EBL is committed to protect customer information and assets from any unauthorized use and/or fraud. Some important endeavors in this regard are mentioned below:

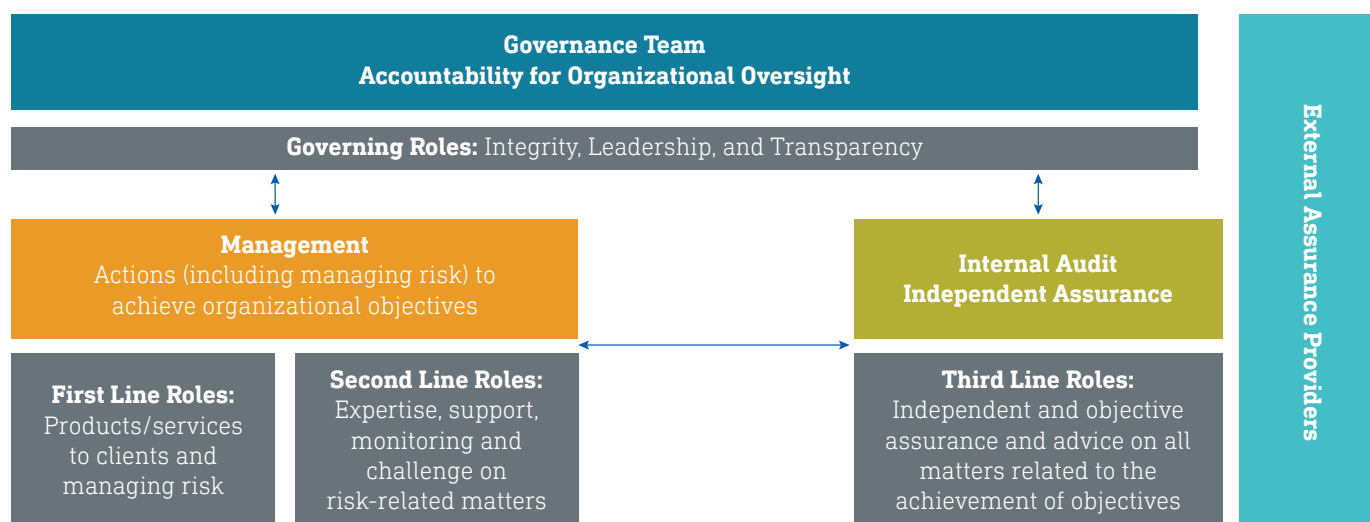
- ICT Security Policy, ICT Risk Management Policy and ICT Project Management Policy had been updated.

- Data Management Policy has been developed to set the goals, directions, restrictions, limitations, and accountability of all data at EBL.
- PCI-DSS recertified for seven consecutive years. Additionally, ISO 27001:2013 ISMS certification has been renewed through continuous development for four years in a row.
- EBL has upgraded the Core Banking System to improve the risk stance along with the scope and quality of its banking services.
- Vulnerability Assessment and Penetration Testing (VAPT) has been conducted periodically for all systems to determine flaws and exploitable weaknesses.
- Continuously deploying security patches and updating software versions to mitigate the risk of known vulnerabilities at Operating Systems and Software levels.
- Access lists have been reviewed periodically to prevent the risk of misuse of user access privileges in business-critical applications. We have ensured multi-factor authentication of some systems to limit access on a need-to-know basis.
- For the first time, EBL conducted Customer Security Program (CSP) assessment by a third-party assessor with the goal to strengthen the cyber security posture of the SWIFT payment network.
- As a part of the proactive measures, EBL ran a phishing simulation program for all of its internal employees to improve their awareness of phishing threats and increase the likelihood that they will respond correctly when they encounter a suspicious email. Along with this, EBL arranged an e-certification exam on ICT security and Compliance for all EBL employees to identify security threats.
- Internal and External ICT audits have been carried out and findings are sufficiently addressed.

Planning, Strategy & Governance

The department of Governance under Planning, Strategy and Governance in EBL is designed on the basis of controlling risks along with a knowledge of governance to manage them effectively. The structure of this department also includes Three Lines of Defense functions to ensure a robust risk culture throughout the bank.

Governance Model



To ensure good governance, EBL focuses on managing and controlling the Operational Risks to enhance operational quality and efficiency. The aim of identifying and managing the risk factors of banking applications are achieved through following steps:



Governance delegates responsibilities and provides guideline to Business and Support Units for achieving the objectives of the organization while ensuring legal, regulatory, and ethical expectations are met.

- Governance has provided the business and support units a clear and precise list of functions along with their risk weightage upon non-compliance in excel based template, also known as Risk Control Self-Assessment (RCSA) tool.
- The quantifying tool is focused to conduct a regular self-monitoring of tasks under different units/ departments in a division.
- RCSA is formulated to help minimizing the emergence of colossal risks from operational activities.



Overseeing an independent, objective, and competent Internal Audit function to provide clarity and confidence on progress toward the achievement of objectives.

- After the Second Line of Defense, Internal Audit will provide valuable input to the responsible persons for operational risk management, but should not have direct operational risk management responsibilities.
- While monitoring and auditing independently, the similarities and deviations from prepared checklists and practices would be clear and it will be vital to certify the full-bodied compliance culture in the bank.

Risk Control Self-Assessment (RCSA)



Particulars

Divisions are segregated as per the types of Operations



Type of Lapses

Risk upon non-compliance of the operation is tagged, under the heading of 'type of lapse'



Risk Level

Risk Level would be auto filled upon selection of the Type of Lapse



Risk Point

Risk Point is to quantify the selected Type of Lapse



Risk Weight

To calculate the weight percentage the particular Operation is carrying compared to other Operations in a particular unit.



Allotted Score

To be selected when the risk managers assess their status of compliance level on the tasks



Score Obtained

Score is obtained from multiplying the Risk Weight and Allotted Score

The Risk Control Self-Assessment process (RCSA) comprises of a series of calculations of the risks generated by departments and branches (1st Line of Defense), the effectiveness of the controls in place to manage them, and the remediation actions required to minimize risks.

Disclosure of Risk Reporting

Name of the Report	Frequency	Purpose
Monthly Risk Management Report (MRMR)	Monthly	Providing comprehensive overview of the Bank's risk profile.
Comprehensive Risk Management Report (CRMR)	Half Yearly	Providing comprehensive overview of the Bank's risk profile with specific findings and recommendations to manage risk.
Internal Capital Adequacy Assessment Report (ICAAP)	Annually	Determining capital adequacy against the Bank's overall risk profile under Pillar II of Basel III.
Market Discipline	Annually	Disclosing key information of Bank's assets, risk exposures, risk assessment processes, and capital adequacy to meet the risks so that stakeholders can assess the position of the bank.
Stress Testing	Quarterly	Conducting scenario analysis under a set of exceptional, but plausible assumptions to assess the impact of capital base under different shock level.
Risk Appetite Statement	Annually	Determining the level and type of risk the Bank is able and willing to assume in its exposures and business activities, given its business objectives and obligations to stakeholders

Way forward

- Simplifying key processes by integrating human intelligence with IT solutions.
- Maintaining regularity of the existing portfolio will be our foremost priority. Equal emphasis will be placed on recovery efforts from non-performing and written-off loans.
- Reviewing the performance of the recovery status of the non-performing assets and updating the status to management and RMC of the Board.
- Increasing organization-wide risk awareness, empowering employees with understanding of risks involved with their specific tasks, and how they can be responsible in managing risk exposures concerning their functions.
- Ensuring monitoring of risk performance is aligned with the risk appetite of the Bank and escalating the breaches to the Top Management of the Bank.
- Contributing towards Bank's profitability by providing analysis on risk adjusted results; facilitating for informed decision making.
- Ensuring Bank's risk management framework is going as per the goal, mission and vision of the Bank.

Disclosures on Risk Based Capital (Basel III)

Background

Basel III reforms are the response of Basel Committee on Banking Supervision (BCBS) to improve the banking sector's ability to absorb shocks arising from financial and economic stress, whatever the source, and reduce the risk of spillover from the financial sector to the real economy. Basel III mainly addresses the following areas:

- raise the quality and level of capital to ensure banks are better able to absorb losses both as a going concern and a gone concern.
- increase the risk coverage and strengthen the capital framework.
- introduce leverage ratio to serve as a backstop to the risk-based capital measure.
- raise the standards of supervisory review process (Pillar 2) and public disclosures (Pillar 3) etc.

In compliance with the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, banks in Bangladesh have formally entered into Basel III regime from 1 January 2015. The new capital and liquidity standards have greater business implications for banks. Eastern Bank Limited (EBL) has also adopted Basel III framework as part of its capital management strategy in line with the revised guideline. These Market discipline disclosures under Basel III are made following the same guidelines in order to complement the minimum capital requirements and the supervisory review process. Establishing a transparent and disciplined financial market through providing accurate and timely information related to liquidity, solvency, performance and risk profile of a bank is another important objective of this disclosure.

Consistency and validation

The quantitative disclosures are made on the basis of consolidated audited financial statements of EBL and its subsidiaries as at and for the year ended 31 December 2022. Those are prepared under relevant International Accounting and Financial Reporting Standards and related circulars/instructions issued by Bangladesh Bank from time to time. The assets, liabilities, revenues and expenses of the subsidiaries are combined with those of the parent company (EBL), eliminating intercompany transactions. Assets of the subsidiaries are risk weighted and equities of subsidiaries are crossed out with the investment of EBL while consolidating. So, information presented in the 'Quantitative Disclosures' section can easily be verified and validated with corresponding information presented in the consolidated and separate audited financial statements of EBL (Group and Bank) available on the website of the Bank (www.ebl.com.bd). The report is prepared once a year and is available in the website.

A. Scope of application

Qualitative disclosures

(a) The name of the top corporate entity in the group to which this guideline applies:

The framework applies to **Eastern Bank Limited (EBL)** on '**Consolidated Basis**' as there were four subsidiaries of the Bank as on the reporting date i.e. 31 December 2022. However, 'Solo Basis' information has been presented beside those of 'Consolidated Basis' to facilitate comparison.

(b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; that are given a deduction treatment; and (ii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).

Entities within the group: The Bank has four fully owned subsidiaries as on the reporting date. These are EBL Securities Limited, EBL Investments Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. All subsidiaries of the Bank were incorporated in Bangladesh except EBL Finance (HK) Limited which was incorporated in Hong Kong.

EBL Securities Ltd.: EBL Securities Limited (EBLSL), a securities brokerage firm acquired in two phases, is a public limited company having TRECs (Trading Right Entitlement Certificate) and ordinary shares of both the bourses i.e., Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange PLC. The principal activities of this subsidiary are buying, selling and settling of securities on behalf of investors and its own portfolio. Registered office of EBLSL is located at Jiban Bima Bhavan, 10 Dilkusha CA, Dhaka - 1000, Bangladesh.

EBL Investments Ltd.: EBL Investments Limited (EBLIL) was incorporated on 30 December 2009. EBLIL obtained license from Bangladesh Securities & Exchange Commission (BSEC) on January 2013 and started full-fledged operations of merchant banking, portfolio management, underwriting services from June 2013. Registered office of EBLIL is located at Bangladesh Shipping Corporation (BSC) Tower 2-3, Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka-1000, Bangladesh.

EBL Finance (HK) Ltd.: EBL Finance (HK) Limited, the first foreign subsidiary of EBL, was incorporated on 28 November 2011 with Hong Kong (HK) authority. This subsidiary started its full-fledged business operations (i.e. offshore trade finance, advising, documents collection etc.) in Hong Kong in 2013 after obtaining all the required licenses from Bangladesh and HK authority. Registered office of EBL Finance (HK) Limited is Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Hong Kong.

EBL Asset Management Ltd.: EBL Asset Management Limited (EBLAML) was incorporated on 9 January 2011 to carry out asset management business, capital market operation, equity investment etc. EBLAML obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 to run full-fledged business operations. Registered office of EBLAML is located at Bangladesh Shipping Corporation (BSC) Tower, 2-3 Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka - 1000, Bangladesh.

The financials are fully consolidated and all intercompany transactions and balances are eliminated.

(c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

The rules and regulations of BRPD of Bangladesh Bank that govern 'Single Borrower Exposure Limit' for the customers are equally applicable for the Bank in financing its own subsidiaries. Bank is following latest Bangladesh Bank circular in determining maximum amount of finance to the subsidiaries of the Bank.

Quantitative disclosures

(d) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group.

Not Applicable.

B. Capital structure

Qualitative disclosures

(a) Summary information on the terms and conditions of the main features of all capital instruments, especially in case of capital instruments eligible for inclusion in Common Equity Tier-1, Additional Tier 1 or Tier 2.

Regulatory capital base is quite different from accounting capital. As per Basel III guidelines, regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Tier I Capital is known as going concern capital and Tier II Capital also known as gone concern capital.

- Common Equity Tier-1 (CET1) capital of EBL consists of Fully Paid-up Capital, Statutory Reserve, General Reserve, Retained Earnings and Dividend Equalization Fund.
- Tier-2 capital of EBL consists of general provision and subordinated debt.
- At present, EBL doesn't hold any Additional Tier 1 (AT1) Capital.

Quantitative disclosures

Particulars	BDT in million	
	As on 31-12-22	
	Solo	Consolidated
Common Equity Tier-1 (CET-1) Capital	32,927	33,469
Regulatory adjustments	(2,986)	(3,025)
Total Common Equity Tier -1 Capital	29,942	30,444
Additional Tier 1 Capital	-	-
Tier-2 Capital	10,819	10,819
Total Regulatory Capital	40,761	41,263

C. Capital adequacy

Qualitative disclosures

(a) A summary discussion of the bank's approach in assessing the adequacy of its capital to support current and future activities.

Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. EBL follows the 'asset based' rather than 'capital based' approach in assessing the adequacy of capital to support current and projected business activities. The Bank focuses on strengthening risk management

and control environment rather than increasing capital to cover up weak risk management and control practices. EBL has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) and occasional issue of subordinated debt and right shares to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks foreseen. Therefore, the Bank's Capital to Risk Weighted Assets Ratio (CRAR) remains consistently above regulatory requirements during 2022 (13% plus). The surplus capital maintained by EBL will act as a buffer to absorb all material risks and to support the future activities. To ensure the adequacy of capital to support the future activities, the bank assesses capital requirements periodically considering future business growth. Risk Management Division (RMD) under guidance of the SRP team/ERMC (Executive Risk Management Committee), is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.

Quantitative disclosures

Particulars	BDT in million	
	As on 31-12-22	
	Solo	Consolidated
Capital requirement for Credit Risk	23,802	23,978
Capital requirement for Market Risk	1,323	1,755
Capital requirement for Operational Risk	2,777	2,867
Minimum capital requirement (MCR)	27,902	28,599
Total regulatory capital	40,761	41,263
Risk weighted assets	279,016	285,993
Capital to Risk Weighted Asset Ratio	14.61%	14.43%
Common Equity Tier-1 (CET-1) Capital Ratio	10.73%	10.64%
Tier-2 Capital Ratio	3.88%	3.78%
Capital Conservation Buffer (2.50% of RWA)	6,975	7,150
Capital Conservation Buffer (%) maintained	4.61%	4.43%
Available Capital under Pillar II requirement*	5,884	5,514

*Total regulatory capital less MCR less CCB

D. Credit risk

Qualitative disclosures

(a) General disclosure

Credit risk is defined as the probability of failure of counterparty to meet its obligation as per agreed terms. Banks are very much prone to credit risk due to its core activities i.e. lending to Corporate, Consumer, SME, another bank/FI. The main objective of credit risk management is to minimize negative impact through adopting proper mitigates and to limit credit risk exposures within acceptable limit.

Credit risk management has been independent of origination of business functions to establish better control and to reduce conflicts of interest. The Head of Credit Risk Management (HoCRM) has well-

defined responsibility for management of credit risk. Final authority and responsibility for all activities that expose the bank to credit risk rests with the Board of Directors. The Board however delegated authority to the Managing Director and CEO or other officers of the credit risk management division.

The Board of Directors (BoD) sets credit policies and delegates authority to the management for setting procedures, which together has structured the credit risk management framework in the bank. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the bank and is designed to meet the organizational requirements that exist today as well as to provide flexibility for future. These policies represent the minimum standards for credit extension by the bank, and are not a substitute of experience and good judgment.

Definitions of past due and impaired credit:

To define past due and impairment through classification and provisioning, the bank follows Bangladesh Bank Circulars and Guidelines. Accordingly, any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, in case of any installment (s) or part of installment (s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installments (s) will be treated as past due/overdue after six months of the expiry date. The summary of objective criteria for loan classification and provisioning requirement is as below:

Type of Facility	Loan Classification		
	Sub Standard (Overdue Period)	Doubtful (Overdue Period)	Bad & Loss (Overdue Period)
Continuous Loan & Demand Loan	Other than CMS *: 3 months or more but less than 9 months.	Other than CMS: 9 months or more but less than 12 months.	Other than CMS: 12 months or more.
	CMS: 6 months or more but less than 18 months.	CMS: 18 months or more but less than 30 months.	CMS: 30 months or more.
Fixed Term Loan	Other than CMS: 3 months or more but less than 9 months.	Other than CMS: 9 months or more but less than 12 months.	Other than CMS: 12 months or more
	CMS: 6 months or more but less than 18 months.	CMS: 18 months or more but less than 30 months.	CMS: 30 months or more.
Short Term Agricultural & Micro Credit	12 months or more but less than 36 months	36 months or more but less than 60 months	60 months or more

* CMS means Cottage, Micro and Small credits defined in SMESPD Circular No. 02 dated 05 September 2019.

Specific provisions for classified loans and general provisions for unclassified loans and advances and contingent assets are measured following BB prescribed provisioning rates as mentioned below:

Heads	Rates of provision
General provision on:	
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing including credit card (other than housing finance)	2%
Unclassified (including SMA) other loans and advances	1%
Short term agri credit and micro credit	1%
Special General Provision: Covid-19	1%-2%
Off-balance sheet exposures (excluding Bills for collection)	0%-1%
Specific provision on:	
Substandard loans other than short term agri credit, micro credit and CMS	20%
Doubtful loans other than short term agri credit, micro credit and CMS	50%
Substandard & doubtful loans short term agri credit and micro credit	5%
Substandard loans CMS	5%
Doubtful loans CMS	20%
Bad/Loss loans and advances	100%

Quantitative disclosures

(b) Total gross credit risk exposures (by major types) of 31-12-22:

BDT in million

Particulars	Amount
Inside Bangladesh	
Continuous loan (CL-2)	
Consumer Financing (CF)	9,642
Small & Medium Enterprise (SME)	5,953
Loans to BHs/MBs/SDs against Shares	2,128
Other than SMEF, CF, BHs/MBs/SDs	23,957
	41,680
Demand loan (CL-3)	-
Small & Medium Enterprise (SME)	6,842
Other than SMEF, CF, BHs/MBs/SDs	145,857
	152,698
Term loan (CL-4)	-
Consumer Financing (including staff, other than HF)	16,437
Housing Financing (HF)	6,818
Small & Medium Enterprise	19,736
Other than SMEF, CF, BHs/MBs/SDs	62,755
	105,746
Short term agri credit and microcredit (CL-5)	-
Short term agri credit	3,068
	3,068
Outside Bangladesh	-
Loans, cash credits, overdrafts etc.	5,723
Total	308,916

(c) Geographical distribution of exposures (31-12-22):

BDT in million

Division	Total
Dhaka Division	239,286
Chattogram Division	50,335
Sylhet Division	2,508
Rajshahi Division	4,398
Khulna Division	5,079
Rangpur Division	557
Barishal Division	455
Mymensingh Division	573
Outside Bangladesh	5,723
Total	308,916

(d) Sector wise exposure of Total loan (31-12-22):

BDT in million

Particulars	31-12-22	Mix (%)
Agri and micro credit through NGO	21,434	6.94%
Commercial and trading	38,619	12.50%
Construction	9,902	3.21%
Cement and ceramic industries	5,507	1.78%
Chemical and fertilizer	4,548	1.47%
Crops, fisheries and livestock	629	0.20%
Electronics and electrical goods	6,049	1.96%
Food and allied industries	23,444	7.59%
Consumer finance	32,897	10.65%
Metal and steel products	22,285	7.21%
Pharmaceutical industries	6,276	2.03%

Particulars	31-12-22	Mix (%)
Power and fuel	14,293	4.63%
Rubber and plastic industries	4,780	1.55%
Readymade garments industry	38,855	12.58%
Ship building & breaking industry	3,640	1.18%
Sugar and edible oil refinery	10,401	3.37%
Transport and e-communication	6,506	2.11%
Textile mills	14,792	4.79%
Other manufacturing or extractive industries	23,234	7.52%
Others	20,825	6.74%
Total	308,916	100.00%

(e) Residual contractual maturity of credit exposure (31-12-22):

BDT in million

Particulars	Amount
On demand	13,371
In not more than one month	20,610
In more than one month but not more than three months	50,316
In more than three months but not more than one year	132,910
In more than one year but not more than five years	66,001
In more than five years	25,707
Total	308,916

(f) Sector wise exposure of classified loans (31-12-22):

BDT in million

Particulars	31-12-22	Mix (%)
Commercial and trading	3,691	43.03%
Crops, fisheries & livestock	55	0.65%
Electronics & electrical goods	3	0.03%
Consumer finance	929	10.83%
Metal & steel products	89	1.03%
Readymade garments industry	1,759	20.51%
Ship breaking industry	1,172	13.66%
Sugar, edible oil refinery & food processing	146	1.70%
Transport & e-communication	32	0.37%
Textile mills	14	0.16%
Others	688	8.02%
Total	8,579	100.00%

(g) Gross Non-Performing Assets (classified loan)

On the reporting date i.e. 31 December 2022, Gross Non-Performing Assets/classified loans stood at BDT 8,579 million.

Non-Performing Assets (classified loans) to Outstanding Loans & advances

On the reporting date i.e. 31 December 2022, Non-Performing Assets (classified loans) to outstanding loans & advances was 2.78%.

Movement of Non-Performing Assets (classified loans)

BDT in million

Particulars	31-12-22	31-12-21
Opening balance	9,979	6,226
Addition during the year	2,939	4,577
Reduction during the year (on write-off, rescheduling or adjustment)	(4,339)	(825)
Closing balance	8,579	9,979

Movement of Specific Provisions for NPAs (Provisions for classified loans)

BDT in million

Particulars	31-12-22	31-12-21
Opening balance	8,562	7,499
On fully provided debt written off during the year	(2,292)	(104)
On recovery from loans written off earlier	793	363
Additional provision moved to GP	-	(860)
Specific provision charged (net of recovery) for the year	1,519	1,663
Provision held at the end of the year	8,583	8,562

E. Equities: disclosures for banking book positions

Qualitative disclosures

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons

Investment in equity securities by EBL is broadly categorized into two types: Quoted securities (Ordinary shares, Mutual Funds) and Unquoted securities (including preference share and subscription for private placement). Unquoted securities are categorized as banking book exposures which are further subdivided into two groups: unquoted securities which are invested without any expectation that these will be quoted in near future (i.e. held to maturity) and securities that are acquired under private placement or IPO and are going to be traded in the secondary market after completing required formalities. Usually these securities are held for trading or investment for making capital gains.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book.

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held For Trading (HFT)	Cost	Fair value	Revaluation loss to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held To Maturity (HTM)	Cost	Amortized cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debenture/bond (unquoted)	Cost	Lower of cost or realizable value	Provision is kept @ 25%, 50% and 100% on outstanding balance for 1st, 2nd and 3rd year respectively following BB DOS circular no. 04/2019, if due coupon/dividend payment is not received.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealized gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealized loss to profit and loss account but no unrealized gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealized loss (net) to profit and loss account but no unrealized gain booking.
Unit fund (open-end) *	Cost	Lower of cost or 85% of NAV	Provision for unrealized loss (net) to profit and loss account but no unrealized gain booking.
Preference shares	Cost	Lower of cost or realizable value	Provision is kept @ 25%, 50% and 100% on outstanding balance for 1st, 2nd and 3rd year respectively following BB DOS circular no. 04/2019, if due dividend payment is not received.
Prize bonds	Cost	Cost	None

* Provision for shares against unrealized loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) & unit funds (open-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Quantitative disclosures

Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities

BDT in million

Particulars	As on 31-12-22			
	Solo		Consolidated	
	At Cost	At Market Value	At Cost	At Market Value
Value of Quoted shares and Mutual Funds	4,608	3,725	7,130	5,885
Value of Unquoted shares and Mutual Funds	114	-	214	-
Total	4,722	3,725	7,344	5,885

BDT in million

Particulars	As on 31-12-22	
	Solo	Consolidated
The cumulative realized gains (losses) arising from sale and liquidation in the reporting period/Net gain/(loss) on sale of quoted securities	73	274
Total unrealized gains (losses)/ Provision for loss on revaluation of shares (net)	593	992
Total latent revaluation gains (losses)	-	-
Any amount of the above included in Tier 2 capital	-	-
Capital charge required for quoted securities:	943	1,376
Specific risk	472	688
General market risk	472	688

F. Interest rate risk in the banking book (IRRBB)

Qualitative disclosures

(a) General disclosure

Interest Rate Risk is the risk which affects the Bank's financial condition due to change of market interest rates. Changes in interest rates affect both the current earnings (earnings perspective) and also the net worth of the Bank (economic value perspective). Bank assesses the interest rate risk both in earning and economic value perspective.

The process of interest rate risk management by the bank involves determination of the business objectives, expectation about future macro-economic variables and understanding the money markets and debt market in which it operates. Interest rate risk management also includes quantifying the appetite for market risk to which bank is comfortable.

The Bank uses the following approach to manage interest rate risks inherent in the Balance sheet:

Simple Gap Analysis: Traditional Gap analysis of on-balance sheet Asset Liability Management (ALM) involves careful allocation of assets and liabilities according to re-pricing/maturity buckets. This approach quantifies the potential change in net interest income using a specified shift in interest rates, e.g. 100 or 200 basis points, or a simulated future path of interest rates.

Assumptions: For Gap analysis, bank considers the following:

- For fixed-rate contract, remaining maturity is considered.
- For contracts with provision of re-pricing, time remaining for next re-pricing is considered.
- For assets and liabilities which lack definitive re-pricing interval or for which there is no stated maturity, bank determines the core and volatile portion. For assets, volatile portion is bucketed up to 3 months using historical repayment behavior and stable portion is bucketed in 6-12 months. For liabilities, volatile portion is bucketed up to 1 year using historical withdrawal behavior and stable portion is bucketed in over 1 year segment.
- Deposits that are already matured but not withdrawn yet are considered to fall under overnight bucket.

Also, following assumptions are met:

- The main assumption of gap analysis is that interest rate moves on a parallel fashion. In reality however, it doesn't.
- Contractual repayment schedule is met.
- Re-pricing of assets and liabilities takes place in the midpoint of time bucket.
- The expectation that loan payment will occur in schedule.
- No early encashment is considered in term and recurring deposit.
- Non maturity deposit withdrawal is considered based on past withdrawal behavior.
- Interest paid on liabilities tend to move faster than interest rates earned on assets.

- Interest rate attached to bank assets and liabilities do not move at the same speed as market interest rates do.
- Point at which some assets and liabilities are re-priced is not easy to identify.

Quantitative disclosures:

Funding gap analysis:

Funding GAP Analysis attempts to determine the potential impact on net interest income (NII) due to changes in interest rate.

Result of Funding Gap analysis as on December 31, 2022:

Particulars	3 months	6 months
For 1% increase/decrease in interest rate, impact on NII	BDT ± 55.67 Million	BDT ± 15.75 Million
For 2% increase/decrease in interest rate, impact on NII	BDT ± 111.34 Million	BDT ± 31.51 Million

Duration GAP analysis:

The focus of Duration GAP Analysis is to measure the level of a bank's exposure to interest rate risk in terms of sensitivity of Market Value of its Equity (MVE) to interest rate movements. Duration Gap can be used to evaluate the impact on the Market Value of Equity of the bank under different interest rate scenarios. ALCO monitors the Leveraged Liability Duration and duration gap of the total bank balance sheet on a quarterly basis to assess the impact of parallel shift of the assumed yield curve.

Particulars	31-12-22	31-12-21
Duration of Asset	1.95	1.89
Duration of Liabilities	1.54	1.75
Duration Gap	0.41	0.32

Changes in Market value of Equity due to an increase in interest rate as of 31st December, 2022

1%	2%	3%
BDT 2,184.50 Million	BDT 4,369.00 Million	BDT 6,553.49 Million

G. Market risk

Qualitative disclosures

Market Risk: Market Risk refers to potential loss that can occur as a result of fluctuations in market conditions. It encompasses the risk of adverse impacts on the value of both on and off-balance sheet positions due to changes in equity prices, interest rates, and currency exchange rates. Our aim with respect to market risk is to strike a balance between risks and return that is optimal, while also fulfilling the needs of our customers, through our policies and procedures.

The primary categories of market risk for the bank are:

Interest rate risk: Arising from changes in yield curves, credit spreads and implied volatilities on interest rate options.

Currency exchange rate risk: Arising from changes in exchange rates and implied volatilities on foreign exchange options.

Equity price risk: Arising from changes in the prices of equities, equity indices, equity baskets and implied volatilities on related options.

Bank has a comprehensive Treasury Trading Policy, Asset-Liability Management Policy, Investment Policy approved by the BoD to assess, monitor and manage all the above market risks. Various internal limits have been set to monitor market risk and capital requirement is assessed as per standardized approach of Basel III.

Methods used to measure Market Risk: Bank applies maturity method in measuring interest rate risk in respect of securities in trading book. The capital charge for entire market risk exposure is computed under the standardized approach using the maturity method and in accordance with the guideline issued by Bangladesh Bank.

Market Risk Management System: The ALCO regularly monitors a number of ratios to manage the interest rate risk, with key ratios

such as Liquidity Coverage Ratio (LCR), Net Stable Funding Ratio (NSFR), Maximum Cumulative Outflow (MCO), Liquid asset to total assets, Volatile liability dependency ratio, Snap liquidity ratio and Short term borrowing to Liquid assets ratio. Additionally, the ALCO also regularly tracks the interest rate sensitive gap and duration gap of the total portfolio.

To manage foreign exchange risk of the bank, the bank has adopted the limit set by central bank to monitor foreign exchange open positions. Foreign exchange risk is computed on the sum of net short positions or net long positions, whichever is higher. FX VaR of December 2022 end are as follows:

(Figures in BDT)

Confidence level	Value at Risk (Loss in amount of present value)				
	Time Horizon				
	1 day	2 days	3 days	4 days	5 days
90%	8,495,831	18,518,300	20,593,073	30,266,798	60,767,125
95%	18,518,300	51,311,421	64,521,819	93,664,337	108,943,341
99%	95,127,376	163,961,117	164,334,028	163,215,523	162,470,231

The Investment Committee of the bank takes prudent decisions to manage equity risk, in accordance with the bank's investment policy and the capital market investment limits set by Bangladesh Bank.

Quantitative disclosures:

Capital charge required (Solo basis) for market risk on the reporting date 31-12-22:

Particulars	BDT in million
	Amount
a Interest rate risk	27
b Equities	943
c Foreign exchange risk	352
d Commodity risk	-
Total	1,323

H. Operational risk

Qualitative disclosures

Operational Risk: Operational risk is the risk of loss arising from fraud, unauthorized activities, error, omission, inefficiency, systems failure or external events. It is inherent in every financial organization and covers a wide spectrum of issues. We seek to minimize exposure to operational risk, subject to cost benefit trade-offs.

Views of Board on system to reduce Operational Risk: The policy for measuring and managing operational risks is approved by the Board in line with the relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division to protect against all operational risks. As a part of continued surveillance, the management committee (MANCOM), Executive Risk Management Committee (ERMC), Monitoring department (ICCD) and Risk Management Division (RMD) regularly review different aspects of operational risks and escalate the findings to appropriate authority while internal audit suggests formulating appropriate policies, tools & techniques for mitigation of operational risk of the bank.

Policies and processes to mitigate operational risk: The bank captures some identified risk events associated with all functional departments of the bank through standard reporting format,

Departmental Control Function Check List (DCFCL), Quarterly Operation Report (QOR), Key Risk Indicator (KRI), internal audit, monitoring, and system check etc. Internal Control and Compliance Division (ICCD) is detecting 'High' Risk areas and finding mitigation of those risks. ERMC also oversees the operational risk issues. ERMC analyzes 'high' and 'moderate' risk indicators and sets responsibility for specific people to resolve the issues.

Performance gap of executives and staffs: EBL is an equal opportunity employer. It recognizes the importance of having the right people at right positions to achieve organizational goals. Our recruitment and selection is governed by the philosophy of fairness, transparency and diversity. Understanding what is working well and what requires further improvement is essential to our performance management system. The performance management process aims to clarify what is expected from employees as well as how it is to be achieved.

Our learning and development strategy puts special focus on continuous professional development to strengthen individuals' skill set by removing weaknesses to perform the assigned job with perfection. We have a wide range of internal and external training programs, awareness programs and time to time communications from senior management to enhance capabilities as well as minimize performance gap that will contribute more to bottom line.

Peoples' performance is assessed on the bases of performance objectives and key performance indicators (KPI) set at the beginning of each year. Decisions related to rewards and recognitions for the employees are taken on the bases of how well the assigned KPIs are met by the employee.

Potential external events: The overall environment within which a bank operates creates certain externalities which could affect business performance directly such as:

Fraud Risk is the risk of incurring losses as a result of an intentional act or omission by a third party involving dishonesty, for personal

and/or business gain, to avoid personal and/or business loss, or to conceal improper or unauthorized activity. This includes facilitation, misrepresentation, money laundering, terrorist financing, theft, forgery and cyber-crime.

Business Continuity Risk is the risk of incurring losses resulting from the interruption of normal business activities, i.e. interruptions to our infrastructure as well as to the infrastructure that supports our businesses.

Information Security Risk is the risk of an event which could result in the compromise of organizational assets, including, but not limited to, unauthorized use, loss, damage, disclosure or modification of organization assets. It includes the risk of cyber threats on the organization.

Regulatory Compliance Risk is the risk of attracting regulatory sanctions (including restrictions on business activities, fines or enhanced reporting requirements), financial and/or reputational damage arising from our failure to comply with applicable laws, rules and regulations.

Vendor Risk arises from adverse events and risk concentrations due to failures in vendor selection, insufficient controls and oversight over a vendor and/or services provided by a vendor and other impacts to the vendor itself.

Approach for calculating capital charge for operational risk: The bank applies 'Basic Indicator Approach' of Basel III as prescribed by BB in revised RBCA guidelines. Under this approach, banks have to calculate average annual gross income (GI) of last three years and multiply the result by 15% to determine required capital charge. Gross Income is the sum of 'Net Interest Income' and 'Net non-interest income' of a year or 'Total Operating Income' of the bank with some adjustments as noted below. GI shall:

- Be gross of any provision (e.g. for unpaid interest),
- Be gross of operating expenses, including fees paid to outsourcing service providers,
- Include lost interest i.e. interest suspense on classified loans (SS, DF, BL).

Quantitative Disclosures:

Capital charge required for operation risk on the reporting date 31-12-22:

Particulars	BDT in million	
	Solo	Consolidated
Capital charge for operational risk	2,777	2,867

I) Liquidity ratio

Qualitative disclosures

Views of BoD on system to reduce liquidity risk

Liquidity Risk is the risk of bank's inability to repay its obligations as they fall due or incurring excessive cost while mobilizing fund due to scarcity of cash fund at a certain period of time. The risk arises from mismatch in the expected level of cash flows from maturing assets and liabilities. The intensity and sophistication of liquidity risk management system depends on the nature, size and complexity of a bank's activities. Sound methods in measuring, monitoring and controlling liquidity risk is critical to sustainability

of the bank. Therefore, The Board of Directors of the bank sets policy, different liquidity ratio limits, and risk appetite for liquidity risk management.

Methods used to measure liquidity risk

The tools and procedures deployed by EBL to manage liquidity risk are comprehensive. The measurement tools used to assess liquidity risks are:

- Statutory Liquidity Requirement (SLR)
- Cash Reserve Ratio (CRR)
- Advance to Deposit Ratio (ADR)
- Structural Liquidity Profile (SLP)
- Maximum Cumulative Outflow (MCO)
- Liquidity Coverage Ratio (LCR)
- Net Stable Funding Ratio (NSFR)
- Volatile Liability Dependency Ratio
- Liquid Asset to Total Deposit Ratio
- Liquid Asset to Short Term Liabilities

Liquidity risk management system

Responsibility of managing liquidity lies with Asset Liability Committee (ALCO) of the bank which meets at least once in every month. Asset and Liability Management (ALM) desk closely monitors and controls liquidity requirements on a daily basis by proper coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly.

Policies and processes for mitigating liquidity risk

In order to develop comprehensive liquidity risk management framework, EBL has constructed Contingency Funding Plan (CFP) to manage liquidity in both normal and stressed conditions. CFP includes a set of policies and procedures that serves as a blueprint for the bank to meet its funding needs in a timely manner and at a reasonable cost. CFP is an extension of ongoing liquidity management while ensuring:

- Reasonable liquid assets are maintained;
- Measurement and projection of funding requirements in different scenarios; and
- Management of access to funding sources.

Maturity bucket of cash inflows and outflows is an effective tool to determine bank's cash position; that estimates cash inflows and outflows with net deficit or surplus (GAP) both on a day to day basis and over a series of specified time periods. A bucket wise (e.g. call, 2-7 days, 8 days-1 month, 1-3 months, 3-12 months, 1-5 years, over 5 years) maturity profile of the assets and liabilities is prepared to understand mismatch in every bucket. A structural maturity ladder or profile is prepared periodically following guidelines of the Bangladesh Bank.

Quantitative disclosures:

Liquidity Coverage Ratio and Net Stable Funding Ratio as on 31 December 2022 are given below:

BDT in million	
Particulars	Amount
Stock of High quality liquid assets	86,374.98
Total net cash outflows over the next 30 calendar days	82,765.26
Liquidity Coverage Ratio (%)	104.36%
Available amount of stable funding	325,373.62
Required amount of stable funding	308,310.97
Net Stable Funding Ratio (%)	105.53%

J) Leverage ratio

Qualitative disclosures

Views of BoD on system to reduce excessive leverage

Leverage ratio is the ratio of Tier 1 capital to total on and off-balance sheet exposures. It was introduced into the Basel III framework as a non-risk based backstop limit, to supplement risk-based capital requirements. EBL has embraced this ratio along with Basel III guideline as a credible supplementary measure to risk based capital requirement and assess the ratio periodically.

Policies and processes for managing excessive on and off-balance sheet leverage

Revised guideline of RBCA based on Basel III as provided by BRPD of Bangladesh Bank is followed by EBL while managing excessive on and off-balance sheet leverage of the bank. As per RBCA guideline, leverage ratio indicates Tier I Capital divided by Total Exposure after related deductions.

Approach for calculating exposure

The Bank has calculated the regulatory leverage ratio as per the guideline of Basel III. The numerator, capital measure, is calculated using the new definition of Tier I capital applicable from 01 January 2015. The denominator, exposure measure, is calculated on the basis of the Basel III leverage ratio framework as adopted by Bangladesh Bank.

Quantitative Disclosure:

Leverage Ratio (Solo Basis) on 31 December 2022 is given below:

BDT in million	
Particulars	Amount
On balance sheet exposure (A)	447,406
Off balance sheet exposure (B)	93,542
Regulatory Adjustments (C)	2,986
Total exposure (A+B-C)	537,963
Leverage Ratio	5.57%

K. Remuneration

Qualitative disclosures

EBL strives to pay people according to market and merit. The focus remains on to attract, retain and motivate top talents to meet its sustainable growth. EBL emphasizes on understanding the trends that are affecting the job market to remain the employer of choice. Our compensation and benefits strategy combines the need to maintain a high performance culture along with market

competitiveness. A bi-annual benchmarking exercise makes sure that employees' pay is competitive. Our employee value proposition consists of healthcare, retirement and wellbeing benefits. Additionally, our compensation practices are also fair and equitable, and our compensation structure is designed based on pay-for-performance culture. Salary Survey is also conducted on every two years to adjust the industry pay scales by appointing independent consultant. Moving between pay scales depends on the individuals' performance and we reward employees accordingly.

a) Information relating to the bodies that oversee remuneration.

Name, composition and mandate of the main body overseeing remuneration.

EBL has a Board approved People Management Policy that outlines the rules relating to compensation structure and the benefits package for its people and gives detailed procedures for exercising those.

External consultants whose advice has been sought, the body by which they were commissioned, and in what areas of the remuneration process.

Presently EBL does not have any separate body or external party to oversee remuneration.

A description of the scope of the bank's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to foreign subsidiaries and branches.

The said policy applies to all the employees of the bank. Local and foreign subsidiaries of EBL are governed by their own policies.

A description of the types of employees considered as material risk takers and as senior managers, including the number of employees in each group.

All of the Management Committee (MANCOM) members are considered as material risk takers and are mostly Senior Managers. MANCOM is the highest decision and policy making authority of the management comprising of MD & CEO and different business and support unit heads.

b) Information relating to the design and structure of remuneration processes.

An overview of the key features and objectives of remuneration policy

Remuneration policy of the bank has been framed to maintain a performance based reward policy which recognizes the contribution of each of the employees of the bank. EBL's reward package consists of the following key elements:

Fixed pay:

The purpose of fixed pay is to attract and retain employees by paying competitive pay for the role, skills and experience required for the business. This includes salary, fixed pay allowance, and other allowances. These payments are fixed and do not vary with performance.

Benefits:

EBL provides benefits in accordance with local market practice. This includes subsidized loans (car, house building), hospital bill reimbursement, TA/DA etc.

Annual incentives:

EBL provides annual incentives to drive and reward performance based on annual financial and non-financial measures consistent with the medium to long-term strategy, shareholder interest and adherence to EBL values.

Regulations of Pay and Allowances

- Salaries are confidential between the concerned employees and Human Resources Division.
- The grade-wise scale of pay and other allowances of employees are determined by the competent authority from time to time.
- Salary revision is decided by the Managing Director & CEO with the approval of the Board of Directors based on:
 - a. Individual Performance
 - b. Market movement
 - c. The Bank's affordability
 - d. Individual's relative position in a particular salary range
 - e. COLA (Cost Of Living Adjustment)
 - f. Regulatory and other changes affecting the industry

Any request for information relating to salary should be directed to the Human Resources Division by appropriate authority.

Whether the remuneration committee reviewed the firm's remuneration policy during the past year, and if so, an overview of any changes that were made.

Remuneration structure of the bank is reviewed as and when management deems appropriate to allow for adjustment in the cost of living and market forces pertaining to the banking industry. HR Division initiates the process, makes proposal to Board for approval.

A discussion of how the bank ensures that risk and compliance employees are remunerated independently of the businesses they oversee.

EBL ensures that Risk and Compliance employees are remunerated independently as the remuneration package is set by the management and applicable for all employees irrespective of profession or area.

C) Description of the ways in which current and future risks are taken into account in the remuneration processes.

An overview of the key risks that the bank takes into account when implementing remuneration measures.

In a highly competitive financial sector like banking, remuneration system is mostly dictated by market forces. Demands for efficient and skilled employees tend to increase as disproportionate number

of financial institutions chase them. As a result, compensation package for skilled resources is relatively high and salary revision takes place more frequently than other industries. Excessive turnover of human resources, skill shortage, inability to attract and retain good people are some of the risks banks have to consider with. However, EBL designed its remuneration package as per market driven strategy to ensure right package for the right people. On top of it, in designing remuneration package, EBL ensures fair treatment, internal equity and external competitiveness to retain good resources.

An overview of the nature and type of the key measures used to take account of these risks; including risks difficult to measure (values need not be disclosed).

Market survey is conducted periodically to compensate employees for their expertise, time, mental and social engagement with the organization.

A discussion of the ways in which these measures affect remuneration.

These measures ensure that the remuneration process of EBL is:

- Right employees are getting right package as per their performance, quality of experience, training received and special expertise.
- Ensure internal & external equity

A discussion of how the nature and type of these measures has changed over the past year and reasons for the change, as well as the impact of changes on remuneration.

EBL has remained consistent in the measures through which remuneration package is designed. There has not been any deviation as compared to last year.

(d) Description of the ways in which the bank seeks to link performance during a performance measurement period with different levels of remuneration.

An overview of main performance metrics for bank, top-level business lines and individuals.

At EBL, salary increment and promotion is purely linked with performance. As per policy, performance evaluation is done for all permanent employees. In addition to yearly review of performance, a quarterly review is also carried out. Performance evaluation is done on the below parameter:

- Business Objectives
- Personal Development Objective
- Management Objectives
- Operational and compliance objective
- Behavioral competency

A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance.

Overall performance is evaluated as per above mentioned parameters and individuals are rated accordingly from 1 (highest) to 6 (lowest). Increment is linked with the rating employees receive during the performance evaluation process. Increments are only applicable for ratings which are linked with growth i.e. 1-4 rating.

A discussion of the measures the bank will, in general, implement to adjust remuneration in the event that performance metrics are weak.

No adjustment took place as EBL maintains a standard performance evaluation process.

(e) Description of the ways in which the bank seeks to adjust remuneration to take account of longer-term performance.

A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance.

Not applicable.

A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and (if permitted by national law) after vesting through claw back arrangements.

Not applicable.

(f) Description of the different forms of variable remuneration that the bank utilizes and the rationale for using these different forms.

An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms).

EBL recognizes the effort and performance of its employees based on its People Management Policy which consists of base salary and different benefit packages mentioned earlier. Therefore, EBL does not use any form of variable remuneration in its remuneration process.

Quantitative disclosures:

Number of meetings held by the main body overseeing remuneration during the financial year and remuneration paid to its member:

No such meeting as there is no designated remuneration committee. HR Division is assigned to initiate any change proposal on remuneration as per the People Management Policy of the bank and get necessary approval from Board of Directors (BoD).

Number of employees having received a variable remuneration award during the financial year:

Not applicable

Number and total amount of guaranteed bonuses awarded during the financial year:

All employees are entitled to 02 (two) basics as two festival bonuses.

Number and total amount of sign-on awards made during the financial year. Not applicable

Number and total amount of severance payments made during the financial year. Not applicable

Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms. Not applicable

Total amount of deferred remuneration paid out in the financial year. Not applicable.

Breakdown of amount of remuneration awards for the financial year to show:

- *fixed and variable.*
- *deferred and non-deferred.*
- *different forms used (cash, shares and share linked instruments, other forms).*

Not applicable.

Quantitative information about employees' exposure to implicit (e.g. fluctuations in the value of shares or performance units) and explicit adjustments (e.g. claw-backs or similar reversals or downward revaluations of awards) of deferred remuneration and retained remuneration:

- *Total amount of outstanding deferred remuneration and retained remuneration exposed to ex post explicit and/or implicit adjustments.*
- *Total amount of reductions during the financial year due to ex post explicit adjustments.*
- *Total amount of reductions during the financial year due to ex post implicit adjustments.*

Not applicable.

Note: Till 2022, People management Policy of EBL does not have provision of any kind of variable remuneration, deferred remuneration, severance payment, sign-on awards or other forms of remuneration as mentioned above for its permanent staff.

Management of Non-Performing Loans (NPL)

Industry overview

Non-Performing Loan (NPL), a by-product of banking business, can be a bank's worst nightmare when left unattended. While prudent underwriting standards and good governance can help prevent NPL from piling up, overly rigid lending practices can impede a bank's optimum growth with due spillover effects on the economy as a whole. Conversely, unrestrained private sector credit growth can also act as a double-edged sword causing persistent levels of NPL that threatens the financial sector and the economy at large.

In recent past, the fallback of COVID-19 pandemic pushed banking industry NPL upward. In 2022, while businesses started to recover from the pandemic, the war between Russia and Ukraine disrupted the supply chains, caused scarcity of food and fuel supply leading to global inflation and a worldwide crisis for the US Dollar. Though Bangladesh Bank has injected US Dollar into the system and devalued Taka to maintain its strength against the Dollar, neighboring countries have devalued their currencies more aggressively, raising concerns that Bangladesh's exports may be less competitive in the global marketplace.

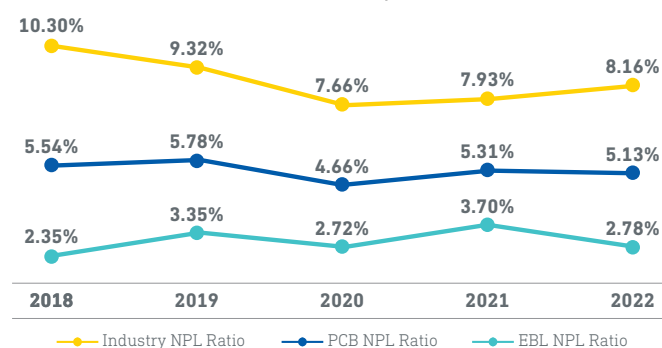
The banking sector of Bangladesh managed to weather the shock of COVID-19 relatively well, mainly due to the proactive measures implemented by the Bangladesh Bank. By allowing forbearance measures, such as restrictions on loan classification or downgrading and payment deferment facilities, banks were shielded from the impact of the pandemic. However, with withdrawal of those

forbearance measures at the end of 2021 and in 2022, country's classified loans rose from 7.93% at the end of December 2021 to 8.16% at the end of December 2022. In the industry, shortfall of required provision against classified loans stood at BDT 110.09 billion at the end of December 2022 (required provisions: BDT 841.57 billion vs maintained provision BDT 731.48 billion). In the post COVID-19 era, NPL management has become a top priority for the banking industry. Practice of good governance, strong internal credit policy and stringent supervision by regulators can mitigate the risks of NPL and help drive Bangladesh's economic growth.

NPL position at EBL

At EBL, we adhere to the principle of "quality first, revenue will follow". Our steadfast commitment to maintaining superior asset quality has yielded a commendable NPL ratio of 2.78% as of the end of 2022, which is significantly lower than the industry average of 8.16%. This accomplishment can be attributed to our prudent underwriting practice, diligent portfolio monitoring and sound governance practices. EBL has been able to consistently maintain a significantly low NPL ratio, and this achievement can be attributed to the collaborative efforts of its business units, credit risk management, special asset management, senior management, and the diligent oversight of its esteemed Board of Directors. Furthermore, proven track record of preserving high-quality assets and implementing a rigorous underwriting process for top-notch corporate clients has been a significant contributor to our success.

NPL ratio movement: EBL vs. Industry & PCBs



Source: Bangladesh Bank Publications

Note: NPL ratio of industry and PCB till 2019 contains information without Offshore Banking Operations (OBO).

Movement of provisions made against NPL

BDT in million

Year	Total loans outstanding	NPL		Specific provision
	Amount	Amount	%	Amount
2022	308,916	8,579	2.78%	8,583
2021	269,393	9,979	3.70%	8,562
2020	228,944	6,226	2.72%	7,499
2019	232,051	7,771	3.35%	6,009
2018	209,306	4,925	2.35%	4,119

NPL management: our principles

- **Prudent borrower selection:** The origination of loans is a critical aspect of NPL management, as selecting the right borrower can significantly reduce the overall risk of loan loss. EBL has a team of experienced and seasoned bankers who place great emphasis on booking customers that fit the Bank's risk appetite, ensuring that the risk of NPL accumulation is minimized from the outset.
- **Optimal credit assessment:** Effective underwriting is essential to assess every credit and ensure that the Bank generates

sufficient revenue while optimizing key risks. To prevent loans from going bad and NPL from accumulating in the first place, we adhere to good corporate governance and conduct careful due diligence in lending decisions. Our team of seasoned professionals uphold the highest standards of credit practices, ensuring that quality underwriting is a top priority.

- **Robust risk management:** EBL has established a risk management culture that includes well-defined underwriting policies and procedures, which serve to minimize the occurrence of new NPL. We regularly review and update these

policies and procedures in line with regulatory guidelines and industry best practices, ensuring that we maintain a strong credit culture that places the utmost importance on risk management.

- **Efficient monitoring and regular follow-up:** To prevent loan defaults and minimize the accumulation of NPL, we follow strict corporate governance and due diligence during lending decisions. Despite the rigorous credit approval process, however, some loans may still become troubled. In these cases, we promptly identify risks and actively manage problem loans by raising red flags and reporting to appropriate officials for immediate attention. Foresighted strategic plans on vulnerable and concerning accounts help us to guard against slippage of performing loans into NPL.
- **Dedicated recovery team:** We make dedicated efforts to recover loans through consistent follow-up and regular client visits. Our Special Asset Management Division works tirelessly to recover problem loans, including compromise settlements. By maintaining a strong recovery system, we can effectively manage NPL and minimize the impact on our bank's overall financial health.

Challenges to overcome in 2023

The global economy has experienced a series of setbacks in recent years, ranging from the COVID-19 pandemic to the ongoing Russia-

Ukraine war. However, the impact of these challenges has varied from country to country. In Bangladesh, these setbacks have triggered fuel crisis, supply chain disruption and inflation, as well as exchange rate pressures, which have placed a burden on businesses and individuals alike. Due to the increase in energy prices and raw material costs, Bangladesh's foreign currency reserve has significantly decreased. This has resulted in import rationing and forced businesses to operate their factories at reduced capacity, leading to decreased production and lower profits. As we look ahead to 2023, the sobering reality is that we are likely to face ongoing challenges with both load shedding and gas crisis. Moreover, the continued foreign currency crisis may exacerbate the shortage of raw materials, thereby increasing the economic repercussions. In turn this may lead to an escalation of NPL within the industry over the long run.

One final challenge looms on the horizon: the recovery of loans accorded to businesses as part of the stimulus fund. This presents a formidable obstacle for banks as they navigate the post-pandemic landscape.

Overall, the road ahead for Bangladesh is fraught with difficulties and uncertainties. However, history has shown that resilience and perseverance can carry nations through even the toughest of times.

Way forward

- Our NPL management strategy will prioritize three key pillars: halting new NPL flows, preventing the forward flow of existing NPL, and reducing existing NPL through collection and rescheduling within the purview of Central Bank's regulation that conforms to the prevailing regulatory framework.
- Aligning underwriting criteria with the prevailing economic and business realities, while bolstering credit principles and deploying effective recovery strategies.
- Maintaining a healthy portfolio that continues to exhibit a downward trend in NPL ratios, through sustained NPL combat and portfolio optimization.
- A key strategy will be the early identification, prompt reporting, and proactive management of Early Alert Accounts, by raising warning signs and working collaboratively with customers to craft mutually acceptable strategies that forestall any potential deterioration.
- We will remain highly vigilant in loan monitoring and recovery efforts, particularly in light of the withdrawal of forbearance measures implemented during the COVID-19 period.

Recovery of Classified and Written off Loans

Industry overview and status of EBL

Banks play a crucial role in providing short and long-term financing to various sectors of the economy. However, building up of Non-Performing Loan (NPL) poses a risk to banks' balance sheet health and financial soundness. At the time of rising default loans banks lose out revenues and need to make provisioning against the impaired loans from income. Despite industry wide concerns, EBL

has managed to keep its NPL ratio significantly low, with a rate of 2.78%, well below the industry average, as of the end of 2022. This demonstrates our unwavering commitment to the stakeholders, reinforces our position as a responsible and reliable financial institution and our steadfast dedication to loan recovery. Our success can be attributed to efficient and effective recovery system manifested through rigorous follow-up procedures, constant monitoring and judicious legal measures taken.

Performance highlights 2022



BDT 793 million
Recovery from
written off accounts



BDT 1,062 million
Recovery from
classified accounts



4,123
Legal notice sent to
default borrowers



3,262
Case filed against
the defaulting
borrowers



BDT 147 million
Realized against
warrant of arrests



BDT 443 million
Mortgage
properties sold



2,027
Judgment obtained/Case
disposed against default
borrowers



89
Case disposed in the
Supreme Court



1,298
Arrest
warrant issued

Recovery steps taken in 2022

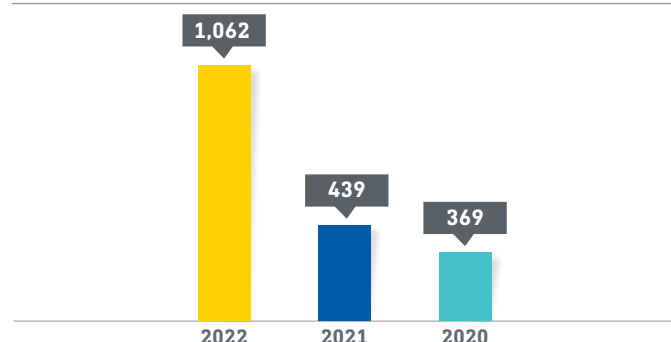
- Conducted regular meetings with the Bank's enlisted lawyers to stay updated on the progress of filed cases for expedited resolution.
- Prioritized cases based on the probability of recovery and did follow up rigorously to ensure early resolution.
- Identified and segregated classified and written off accounts which were backed by good collaterals and had potential for high volume recovery.

- Pursued attachment of unencumbered assets of defaulted borrowers.
- Successfully executed a recovery campaign resulting in significant recoveries during the last two months of 2022.
- Initiated measures to reverse movement of classified loans and proactively followed up with unclassified borrowers to prevent slippage to NPL.
- Maintained strong relationships with court officials to facilitate effective steps for speedy resolution of cases.

Recovery status at a glance

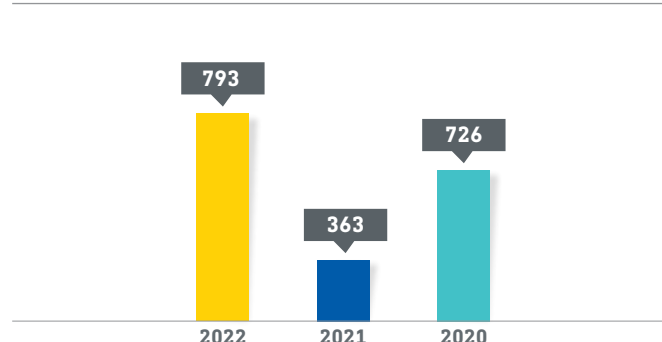
Recovery from classified loans

(BDT in million)



Recovery from written off loans

(BDT in million)



Status of legal proceedings

The legal unit of Special Asset Management Division is currently responsible for managing a portfolio of 9,274 legal suits and cases against defaulting borrowers, with an aggregate amount of BDT 30,705 million. These cases are diligently monitored by a team of 21 dedicated law officers, who represent the Bank as plaintiffs and complainants. The cases are conducted by the Bank's panel lawyers, who possesses the expertise and experience required to handle

complex legal matters. To date, 2,027 of these suit/cases have been successfully disposed of through judgment, and additional cases have been withdrawn following the settlement of the accounts. While progress has been made, there remain 196 writ petitions/criminal misc. cases and appeals that are currently pending before the Supreme Court of Bangladesh. We are committed to resolve these outstanding matters with utmost diligence and professionalism.

Way forward

- Taking prompt action to vacate stay orders in higher court for large accounts.
- Setting priorities for the prompt settlement of large accounts.
- Taking initiatives to develop a pipeline of prospective accounts for future settlement and prioritizing work of those accounts.
- Obtaining more judgments in Artha Rin suits & convictions in NI Act Cases.
- Issuing and executing more arrest warrants against the defaulting borrowers.
- Engaging more influential and effective lawyers and prioritizing case lists to increase recovery.
- Organizing legal workshops to share knowledge and building healthy relationships with competent authorities to expedite suits/cases.
- Holding regular portfolio analysis meetings with business and CRM on a monthly basis to improve the quality of the asset portfolio and providing feedback to the underwriting team based on collection efforts.
- Providing sufficient training sessions by subject matter expert to increase employee efficiency, productivity, and loyalty.



SUSTAINABILITY REPORT



Sustainability Report

Foreword

To make banking sustainable, a much needed shift in mindset is required - one that moves us away from the focus on maximizing profits without regard for social and environmental costs, towards a recognition that these costs must be factored in when designing financial policies and products. The devastating impact of climate change leaves no room for delay, and banks must act swiftly to embrace sustainability. There is a growing demand from customers, regulators, investors, employees, and the general public for banks to operate in a more transparent and accountable manner. This is putting pressure on banks to take proactive measures towards achieving sustainable practices. The banks that are able to successfully adapt to this new paradigm and establish themselves as leaders in sustainability will be well-positioned to thrive in a rapidly evolving business landscape.

EBL's commitment to excellence has fueled its steady and sustainable growth for more than three decades. The bank is well aware of its responsibility towards its clients, investors, and communities, and believes that building and maintaining trust is paramount to its success. However, for EBL, sustainability is not just about being responsible; it is also an opportunity to make a meaningful impact on the world and contribute to the betterment of our communities. This ethos has been recognized by the Central Bank of Bangladesh, which awarded EBL as one of the top ten banks in its 2021 Sustainability Ratings for its outstanding achievements in sustainable finance and overall business strength.

EBL has created opportunities for individuals and businesses while also contributing to the long-term viability of the society in which it operates. We believe that every business should have a social mission. We cannot function in society and earn profit while neglecting social and environmental factors. Our goal is to promote ethical enterprises that serve people and society, which is both a corporate social duty and a driver for achieving long-term economic success.

As we all know, financial outcomes are a product of commercial success and commercial success is dependent on providing greater value to consumers and contributing to social advancement. At EBL, we emphasize in consumer happiness, digital development, product innovation, employee involvement and financial performance, among others. Also today's technology allows us to accomplish our goals on a grander scale. Customers' tastes are changing as a result of the widespread use of smartphones and digital platforms. Every day, we discover new methods to interact with one another and with businesses.

EBL has always been a forerunner in the country, implementing best practices and setting examples for other banks and financial institutions. Sustainability at EBL is more than merely operating ethically or meeting legal standards; it entails having a positive and long-term influence on the surrounding community and all

stakeholders. EBL has greatly contributed towards developing the country's financial ecosystem for over 30 years and is inextricably related to Bangladesh's growth narrative.

In 2022, EBL made significant progress towards achieving UN Sustainable Development Goals. We promoted financial inclusions through our 63 Agent and 23 Sub-branch outlets, contributed towards women and student banking by arranging a number of webinars on education, gender equality, health and social issues and developing low cost products for women entrepreneurs. Throughout 2022, EBL disbursed BDT 2,165.50 million (term loan) to contribute in Green Financing especially in energy & resource efficiency, PET bottle recycling plant, recycling & manufacturing of recyclable goods, environment friendly brick production, green and environment friendly establishments etc. On the other hand, EBL also contributed BDT 42,729.10 million to sustainable financing especially in sustainable agriculture, sustainable CMSME, MFI/ NGO for capacity building, employment generation including self-employment and working capital & demand loan of green products/ projects etc.

EBL is constantly funding projects that are eco-friendly and have an aspiration to become energy efficient. We have integrated Environment and Social Risk Management System to analyze the environmental and social risks of projects and promote financing in cleaner energy to support the fight against climate change. EBL has been closely working with numerous multilateral organizations such as IFC, DEG, ADB, FMO, Proparco, OeEB, CDC, Norfund etc. to ensure sustainable banking practices.

In 2022, EBL has initiated a pilot project on Carbon Accounting in collaboration with DEG, the German Development Finance Institution and their partner JIM Foundation. EBL, using the Joint Impact Model will estimate financial flows in the economy and its resulting economic, social and environmental impact. These impacts will also be used to model and report on the contribution of EBL to the UN Sustainable Development Goals (SDGs). EBL becomes the first local bank in Bangladesh to explore the opportunities using such impact model in addressing the climate challenge issues. In this report, we will also share our commitments and progress on the SDGs and other material sustainability issues in 2022.

We are excited to share the progress that EBL has made in sustainability, and we invite all stakeholders to join us in our commitment to creating a better future for Bangladesh and beyond as we unveil the Sustainability Report 2022.



M. Khurshed Alam

Chairman, Sustainable Finance Committee

Sustainability: an overview

Sustainability has emerged as a fundamental element for the growth of emerging market economies. In the world of finance, risk is ubiquitous in all business activities. At EBL, we recognize the importance of managing risk, particularly in the form of environmental and social risks as an integral part of our responsible and sustainable growth strategy. Our efforts to manage these risks will not only reinforce EBL's strength and sustainability for the future, but also help us serve our customers, communities, shareholders, and employees better. As a bank, committed to

meeting the needs of our customers, employees, shareholders, and the wider community, we strongly believe that our long-term success and survival are directly linked to the health and quality of the natural environment. Therefore, we continuously strive to enhance our environmental performance, reduce our greenhouse gas emissions, carbon footprint, and prevent pollution by embracing and promoting the use of renewable resources, efficient products, community outreach, awareness and education. By doing so, we aim to leave a positive impact on our planet while fulfilling our mission to support the financial needs of our stakeholders.

EBL's approach towards sustainability



Sustainable banking/Environmental & Social Risk Management (ESRM) Policy



Environmental & Social Risk Management procedure



Dedicated environmental & social risk team

At EBL, we hold a strong belief that growth must not come at the cost of future generations' ability to meet their own needs. As custodians of the present and architects of the future, we are committed

to ensuring that ethical, social, and environmental standards are rigorously adhered to when making business decisions and conducting operations.

Sustainability governance

EBL is one of the pioneers in the banking sector in Bangladesh to adopt international best practices on corporate social responsibility and good governance. Our aim is to take leadership position in sustainable finance. The rules and regulations stipulated by the Board of Directors in relation to sustainability are:

- The Board of Directors; on all matters except those reserved for the Annual General Meeting (AGM), is the only body authorized to approve general policies and strategies, especially those relating to sustainability.
- The Board of Directors also oversees the Corporate Social Responsibility (CSR) Policy, ensuring its compliance and its aim to create value for the Bank.

EBL has a Sustainable Finance Committee (SFC) chaired by a Deputy Managing Director (DMD) and comprises the heads of different divisions and corporate areas of the Bank concerned with sustainability. This committee meets at least once a quarter and proposes, coordinates and promotes the Bank's sustainability initiatives.

Credit Risk Management (CRM) team also assesses the reputational risk stemming from any financial transaction with a social or environmental impact which issues non-binding recommendations to the relevant decision-making body. Subsequent to the business units and credit risk management teams, as a third line of defense, the internal audit team performs regular evaluations of the implementation of Environmental & Social Risk Management (ESRM) system, sustainable banking and green office guidelines. Our corporate culture includes six core values which creates an essence of corporate governance and sustainable development.

Core values



Service Excellence



Openness



Trust



Commitment



Integrity



Responsible Corporate Citizen

Strategic focus for sustainability

At EBL, managing environmental and social risk is a key part of bank's sustainable growth strategy. It contributes to the strength and sustainability of EBL and supports the work we do today to serve our customers, communities, shareholders, and employees.

Key achievements of 2022

Project on Carbon Accounting

EBL has initiated the first ever pilot project on Carbon Accounting for any local bank in Bangladesh in collaboration with KfW DEG, the German Development Finance Institution and their partner, the JIM Foundation. EBL, using the Joint Impact Model, will estimate financial flows in the economy and their resulting economic, social and environmental impacts. These impacts will also be used to model and report on the contribution of EBL to the UN Sustainable Development Goals (SDGs).



Eastern Bank partners with KfW DEG and JIM Foundation for pilot project on Carbon Accounting

EBL receives Sustainability Rating Award

In June 2022, EBL was awarded as one of the top ten banks in Sustainability Rating Recognition for the year 2021. Our Managing Director and CEO, Ali Reza Iftekhar, received the crest and certificate from governor of Bangladesh Bank, Fazle Kabir, at an award ceremony held at the Central Bank's head office. This esteemed recognition was conferred based on a rigorous assessment of five key indicators that underscore the Bank's commitment to sustainable finance, Corporate Social Responsibility (CSR), green refinance, core banking sustainability and banking service coverage. It is an undeniable testament to EBL's unwavering dedication to sustainable business practices and a clear indication that the Bank is on a path towards achieving its long-term vision.



EBL receives Sustainability Rating Award for the year 2021

EBL has established Green Banking Policy in 2012, later renamed as Environmental and Social Risk Management Policy in 2016, to provide additional clarity and transparency regarding how we approach environmental and social risks. Social risk has also been assessed since then which includes a number of social parameters in addition to environmental parameters for risk assessment.

Digital transformation

In 2022, EBL made significant strides in the realm of digital banking putting its customers' convenience and satisfaction at the forefront. The Bank introduced an impressive array of features including Binimoy, net banking payment, passport endorsement status view, ZIP, Want2Buy, and Easy Credit status view, among others. In addition, clients could easily pay their WASA and DESCO bills online and even download their account statements with ease.



Digital transformation through EBL Skybanking app

Key sustainability highlights 2022



PEOPLE

136,839 people received sustainable financing in 2022.



CSR

BDT 141.36 million in CSR expenditure.



Green Factory

15 of our customers are LEED certified.



Green EBL Head Office

Water treatment system and solar panel in the Head Office.



ESDD

Environment & Social Due Diligence (ESDD) conducted for 462 clients.



App-based banking

327,337 accounts using Smart-phone app-based banking.



Internet banking

75,028 accounts using internet banking.



In-house Training

163 capacity development in-house training.



Sustainability Training

318 employees took training regarding sustainability in 2022.



AML Training

3,799 employees completed training on AML in 2022.



Women Workforce

22.03% women workforce as of 31 December 2022.



Sensor Lights

Sensor lights to reduce electricity consumption.



Sustainable Agriculture

BDT 7,063 million financed in sustainable agriculture.



Sustainable CMSME

BDT 520 million financed in sustainable CMSME.

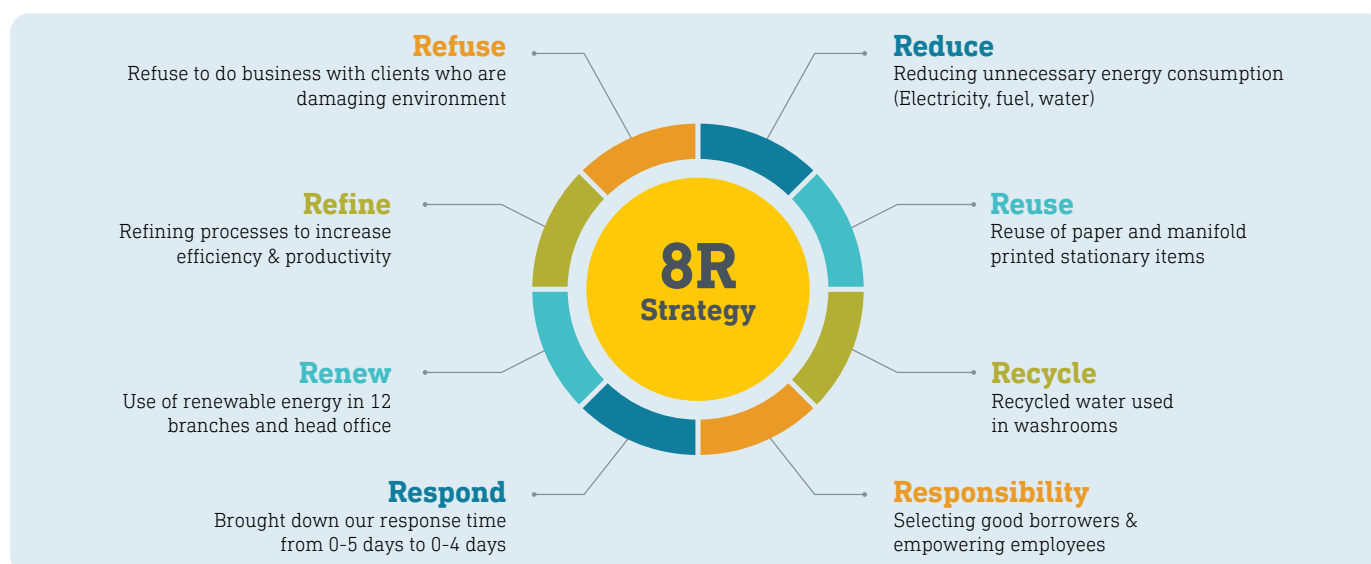


Socially Responsible Finance

BDT 21,431 million financed.

8R approach to sustainability

At the core of EBL's strategy lies a relentless drive for efficient cost management, a commitment to consistent productivity improvements, and a steadfast focus on broadening our banking horizon to deliver sustained success in an ever-evolving business landscape. As we reflect on our sustainability efforts in 2022, we are proud to report that we remained steadfast in our commitment to the 8R strategy - a framework that emphasizes the importance of 8R i.e. reduce, reuse, recycle, responsibility, respond, renew, refine and refuse.



Sustainability at EBL

Environmental sustainability

In-house green initiatives



Plastic free premise



Most of the banking solutions in the EBL Skybanking app.



Green features in Head Office.



Capacity building session for all new joiners on "E&S management".

Power, water and other resources consumption management

EBL believes that every modest 'Green' move done today will go a long way toward creating a greener future and that each of us can contribute towards creating a better world. EBL has ensured minimal waste of natural resources through proper planning and administration.



Auto sensor lights at EBL Head Office



Promoting use of natural light at EBL Head Office

Sustainable banking practices have been at the forefront of our mission at EBL. From financing businesses that invest in renewable energy to implementing simple yet effective changes like turning off lights and encouraging paperless work, we believe that every small step counts in preserving our planet.

One such step we have taken towards reducing our environmental impact is by becoming a plastic-free EBL. Plastic water bottles have been replaced with eco-friendly alternatives and we actively encourage all staff to refrain from using them. It is not just at official programs - this is a culture we are promoting across the organization.

Moreover, we have also made changes in our day-to-day operations. Plastic folders have been replaced with their paper counterparts and we are constantly looking for ways to further reduce our plastic usage. We understand that this is a small change but we believe that every action we take in the direction of sustainability has the potential to make a meaningful impact.

BDT in million		
Resource utilization	2022	2021
Cost of water consumed by the Bank	3.09	3.22
Cost of paper consumed by the Bank	2.66	2.48
Cost of energy (electricity, fuel, and gas) consumed by the Bank	125.51	110.42

Climate change & carbon footprint

Climate change has transformed into a pressing issue with far-reaching consequences on our planet. From biodiversity and agriculture to forestry and water supply, no facet of our ecosystem has been spared from its adverse effects. Bangladesh is currently recognized as one of the biggest sufferers of climate change by people all around the world.



BDT 5,242 million

Green finance
(Term Loan) Outstanding as
on 31 December 2022



BDT 868.78 million

Financed in green
establishments



BDT 288.67 million

Financed to brick kilns
adopted cleaner
technology



BDT 26.30 million

Financed to
green CMSME

Banks, like all other businesses, emit greenhouse gases (GHG) either directly or indirectly (via the financing of clients and projects that emit GHG emissions). In recognition of its corporate social responsibility and as an environmentally conscious institution, EBL has taken up the mantle of green banking. This move is not just a step towards safeguarding our planet but also a means to ensure sustained economic growth in the long run.

Protecting environment	2022	2021
Number of customers eligible for Environmental Due Diligence (EDD)	462	247
Number of customers appraised for environmental risk rating	462	247
• Low	382	191
• Moderate	48	31
• High	32	25
Installed capacity of solar energy to run bank premises and ATMs (in Kilowatt)	16	16
Percentage of Bank branches connected online	100%	100%

BDT in million

Promoting sustainable finance	2022	2021
Financed for installation of Effluent Treatment Plants (ETP) at operational plants	-	140.76
Financed in plants having ETP	26,429.70	11,418.70
Financed to solar panel/ renewable energy/alternative energy plants	40.00	-
Financed to bio-fertilizer plants	-	-
Financed to brick kilns adopted green technology	288.67	345.57
Financed to other green projects	1,836.87	1,547.85
Total disbursement in sustainable initiatives	42,729.10	35,624.04

Green projects of EBL

Renewable energy project

EBL financed the establishment of an eco-friendly fuel wood pallet in Fatikchori upazila within Chattogram division. The fuel wood pallet will produce biofuel wood chips from sawdust wood, which will be used in both the residential and industrial sectors. This project's aim is to address the country's growing energy demand while minimizing the environmental impact. The beauty of this project is that it generates sustainable & renewable energy solutions that cater to the needs of every community and industry across the country.



Biofuel Manufacturing Plant

Polyester Staple Fiber (PSF) from waste PET bottles/polyester project

In 2022, EBL provided financing for a project aimed at manufacturing Polyester Staple Fiber (PSF) from waste PET bottles and polyester. This initiative falls under the umbrella of IPFF-II, a program established by Bangladesh Bank (BB) with financial backing from the World Bank with the goal of promoting environmental, industrial and solid waste management.



Manufacturing Polyester Staple Fiber (PSF) from waste PET bottles

Tunnel kiln brick field

In 2022, EBL financed an automatic brick manufacturing factory. As a responsible bank, EBL does not finance in the traditional brick fields. EBL promotes auto brick production technology for the safety of the environment and the people of the country. This factory is using modern international technologies from Italy, Japan and China so that they can avoid the traditional method's impact on human health, agricultural yields, and global warming.

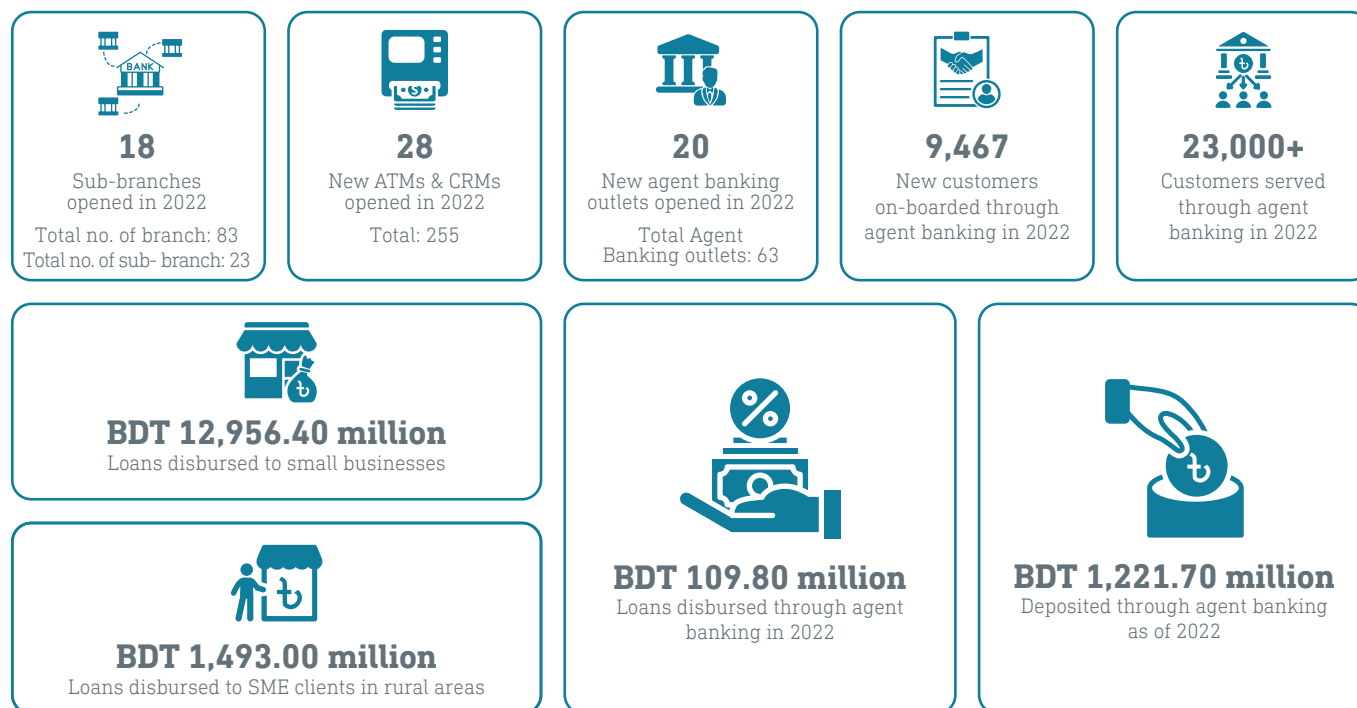


Automatic Bricks Production technology

Economic sustainability

Financial inclusion and diversity

EBL is committed to empowering local communities through a range of financial services tailored to the needs of small and medium-sized enterprises, farmers and women entrepreneurs. By providing access to credit, customized products and training opportunities, EBL enables customers to develop the knowledge and skills they need to achieve their financial goals.



Employee remuneration

BDT 4,874.58 million

EBL has 2,202 permanent employees;

- 52.04% are with EBL for less than 5 years,
- 25.7% are for 5 - 10 years,
- 14.45% are for 10-15 years and
- 7.81% are for over 15 years.

Recommended as dividend to shareholders

BDT 2,682.74 million

Recommended 12.50% cash dividend and 12.50% stock dividend per share for 2022.

Taxes withheld and paid

BDT 5,388 million

EBL contributes both economically and socially to the country by paying withholding indirect taxes from third parties.

BDT in million

Financial inclusion & indirect economic impact	2022	2021
Cumulative agricultural and rural credit extended through MFIs (BDT in million)	4,983.38	5,903.00
Cumulative agricultural credit extended through own network (BDT in million)	25.50	18.42
Total number of individuals impacted through agricultural and rural credit	90,876	119,552
Total number of MFIs partnered for agricultural and rural credit disbursement	15	13

Financial assistance received from government	2022	2021
Borrowing from Bangladesh Bank under different refinance programs (as of 31 December 2022)	28,403.58	25,303.84

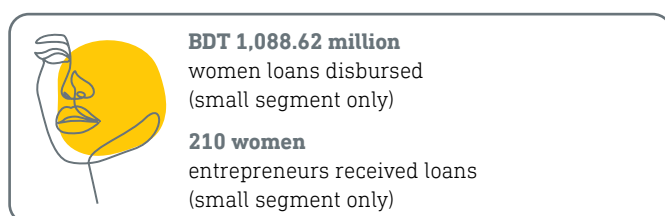
BDT in million

Contribution to national exchequer	2022	2021
Income Tax	8,197	5,781
VAT	866	694
Other duties & Taxes	503	436

Social sustainability

Gender equality and education

EBL Women Banking is an exceptional offering from EBL to cater to the specific financial needs of women. The Bank has curated a suite of products and services to support the empowerment of female entrepreneurs including the "EBL Ovilashi" account, a non-individual interest-bearing current account, that serves as a one-stop solution for entrepreneurs looking to turn their dreams into reality. EBL Women Banking provides competitive installment options for the country's highest collateral-free business loan giving aspiring female leaders the financial support they need to transform their business ventures. EBL has left no stone unturned in designing and promoting women-centric business transformation, as evidenced by the specially-tailored "EBL Mukti Loan" for women entrepreneurs. We are proud to be a champion for women's financial empowerment and are committed to delivering innovative solutions to help them achieve their business goals.

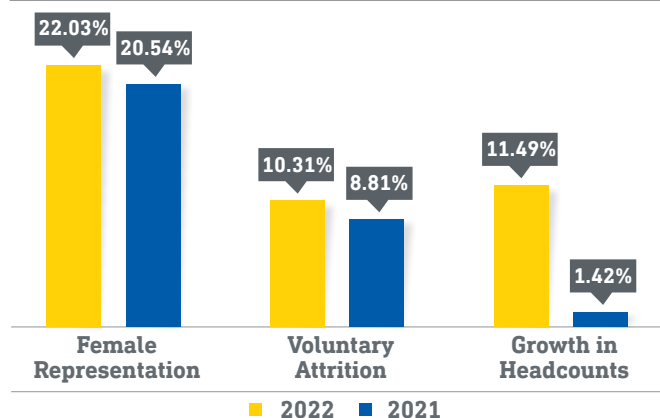


In order to facilitate education, EBL has implemented several measures including the provision of account facilities for students in schools, colleges and universities. EBL offers a distinct product called "Child Future Plan", which is a recurring Deposit Pension Scheme (DPS), designed to assist parents in saving for their child's future. This savings plan can be utilized for higher education expenses, marriage or other significant expenses related to the child's future. Additionally, the EBL Student File Service caters to the banking requirements of students pursuing higher education abroad by offering tailored banking solutions.

Employees

Quality of working relationships, a healthy work-life balance, recognition of the performers and continuous investment in people—all these things differentiate EBL as an "Employer of Choice." If employees feel proud of belonging to EBL and are more committed, they will be able to earn the lasting loyalty of our customers.

Employer of choice (Permanent Employees)



Employees	2022	2021
Headcount (including contractual staff) as on December 31, 2022	3,550	3,087
Headcount (permanent employees only) as on December 31, 2022	2,202	1,975
Number of fresh graduates recruited as Management Trainee	27	21
Number of fresh graduates recruited as Probationary Officer	7	12
Number of fresh graduates recruited in other positions	45	65

Training and development

EBL has implemented a mandatory green banking training program for all newly hired employees. To ensure that our corporate relationship managers have a comprehensive understanding of Green Finance, we introduced a 'Sustainable Finance Training' program in 2013. In 2022, a total of 318 employees attended these training programs, compared to 202 in 2021.

Employee benefits & remuneration policies

We have a well-structured remuneration system based on our HR policy. The system combines a fixed salary that is commensurate with an individual's role and level of responsibility. In addition, EBL also offers provident funds, gratuity, staff loans, and medical benefits for both employees and their dependents. We strictly adhere to the labor laws of the country regarding remuneration, working environment, employee benefits, working hours and other related matters.

Diversity and equal opportunity

At EBL, we embrace an open communication policy that welcomes, encourages and appreciates diverse perspectives. In 2015, we established a formal platform aimed at fostering a culture of open communication and enabling the free flow of new ideas. We have also established EBL Nest, a capacity enhancement center, designed to engage all employees in the process of innovative thinking. The center's unique atmosphere is specifically designed to encourage thinking outside the box. EBL is a women-friendly bank, with many women leading different departments and contributing to the creation of lasting value. Our corporate culture emphasizes the fulfillment of our purpose which is to help people and businesses prosper and to consistently conduct business in a simple and fair manner.

Community investment

EBL is committed to promoting economic and social progress within the communities it serves through a range of initiatives and programs. We firmly believe that investing in the betterment of society is the most meaningful form of investment. EBL aims to create sustainable value for its customers, shareholders, employees and, most importantly, the community it operates in. A comprehensive report on the bank's CSR efforts is presented separately in this annual report.

(BDT in million)		
Community investment	2022	2021
Contribution to CSR activities	141.36	183.02

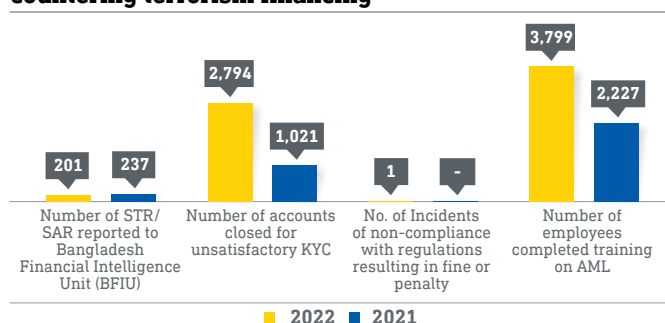
Throughout the COVID-19 pandemic years, EBL took numerous online initiatives to create awareness, provided guidance on a number of social and healthcare issues. We believe it is our moral responsibility to give social support and create awareness.

Combating money laundering and countering terrorism financing

EBL has implemented a robust anti-money laundering and countering the financing of terrorism system, designed to align with the latest international regulations and adapt to emerging techniques employed by APG (Asia Pacific Group on Money Laundering). In addition, the Bank has established a corporate framework outlining the fundamental guiding principles and policies necessary to combat these issues.

Combating money laundering and countering terrorism financing

(in number)

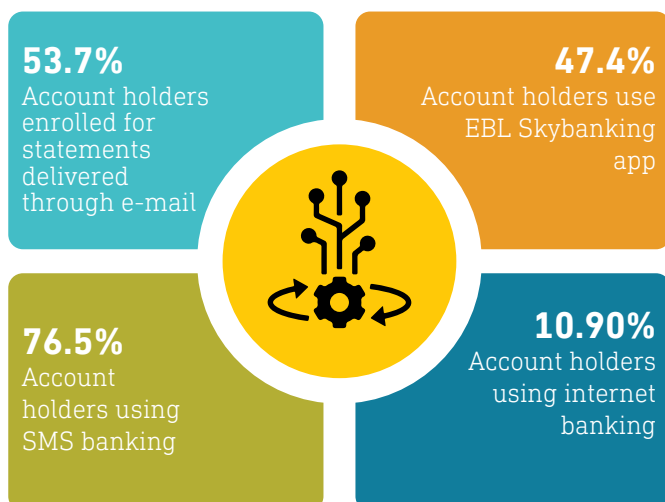


How we value our customers

To the EBL crew, customers are the cause of existence, never just a queue in the bank counter. Recognizing 'customer satisfaction' as a journey not destination, EBL is determined to serve its customers' needs by offering innovative but useful financial products and services, while maintaining good relationships with them as trusted partners. This is achieved through the deployment of robust systems, cutting-edge technology and highly skilled personnel, all aimed at providing customers with best possible service. Furthermore, EBL continues to expand its nationwide network of branches, ATMs, Dropbox, Cash Recycling Machines (CRM) and business centers, safeguarding the confidentiality of customer information and ensuring swift resolution of any complaints.

Digital integration

In Bangladesh, EBL is regarded as a prominent provider of digital banking services, having commenced its foray into the digital space in 2007 with the introduction of internet banking. Over the ensuing 15 years, EBL has demonstrated an unwavering commitment to developing fast, efficient and user-friendly digital services including EBL 365, DropBox, the EBL Skybanking app, EBL DIA, and EBL SKYPAY to cater to the evolving needs of its discerning clientele.



Financial system of the entire world is changing very quickly. This is also true for Bangladesh's banking industry as most of the financial transactions will take place digitally in the near future. EBL is ready for the transformation.

Service excellence & customer satisfaction

EBL improves its customer relationship model every year with the aim of offering the finest products and services as and when they need them, while enhancing the customer experience with the Bank. EBL is following the "Segment of One" approach for its customers by treating every customer as an individual segment and providing him/her customized and personalized services according to the need.

Excellence in customer service	2022	2021
Number of average accounts*	6,91,263	6,63,847
Number of complaints received through all channels	1,092	1,019
Number of complaints resolved (in percentage)	100%	100%
Complaints per 100,000 account	158	153
Usual turnaround time to resolve any complaint	0-3 days**	0-3 days
Total number of complaints regarding breaches of customer privacy and losses of customer data	0	0

* Simple average of number of accounts at the beginning and ending of the year

** Due to the nature of the complaint, in some cases it might require additional time than the usual turnaround time.

Alignment of sustainable finance with SDGs

The UN Sustainable Development Goals consist of 17 key global issues that have been adopted by more than 190 countries. Since the adoption of the SDGs in 2015, Bangladesh has made remarkable progress and ranks among the top three countries in terms of the SDG index score. Bangladesh has already taken significant steps to initiate the implementation of the SDGs.

EBL recognizes the importance of the world's foremost sustainability challenges and is committed to managing its relationships with stakeholders accordingly. Through its business activities and community investment program, EBL is actively contributing towards achieving these goals and making a positive impact on society.

SDGs mapping for Bangladesh

In order to achieve the Sustainable Development Goals (SDGs) in Bangladesh within a short timeframe and ensure that no one is left behind, the SDG Working Committee of the Prime Minister's Office has identified a comprehensive set of 39 indicators. EBL is playing an active role in helping to achieve these goals as quickly as possible.

Some of the key SDGs that EBL is contributing for:

SDGs	EBL's Contribution
 <p>End poverty in all its forms everywhere.</p>	Through the intermediation of Micro Finance Institutions (MFIs) and Non-Governmental Organizations (NGOs), BDT 21,430.5 million was disbursed in 2022 towards socially responsible finance initiatives.
 <p>End hunger, achieve food security and improved nutrition and promote sustainable agriculture.</p>	In 2022, a total of BDT 7,063 million was disbursed towards sustainable agriculture programs aimed at benefitting 136,627 individuals residing in rural areas.
 <p>Ensure healthy lives and promote well-being for all at all ages.</p>	EBL arranges wellbeing program for elderly people and women in particular.
 <p>Ensure inclusive and equitable quality education and promote life-long learning opportunities for all.</p>	Donating to CSR initiatives for educational purposes.
 <p>Achieve gender equality and empower all women and girls.</p>	With 22.03% of its permanent workforce consisting of women, EBL has made a commitment to fostering women's leadership, demonstrating a dedication to gender diversity and inclusion within the organization. EBL has a separate Women Banking operation with the vision to expand women's access to financial products & services and to promote inclusive growth.
 <p>Ensure availability and sustainable management of water and sanitation for all.</p>	With a water treatment system installed in its office premises, EBL has also provided financing for the construction of several water treatment plants.
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p>	EBL's funding initiatives have supported several projects in the energy and resource efficiency domains, with a particular focus on renewable energy solutions and the production of biofuels.
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	EBL has a workforce of 3,550 employees, and the Bank's financing initiatives have also contributed to the creation of more than 200,000 jobs.
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	EBL encourages and provides funding for the production of environmentally friendly bricks and the establishment of green and eco-friendly businesses.
 <p>Reduce inequality within and among countries.</p>	EBL's permanent employees comprise of 22.03% women, while also encouraging diversity on the basis of religion, race, and culture.
 <p>Ensure sustainable consumption and production patterns.</p>	To ensure Bangladesh's commitment for industries to install and operate waste management system, EBL financed BDT 2,642.97 million in 2022.
 <p>Take urgent action to combat climate change and its impacts.</p>	Our project appraisal process takes into account environmental, social, climate change, and disaster risk reduction factors. We assess the environmental and social risks of each project and create customized action plans for our clients based on our findings.
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss.</p>	Contributed BDT 520 million in CMSME sector mainly in handicrafts handloom, rice processing and production of organic fertilizer.
 <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p>	As part of its commitment to Corporate Social Responsibility (CSR), EBL has contributed BDT 141.36 million towards CSR activities and partnered with development organizations such as ADB, DEG, FMO, and OEeB to promote sustainable development.

Way forward

- EBL is working hard to implement green transition strategies in order to create a more responsible financial system. The carbon footprint is one statistic that can help us assess our environmental impact and alter business through sustainable decision-making.
- Investing in technology and fostering self-directed platforms to go green. This would enable us to streamline financial services by placing clients and the environment at the forefront of operations and strategic planning.



CORPORATE SOCIAL RESPONSIBILITY



Corporate Social Responsibility

Our responsibility to our society

As a responsible corporate citizen, we recognize the immense impact that investing in our society can have on the lives of those around us. We are proud to make Corporate Social Responsibility (CSR) a fundamental aspect of our organization, as it reflects our core values and beliefs. Our objective is to bring about tangible and beneficial transformation in all aspects of our operations.

At the heart of our approach lies our unwavering commitment to the United Nations Global Compact principles, which are widely recognized as the bedrock of corporate responsibility. We firmly believe that the path towards enduring sustainability lies in conducting our operations with integrity and adhering to a principled approach. Our CSR program embodies this belief and is an integral part of our effort to create a better world for all.

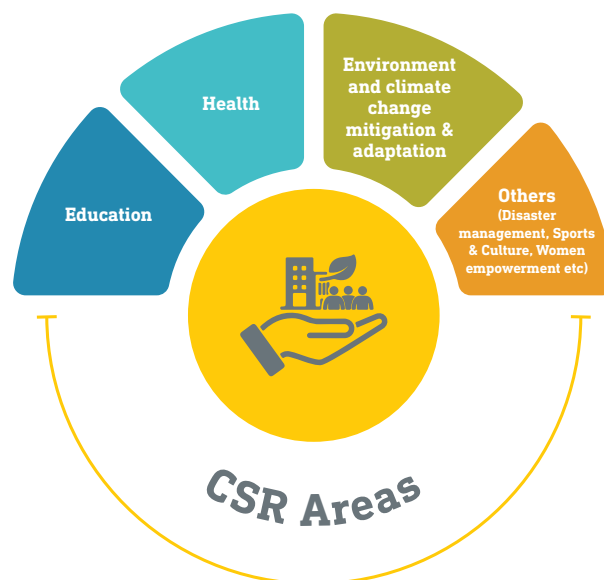
Our corporate citizenship strategy

We take our corporate citizenship programs as seriously as we do our business dealings. Our approach is built upon a sustained practice of good governance, which we view as the foundation of our strategy.

To ensure the highest standards of governance, all project proposals related to our CSR initiatives are assessed against a standardized framework and scorecard. Our CSR policy framework has been approved by the Board, and we are committed to transparency in all of our investments.

- We take utmost care to ensure that our CSR allocations do not end up financing militancy and terrorism.
- Our CSR programs focus on education and healthcare, with goal of allocating 30% of our fund towards awarding scholarships to underprivileged students from prestigious educational institutions and 30% towards healthcare for underprivileged populations.
- We allocate 20% of our CSR budget towards Environment and Climate change mitigation & adaptation.
- We strongly believe that sports, arts, culture, and relief efforts during times of national emergencies or disasters are critical aspects of our society that help build a sense of community and foster personal growth. We see this as an opportunity to demonstrate our commitment to social and environmental responsibility. As a result, we are committed to developing these areas by allocating 20% of our total CSR expenditures towards promoting sports, arts, culture, emergency disaster relief, upgrading facilities and lifesaving equipment in emergency rescue services like fire brigades, and infrastructure improvements for disadvantaged communities in far-flung areas.

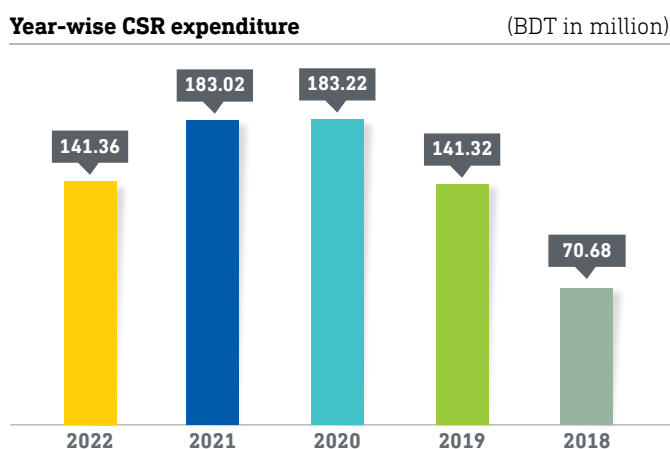
Our major CSR activity areas



Our CSR contributions in last 5 years

Based on our established corporate citizenship strategy and regulatory guidance, EBL is involved in varied initiatives in providing services to the underprivileged and distressed people. As per our Board approved policy, 2% of the latest distributed profit is being allocated as CSR expenditures every year. However, the actual expenditures are much higher which imitates our firm commitment to the society.

Following graph shows our contributions in last 5 years:



Education: key to social and economic development

We believe that education is the great leveler and also the best way to raise aspiration in the society and instil inspiration to achieve greater heights in life. In this globalized and knowledge-based world, education is key to address humanity's major challenges. Hence, our CSR efforts focus on tertiary education, as it prepares young

people for the workforce and encourages critical thinking. We believe education is essential for economic development and social cohesion.

Through our two-pronged approach of raising aspirations and creating pathways to education and employment, we aim to empower youth and support a skilled workforce for a better future.

Contribution to Prime Minister's Education Assistance Trust

Eastern Bank Limited contributed BDT 3.00 million in 2022 to the Prime Minister's Education Assistance Trust to support the government's efforts to provide financial assistance to underprivileged students in the country. The fund provides financial assistance through stipends, tuition fees, admission fees and other educational support to underprivileged students who cannot afford the cost of education. Such initiatives demonstrate our commitment to promoting education and supporting the development of the country's youth.



EBL donates to Prime Minister's Education Assistance Trust

EBL - Dhaka University Alumni Association Scholarship

In the year 2007, we began a fruitful partnership with the Dhaka University Alumni Association (DUAA) to reach out to meritorious and disadvantaged students of the University. We are proud of this collaboration. We began by offering a minimum of four scholarships to 74 departments of the University of Dhaka to pursue higher education and grow as a skilled workforce.

Currently, the scholarship amount for DUAA is BDT 4.50 million with each student receiving BDT 30,000. DUAA works closely with all the departments of the University of Dhaka for the selection of the scholarship award. Till date, around BDT 30 million has been awarded as scholarships to the students of the university.

Donating school bags and computer to a govt. primary school

EBL donated 470 school bags for Dhirasrom Government Primary School, Gazipur to support underprivileged students from low-income families. This initiative was aimed to remove financial barriers to education and promote educational continuity for these students.

Additionally, the Bank has been working to bridge the digital divide and promote technology-enabled education in underprivileged communities. To address limited access to technology and computer equipment, the Bank donated computer, UPS and monitor to Dhirasrom Government Primary School, improving the school's technological infrastructure and providing students with access to

computer-based learning resources.



EBL donates computer and equipment to Dhirasrom Govt. Primary School

Assistance in facility development of a School

EBL has taken initiatives to support education and community development, including the provision of furniture to schools. Under this program, Stanford International School at Banasree received desks, chairs, bookshelves, sofas and other items, improving the learning environment and providing students with better facilities for their studies.

Scholarships to meritorious children of Bangladesh Police, Special Branch employees

As a responsive corporate citizen, the Bank demonstrates its commitment to promoting education and supporting the development of the country's youth through its initiatives. EBL has provided BDT 0.50 million to the Special Branch Kallyan Tohobil, Bangladesh Police to provide scholarships to the meritorious children of their employees. The initiative aims to inspire them to reach higher goals and elevate societal aspirations.



EBL donates to Special Branch Kallyan Tohobil, Bangladesh Police for scholarships to their meritorious children.

Healthcare

Eastern Bank Limited is actively involved in community welfare programs for social development.

Financial assistance for blood donation and winter clothes distribution

EBL provided financial support to the Lions Club of Faridpur for organizing blood donation, medicine distribution, diabetics screening programs, and distribution of winter clothes to underprivileged people during the winter season.

Extending support for treatment of cancer patient

EBL extended support to a cancer patient whose family could not afford the expensive medical treatment anymore. The Bank provided financial assistance to the patient to continue medical treatment, demonstrating a strong commitment to supporting individuals and communities in need.

Promoting human welfare

We always feel that our responsibility towards society is not limited to banking alone. As a responsible corporate citizen, we set up a team of colleagues to visit different districts of the country and understand the needs of the cold-affected victims.

Donation to Prime Minister's Relief and Welfare Fund

As part of CSR activities, we donated 75,000 pieces of blankets amounting BDT 24.05 million to the Prime Minister's Relief and Welfare Fund. This donation was made to help underprivileged people affected by cold across the country who were in need of warm blankets.



Mir Nasir Hossain, Director of EBL hands over blankets to Prime Minister's Relief and Welfare Fund.

Disaster management

Our corporate values dictate that we stand by people in need and reach out to them in times of crisis. The society we belong to and operate is the place where all our responsibilities lie, and we have always come forward to offer necessary supports.

Contribution to Prime Minister's Relief and Welfare Fund

EBL donated BDT 100 million to the Prime Minister's Relief and Welfare Fund as a part of its emergency response to support the government's efforts to provide relief and assistance to the flood-affected people in the country. The contribution made by the Bank has helped to ensure that affected communities receive the necessary support and assistance to recover from the impact of natural disasters and rebuild their lives.



Mir Nasir Hossain, Director of EBL hands over a cheque for BDT 100 million to Prime Minister's Relief and Welfare Fund for flood affected people.

Distributing food items to flood affected people

To observe the National Mourning Day and in memory of the "Father of the Nation", Bangabandhu Sheikh Mujibur Rahman and his martyred family members, EBL organized the distribution of food items to flood-affected people in the Sylhet and Sunamganj area. In collaboration with well-known NGOs, EBL donated BDT 5 million towards distributing food packages to 4,850 families in those areas.



To observe the National Mourning Day, 2022 EBL distributed food packages to the flood-affected people in the Sylhet and Sunamganj area through ActionAid Bangladesh and BURO Bangladesh.

Environment friendly bank

EBL recognizes the importance of protecting the natural environment. By taking small 'GREEN' steps today we can create a greener future. As an environment-responsive bank, we have launched 'Go Green' campaign to reduce electricity and paper usage in our offices. EBL has a commitment to provide environmentally friendly funding. We are proud to announce that several of our branches and ATM's are now powered by solar energy.

Sustainable energy financing loan

EBL is Bangladesh's pioneer bank to offer a sustainable energy finance loan product with assistance from the South Asia Enterprise Development Facility (SEDF), managed by IFC in partnership with the UK Department for International Development and the Norwegian Agency for Development Cooperation. This initiative aims to assist companies in implementing energy-saving measures to enhance private enterprise competitiveness. EBL also ensures that customers with production facilities that may harm the environment possess an environmental clearance certificate from the relevant ministry before granting or renewing credit facilities.

Organizing tree plantation program

EBL held a tree plantation program in Dhaka to commemorate the National Mourning Day, paying tribute to the "Father of the Nation", Bangabandhu Sheikh Mujibur Rahman, and the martyrs of August 15, 1975.



EBL organizes tree plantation program to observe the National Mourning Day.

Sports and culture

We believe sports and culture have intrinsic value to people as well as promotes health and wellbeing, enriches culture, prestige and branding.

Celebrating significant events of liberation war of Bangladesh

EBL supported the publication of diaries to commemorate the historic Liberation War of 1971, displaying its dedication to preserving the history of the Liberation War and promoting awareness of the freedom fighters' sacrifice. Additionally, EBL donated BDT 7 million to the Bangladesh Association of Banks to organize "Joy Bangla" program on March 7, 2022. On this day in 1971 Bangladesh's founding president and "Father of the Nation" Bangabandhu Sheikh Mujibur Rahman delivered the historic speech at the Race Course ground, which was the charter of independence of the Bengali nation.

Mural of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman

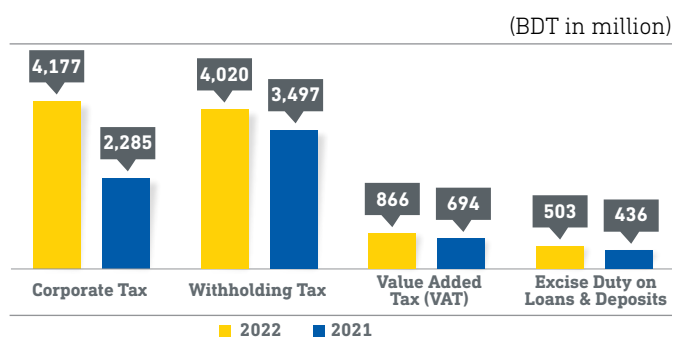
EBL has supported the creation of mural of the "Father of the Nation" Bangabandhu Sheikh Mujibur Rahman in DC office, Khulna. The mural serves as a way to honor and celebrate Bangabandhu's legacy and his contributions to the country.

Assistance in organizing youth support program

Sports play a vital role in the physical and mental development of individuals. As part of our commitment to promoting sports, EBL donated BDT 0.50 million to Bangladesh Squash Rackets Federation for development of squash in the country. Additionally, the Bank provided financial support to Advocate Abdus Salam Tennis Complex in Rajshahi to organize the "Victory Day Inter-club Tennis Tournament-2022".

Contribution to national exchequer

Being a responsible and tax abiding corporate citizen, EBL regularly pays corporate tax on time, sometimes even before it falls due. We also deposit withheld tax and VAT to govt. exchequer on time deducted from employees' salary as well as payment to customers and vendors. Following graph shows our contribution:



Women empowerment

We believe in empowering women to accelerate economic growth. Our special products offer discounted loan pricing for women entrepreneurs, providing up to BDT 2.50 million without collateral and up to BDT 5.00 million with collateral through EBL Mukti loan. We also guide women clients on various business issues like trade license, financial record keeping, taxation, marketing, and insurance in addition to providing financial facilities.

Joyee: women entrepreneur development program

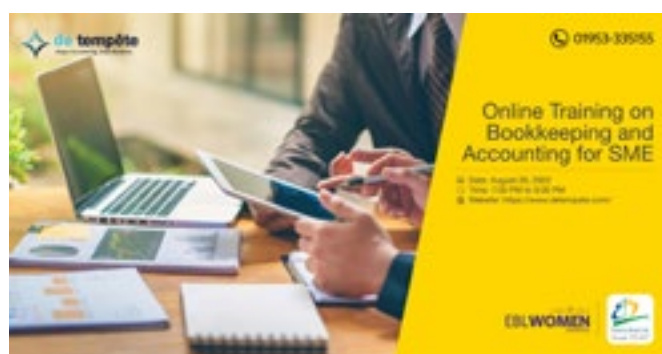
EBL and Prerona Foundation launched Joyee, a co-branded program to develop women entrepreneur's skills and support their business growth. It offers a structured approach and assistance in transforming their ventures into successful, scalable and sustainable ones.



MoU signing Ceremony with Prerona Foundation.

Online skills development training

EBL Women Banking's digital presence is focused on business management fundamentals, IT skills, digital marketing, mental health, parenting, personal finance, and access to finance. We conducted several skills development programs in 2022.



EBL organizes different training programs for women entrepreneurs.

Celebration of international women's day

EBL celebrates Women's Day every year to honor womanhood and advocate for greater equality. In order to mark international Women's Day, EBL hosted a roundtable on 'Financial Inclusion for Women's Economic Empowerment' to propose solutions to the barriers faced by women-led enterprises in accessing finance. The discussion covered women-centric financial policies and gaps in the ecosystem, along with recommendations to scale up women-centric businesses, achieve SDGs, eradicate poverty, ensure gender equality, generate employment, and foster economic growth.

Additionally, EBL launched the country's first women-centric prepaid card, EBL Mastercard Aqua Women Prepaid Card, offering exclusive offers for women.



Roundtable discussion on 'Financial Inclusion for Women's Economic Empowerment'



EBL celebrates Womanhood at Head Office

Way forward

- We will continue to act as the promoter of positive changes through our activities in areas of education, healthcare, environment & climate change mitigation and adaptation, sports and culture, disaster management, women empowerment and so on.
- In any emergency situation of the nation, we will try our best to provide necessary assistance.
- We will strive to enhance our engagement with the underprivileged members of the community to promote community development.



MANAGEMENT DISCUSSION & ANALYSIS

Comparative Analysis of Financial Performance

Eastern Bank Limited (EBL), one of the key players in the financial industry of Bangladesh, continues to deliver robust financial performance over the years creating delightful customer experiences driven by efficient human resource team and continuous innovation in a rapidly changing market, establishing solid governance framework and implementing sound business strategy & risk management practices. At the end of 2022, EBL market capitalization was BDT 34.13 billion with asset size of BDT 456 billion.

During 2022, the global economy faced abrupt challenges shaped by the lingering effects of the Russian-Ukraine war, a cost-of-living crisis caused by persistent and broadening inflation pressure and ongoing fallout of COVID-19 pandemic. Despite all odds, Bangladesh experienced an impressive real GDP growth of 7.10% in FY22 (FY21: 6.94%) supported by a strong export growth & controlled import growth, demographic dividend from skilled workforce, well-timed government policy and strong turnaround from COVID-19 pandemic.

During the last couple of years, overall financial sector is also struggling with rising default loans, shortfall of provision and capital, shrinking profitability, operating inefficiency and weak governance. Despite facing multiple obstacles, EBL has grown sustainably year on year and delivered consistent financial performance.

- EBL recorded highest profit after tax (PAT) of BDT 5,107 million in 2022 which was BDT 3,081 million in 2018 registering 66% growth. Diversified revenue streams and prudent risk management enabled us to produce tangible results over the years.
- EBL operating profit decreased by 4% or BDT 422 million in 2022 compared to 2021 mostly due to lower growth of operating income (4% or BDT 631 million) to BDT 17,789 million and

higher growth of operating expense (16% or BDT 1,054 million) to BDT 7,744 million caused by routine increment & promotion, new headcount and channel expansion. Operating income grew by BDT 631 million in 2022 driven by a negative growth of NII by 14% or BDT 1,062 million mainly due to upward pressure on deposit rate; which was more than compensated by Non-NII growth of 18% or BDT 1,693 million driven by excellent performance in fees, commission and FX income.

- Compared to year end 2018, EBL loan portfolio grew by 48% or BDT 99,609 million and reached to BDT 308,916 million on 31/12/2022.
- Through our prudent risk management practice, we contained NPL ratio at 2.78% only in December 2022 (2.35% in December 2018) which is far below than the industry average of 8.16% in December 2022.
- Compared to year end 2018, deposit base also grew by 59% or BDT 117,468 million and reached to BDT 317,097 million on 31/12/2022 with strong focus to increase the low cost CASA deposit base.
- Cost to income ratio, a measure of operating efficiency, improved from 45.63% in 2018 to 43.53% in 2022 despite inflationary pressure in 2022.
- In 2022, Capital to risk weighted assets ratio (CRAR) was 14.61% (solo basis), well above the requirement of 12.50%, and over the years we have been able to maintain CRAR well above the regulatory requirement.
- From the shareholders' point of view, EBL's return on equity also increased from 13.83% in 2018 to 15.46% in 2022.

EBL's journey towards sustainability, innovation and customer delight: Core propellers



An experienced board
comprising industry veterans



A competent
management team



Robust financial
performance



Sound business
strategy



Prudent risk management,
compliance culture and
governance practices



Unmatched customer
experience leading to
customer delight



Continuous innovation and
digitalization



Best Human Resource
in the country

During the last 5 years, EBL focused on sound business growth, serving customer digitally, creating customer delight, ensuring compliance, managing risks and ultimately producing consistent financial performance. In coming days, EBL aspires to establish itself as a most valuable financial brand in Bangladesh with growing

focus to expand regionally. A review of the last five years financial progression is presented in the Stakeholder's section of the report where comparative analysis of financial performance is presented with different ratios and graphs.

Corporate Banking

Despite facing the spillover effects of global economic turbulence, the economy of Bangladesh continued to show resilience with an impressive 7.10% GDP growth in fiscal year 2021-2022. Our country is going to graduate from Least Developed Country (LDC) status to developing country by 2026 and aspires to become a developed

country by 2041. By adopting the innovative initiative, "Smart Bangladesh", the country is poised to become a digital powerhouse through harnessing cutting-edge technologies to drive economic growth, uplift the standard of living and create new opportunities for its people.

Performance highlights 2022



BDT 240,349 million
Loan volume



BDT 102,151 million
Deposit volume



USD 5.30 billion+
Export & import volume



93
New booking



105
Clients on-boarded to
EBL Connect



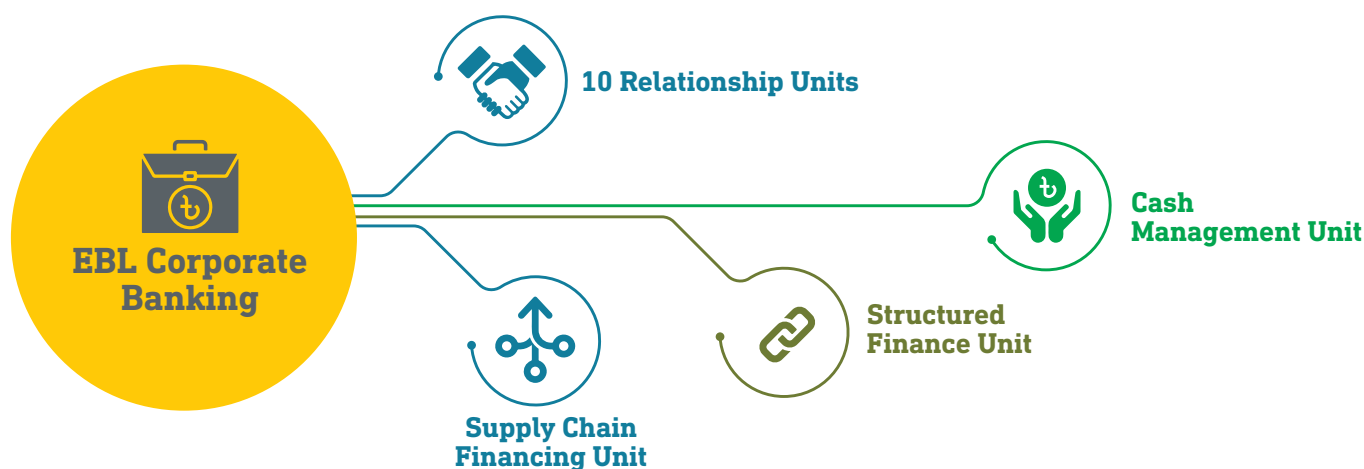
NPL 1.89%
Corporate banking



83
Team members

EBL stands out as a trailblazer in offering innovative financial solutions in the financial industry of Bangladesh reflected through its remarkable 31-year journey of sustainable growth. The consistent performance of EBL's corporate banking is a testament to its internal strength, resilience, and adaptability. Corporate asset portfolio has reached to BDT 240,348.52 million with a low non-performing loan (NPL) ratio of 1.89% which is one of the lowest in the financial industry. Despite the challenges posed by global

conflicts and economic slowdown, EBL Corporate Banking has achieved a significant export & import volume of more than USD 5.30 billion. Nearly 100 new customers were on-boarded by the corporate banking team that includes multinational corporations, public sector entities and large local companies. By facilitating the allocation of government stimulus funds to a diverse range of corporate entities, EBL Corporate Banking has played a pivotal role in promoting economic recovery of the country.



The relationship units are dedicated to delivering 360-degree support to corporate customers, including project finance, working capital finance, trade financing and a wide array of other business services. EBL Corporate Banking's presence in Chattogram through two relationship units enables the Bank to effectively serve clients

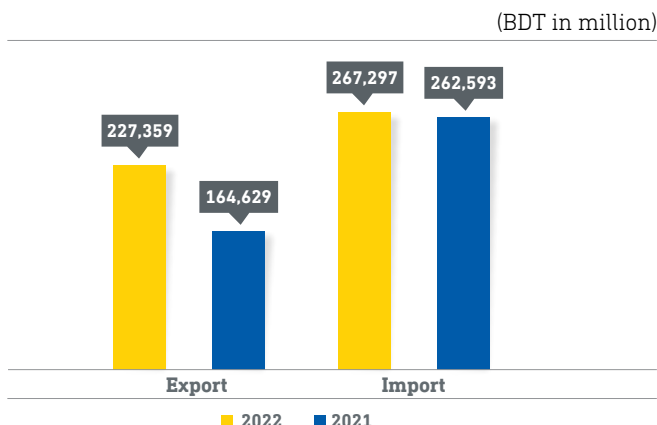
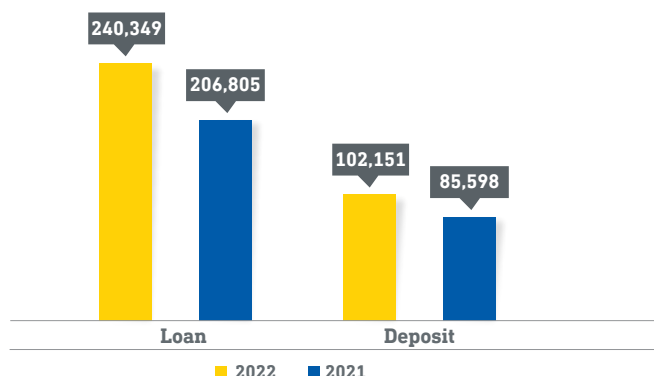
in that region. Corporate banking division is widening its scope of services with the inclusion of supply chain financing unit. Our approach to build strong, long-lasting partnerships with the customers with a team of 83 members has been a key factor to sustained growth.

Core strength

With a strong team of 83 people, EBL Corporate Banking is committed to providing swift and efficient banking services to the clients. Its innovative products and services and global network have allowed the Bank to sustain the growth even during the

COVID-19 pandemic as well as the ongoing turbulent geopolitical scenario. In response to the current economic challenges, EBL has emerged even stronger; poised to drive the unstoppable growth of Bangladesh's economy.

Business at glance



Loan portfolio mix 2022



Agri & Micro credit through NGO 9%	Power and gas 6%
Cement and ceramic industries 2%	Readymade Garments Industry 16%
Chemical, fertilizer, etc. 2%	Rubber & Plastic Industries 2%
Commerce and Trading 4%	Ship building & Ship breaking 1%
Construction 4%	Sugar & Edible Oil Refinery 4%
Crops, fisheries & live stocks 0%	Textile Mills 6%
Electronics & Electrical Goods 2%	Transport & E-communication 3%
Food and allied industries 10%	Other manufacturing or extractive industries 9%
Metal & Steel Products 9%	Others 7%
Pharmaceutical industries 3%	

Relationship units

The relationship units of corporate banking have primary responsibilities to build and maintain sustainable as well as profitable relationships with customers by providing financing solutions for their businesses. These solutions include working capital, bridge financing, long-term financing and offshore financing to meet the diverse financial needs of clients.

Cash management unit

The cash management unit offers a comprehensive array of cutting-edge products and services aimed at streamlining clients' business operations and optimizing their cash flow. The ultimate objective of this unit is to enhance liquidity, expand deposit base and minimize funding costs and thereby enabling to effectively serve a broad range of corporate and institutional customers. In 2022, EBL

Corporate Banking on-boarded 105 clients to EBL Connect, a digital solution for electronic fund transfer or payments through BEFTN and RTGS. Fund transfer transactions are mostly done digitally by the customers. In 2022, 72% of the number of interbank fund transfers have been through EBL Connect. Among the transferred amount, 70.60% has been transferred digitally.

Structured finance unit

The structured finance unit of EBL is acknowledged as a leader in the market, providing a comprehensive range of services including fund arrangement, advisory services, agency and account banking services and other innovative solutions to both corporate and public sector customers. This dedicated team is comprised of highly skilled professionals with a unique blend of industry expertise enabling them to effectively address the complex challenges associated with each transaction.

Noteworthy deals of Structured Finance Unit



Banglalink BDT 12 billion deal closed.



Offshore financing for Walton High-Tech Industries PLC of EUR 20 million.



Impress-Newtex Composite Textiles Limited (INCTL) preference share of BDT 1,000 million.



VISA Trustee role launched.



City Seed Crushing Industries Limited (CSCIL) preference share of BDT 3,250 million closed.



TMSS Women Empowerment Zero Coupon Bond of BDT 1,224 million, the 1st dematerialized bond in Bangladesh, closed.



Various concerns of Summit Group preference shares amounting to BDT 1,730 million closed.

Challenges to overcome in 2023

Bangladesh is currently grappling with certain economic challenges, especially with inflation and FCY liquidity, which has been driven by a combination of factors including imported inflation, high fuel costs and hoarding activities by some market players. To mitigate the inflationary pressure the government is taking a proactive approach to address them and has implemented measures such as subsidizing essential food items, policy for floating lending rate etc. Despite limited fiscal space, the country has sought USD 4.70

billion loan from the IMF to support its economic objectives and is committed to implementing necessary reforms.

In light of these challenges, it is essential for financial institutions such as EBL to have effective systems and robust institutional mechanisms to ensure success in overcoming them. While EBL Corporate Banking may face challenges in this regard, it is well-positioned to ultimately achieve success.

Way forward

EBL Corporate Banking is at prime position to harness the positive momentum of Bangladesh's economy as it continues its recovery journey from the impact of the global economic slowdown. With the growth in private sector credit, acceleration of exports, elevated public sector spending and heightened inward remittances driving the resurgence, the economy is expected to sustain its growth trajectory in 2023. EBL Corporate Banking is ready to seize the opportunities in both public and private sectors, while ensuring asset quality and accessing low-cost funding sources. As a front-runner in Bangladesh's post-pandemic economic landscape, EBL Corporate Banking remains unwavering in its commitment to stability and growth.

Corporate Banking Event Highlights



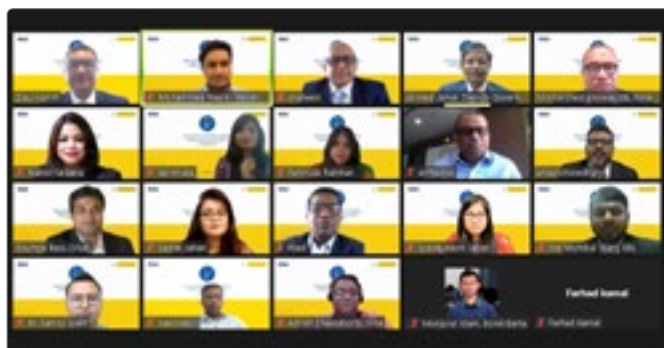
ADB confers EBL the Best TFP Green Deal (Issuing Bank) Award



Deal closing ceremony of Women Empowerment Zero Coupon Bond with TMSS



EBL arranges BDT 12 billion syndication loan facility for Banglalink



VISA partners with EBL for offering trustee services to its clients in Bangladesh



EBL arranges BDT 3,000 million syndication term loan facility for Shakti Foundation



Mandate Signing Ceremony with UK Bangla Cement Limited, a venture of City Group



Dhaka North City Corporation (DNCC) agreement signing for Fees/ Charge Collection through EBL

Retail and SME Banking

Our economy and the business have entered into a completely different terrain in 2022 due to a complex web of local and external adversities even before recovering from post-pandemic fallout. Sudden and significant rise of inflation, chronic shortage of foreign currency (FCY) liquidity, people's discontent in financial institutions

and weak governance of some banks have had an adverse effect on overall banking system. We, however, endured reasonably well against all these odds, remained steadfast and exhibited a balanced performance in 2022 leveraging our strong brand image, core values & solid financials.

Performance highlights 2022



Retail & SME deposit portfolio grew by 18%



Retail loan portfolio grew by 8% & SME loan portfolio grew by 11%



Opened 18 new sub-branches & 20 new agent outlets



Disbursed BDT 35,000+ million salary through Payroll Banking accounts

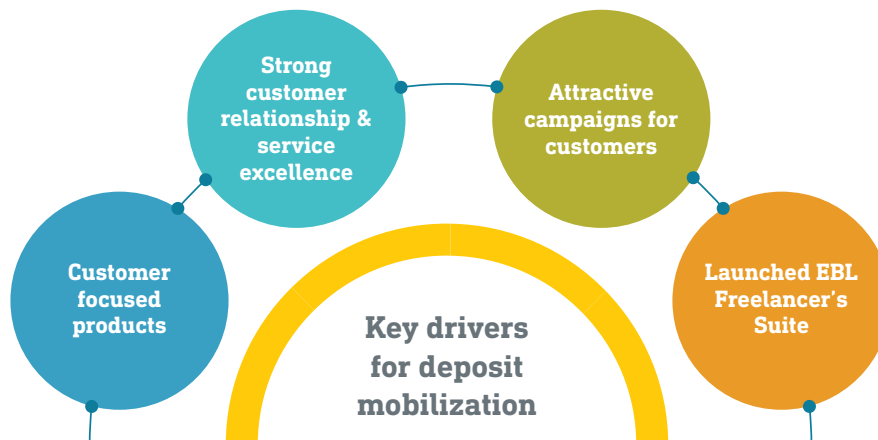


Credit card issuance increased by 30%.

Retail & SME deposits

18% portfolio growth

EBL Retail & SME deposit has experienced a sound growth amid market uncertainties. Around 1 lac Retail & SME customers chose to open accounts with EBL in 2022 which can be seen as a great show of enhanced confidence in EBL while the general confidence of depositors was low in overall financial industry. The premium service & strong brand image of EBL have given comfort to the customers to entrust their deposits with us which is reflected in the overall Retail & SME deposit portfolio growth. Our deposit portfolio grew to BDT 213,873 million in 2022 from previous year where 29% growth was achieved in fixed deposit portfolio.



To cater the banking needs of growing number of freelancers in our country, EBL launched "EBL Freelancer Suite". Freelancers can now easily receive their foreign currency earnings in their own EBL accounts, thereby creating avenues for them to enjoy a plethora of banking services.

Retail loan

8% portfolio growth

EBL Retail Loan caters to the financial requirement of individuals. During the time of rising inflation and cost of living and slower economic activities, people become extra cautious regarding their personal financing decisions. Often they try to squeeze their needs to the very basic necessities and avoid big purchases like houses and cars. Despite all the adverse scenario, EBL achieved a decent growth in loan portfolio.



Provided loan facilities to 10,000+ customers



26% growth in home loan portfolio



Launched EBL Shahojogita as a part of financial inclusion ideology

Small business loan

11% portfolio growth

Small and medium enterprises play a role as a backbone in a developing economy in terms of employment generation, distribution of wealth and sustainable socio-economic development. SME businesses faced a direct hit in 2022 due to shortage of fuel & power, instability in import of raw materials, lost production and market sales. Trading businesses which rely on imported products faced higher lead times and often faced shortage of supply. With lower business confidence, SME businesses were confused about whether to inject capital or to withdraw money from their businesses. Even though the economic situation was gloomy, EBL partnered with SME clients in financing for business development, machinery purchase, working capital requirement, construction, etc.



Advocacy support to SME clients



3,500 clients were financed



Launched EBL Fleet Finance



Disbursed stimulus package
(Phase 2 & 3)



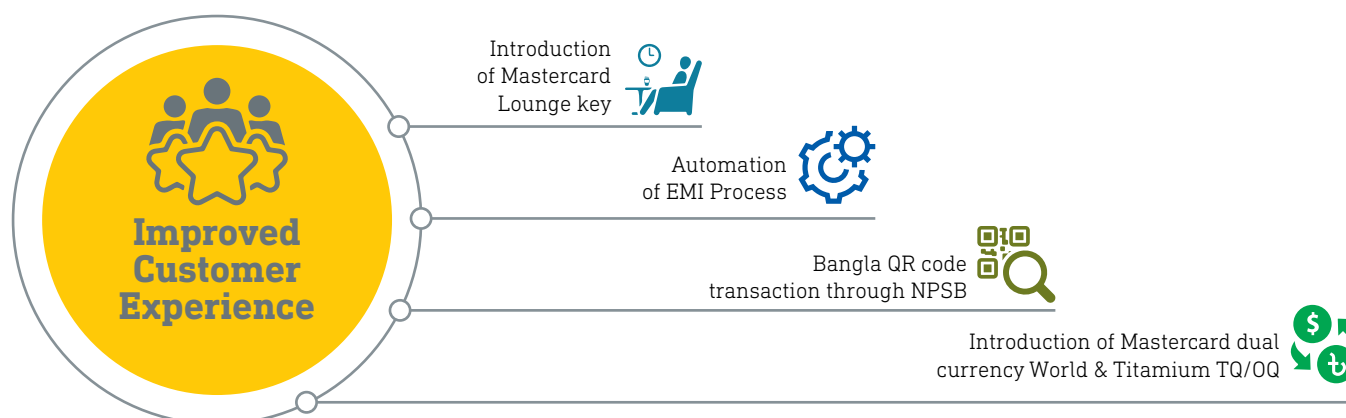
Impacting lives through SME loan

EBL believes that extending financing services to innovative businesses will ensure betterment for the society. We constantly look for such opportunities. One such business was Shondhi.bazaar.com which was financed as a start up from EBL SME business. They have a business model where they procure vegetables and crops from rural farmers. The procurement is done in advance before cultivation and thus farmers are ensured of a fixed price against their produce. While ensuring the quality and freshness of the crops and vegetables, they supply these to corporate caterers. They are creating a positive impact on the lives of farmers and ensuring quality supply of crops & vegetables to citizens. EBL feels proud to be a finance partner of the journey of Shondhi.bazaar.com for social benefit.

Cards business

25% increase in transaction volume

Despite facing odds, EBL cards business achieved notable growth in all metrics along with 30% year-on-year growth in total number of credit cards issued. To encourage our cardholders to take advantages of using cards in the post-pandemic era, we actively pushed online purchases and digital payment methods using cards. To give our cardholders hassle-free card services and lucrative discounts on necessary goods and services, year-round campaigns and promotions were run actively. As a result, credit card transactions volume increased by 25% from 2021 and the credit card portfolio grew by more than 9%.



Having a track record of offering many products for the first time in Bangladesh, EBL has implemented first Visa Trustee Service and launched Visa Contactless Debit & Prepaid Cards.

This innovative trustee service towards domestic settlement obligations provides an option to Visa clients to maintain security in the form of cash collateral in local currency (BDT) against domestic transactions which was previously done through USD denominated standby letters of credit (SBLC) issued by international banks favoring Visa. This cash collateral arrangement reduces outward foreign currency remittance and helps building up foreign currency reserve. This simplified process has also been proved to be cost effective for VISA clients.

The contactless Debit & Prepaid card ensures customers' seamless and hassle-free payment transactions with a single tap at contactless terminal which does not require any PIN. Now customer can pay faster with purchase up to BDT 5,000 at participating stores.

Besides, few of the new card products introduced in collaboration were:



EBL Freedom for Freelancer Debit Card



EBL International Student Identity Card (ISIC) Prepaid Card with SSBCL



EBL DSE Co-brand Credit Card



Co-brand Prepaid and Payroll Cards with Alpha Life Insurance Ltd.

Cards Business has also bagged a few accolades for the Bank, including two valuable recognition:



Visa: Excellence in Cross-border Issuing Business.



Mastercard: Excellence in Prepaid Business.

Priority banking

22% Deposit growth

25% Asset growth

2022 has been a remarkable year for EBL Priority Banking in terms of significant growth and achievement of other key parameters. Priority banking contributed 50% of the overall Retail and SME deposit growth and 24% of overall Retail and SME asset growth. Besides, more than 1,600 new priority customers also chose EBL Priority Banking as their first choice of banking in high net worth segment in 2022. While keeping pace with business, we ensured asset quality of this segment was never compromised. Consequently, we ended up with less than 0.50% NPL in this segment at year-end 2022.

Priority banking's motto for 2022 was "Relationship beyond Banking" which is the core foundation of Priority Banking and its success mantra. Customers have enjoyed the finest banking and lifestyle experiences offered by EBL priority banking.



Customer experience with EBL Priority Banking

"I'm S.M. Al-Husainy, since 2011, I have been banking with EBL as a priority customer. In the long run, I have never felt alone and unattended. My relationship manager never missed an opportunity to make me feel special and welcomed through her service and big smile. Priority banking of Eastern Bank is really good at focusing on what customers need and require. They have a real instinct to understand customers. Trust is the most critical element in banking, and they earned it ultimately through their dedication and professionalism."

Agent banking

73% Account growth

110+ Rural digital promotions

With an aim to increase financial literacy and deepen financial inclusion, EBL Agent Banking has been actively pursuing the path of product innovation, service excellence and supporting day-to-day transactional requirements of the target group. We are working constantly to expand EBL's reach at the doorsteps of rural community to provide seamless banking services. In 2022, following notable financial innovations were introduced.



A cash withdrawal facility for EBL cardholders through a simple POS swipe



To conduct business campaigns & inclusion activities as well as to raise financial literacy awareness



Instant mobile recharge facility at EBL Agent Banking outlets

Women banking

13% growth in deposit

EBL Women Banking has been operating with the vision to expand women's access to financial products & services & to promote inclusive growth. Our 360 degree tailored solutions are designed to support growth and development of female entrepreneurs and women at large, by scaling up access to financial products and services, business support services, capacity development, networks & market linkages, consultancy & mentoring professional and personal wellbeing. 2022 has been a distinct year for the customers as they enjoyed a rewarding experience through a wide range of year-round special services with exclusive privileges launched by EBL Women Banking. Moreover, online trainings on diverse topics and campaigns focusing on business documentation & taxation amplified online interaction and accrued new subscribers, followers and business leads.

In 2022, Joyee, a co-brand women entrepreneur development program, was launched by EBL and Prerona Foundation, to create impact through building entrepreneurial abilities of growth-stage women entrepreneurs and enhance their creditworthiness. In terms of delivering value to the customers, providing non-financial services alongside bespoke banking experience has been the game changer for EBL Women Banking while supporting the growth potential of women-led enterprises as well as meeting the lifestyle and wellbeing necessities for women in general.

Payroll banking

25,000 + new payroll accounts

Payroll banking caters to the needs of the employees of medium to large corporates, to ensure timely salary payments as well as provide additional financial services. Despite the challenges faced in 2022, the department on-boarded a vast number of companies and opened over 25,000 payroll accounts. Some of the mentionable organizations that we have on-boarded with our payroll banking services are:



Grameenphone Limited



Buro Bangladesh



US-Bangla Airlines



Rahimafrooz (Bangladesh) Limited



Butterfly Marketing Limited

Almost half of the on-boarded organizations use EBL Connect for salary disbursement which has become a highly sought-after feature among clients. In addition to offering digital salary payment options, we also offer a variety of other features to simplify the lives of customers.

Student banking

01 New student center launched in 2022

04 dedicated student file service desks launched

EBL Student Banking is continuously working to ensure services which help students to avail higher education at both home and abroad. To promote financial literacy among the students, EBL Student Banking has published digital contents on financial literacy in social media

platforms and encouraged students of all ages to save for their future. EBL Student Banking increased its accounts significantly, spearheaded by a number of school banking roadshows arranged by our branches nationwide. We have partnered with over 50 student agencies in 2022 to ensure that students pursuing education abroad can avail uninterrupted student remittance processing through our student file service.

Presently, student file service is provided through five dedicated student centers: three in Dhaka, one in Chattogram and one in Sylhet. Also, we have introduced four dedicated student file service desk at Gulshan branch, Bashundhara branch, Uttara branch & Khulshi branch and made service available to other AD branches.

Retail propositions

180 tie-ups with leading brands in 2022

132 new brands have become strategic alliance partners of EBL in 2022 to enrich the banking experience of our customers. Retail propositions is rigorously working with 230+ alliance partners to provide the finest lifestyle privileges to our valued customers. Customers were communicated about all the delightful offers with 121 digital communications along with 12 festival-based campaigns and 7 flash deal cashback offers using all the communication channels of EBL. In addition to that, 10,000 plus giveaways was arranged on various festivals and occasions of 2022 as a gesture of appreciation towards top customers and stakeholders of the Bank.

As one of the best lifestyle privileges and lucrative propositions, we take pride in EBL's 24 hour operating chain of lounges- EBL Skylounge. EBL Skylounge has truly built its brand image to be well-known and one of the largest lounges in the country. Through providing various amenities, our lounge has made travelling convenient, comfortable and effortless for passengers. About 1.5 lac guests has been served at Skylounge in 2022 as well as generated business lead of BDT 334.11 million worth of deposits.

Digital banking

35% growth in transaction volume

Reaching the all-time highest transaction numbers of more than 11 million amounting BDT 136.35 billion across all the digital platforms of EBL i.e. Skybanking & EBL365 (ATM, Cash Recycler Machine, Dropbox & Real Time Deposit Machine), 2022 was a year of digital transformation for EBL's banking services. Keeping in mind the customer's need, numerous banking services were made available through alternate channels or smartphones. EBL Alternate Distribution Channels (ADC) ensured high standards of service of EBL365 throughout the industry. Digital banking also ensured smooth delivery of projects that had impact on revenue, process and customer service exhibiting EBL's astute vision and determination to ensure digitization.



EBL
Skybanking

- Binimoy integration.
- U.S. Visa fees payment.
- E-commerce payment.
- Add money from VISA, Mastercard, ZIP, Easy Credit & Want2buy details.
- Passport endorsement status view.
- DESCO prepaid bill payment
- WASA bill payment.



Digital
Initiatives

- Bill/payment/fee collection via agent banking.
 - TAP to EBL account transfer.
 - Integration with Dhaka North City Corporation for holding tax collection.
 - NESCO bill collection in OTC platform.
 - EMI through POS.
- EBL Self-Service Hub:
- Account opening service & request placement of fixed deposit & DPS.
 - Secured loan service.
 - Downloading account statement (half-yearly & yearly)



Phygital
Services

- 244 ATM and 11 Cash Recycler Machine (CRM).
- 68 Dropbox services available for customers.
- 35 new EBL365 locations introduced across the country in 2022.

E-commerce

29% increase in transaction volume

45% increase in transaction count for EBL SKYPAY

We are committed to provide quality & timely services to the merchants. We have processed over 22.80 million number of transactions, 45% higher than those of 2021, involving over BDT 60,000 million amount of transactions through EBL SKYPAY payment gateway in 2022. We understand that every customer and their need is unique. So the promise we make to our customers is simplified through providing customized services. Ensuring approximately 80% of the market share has only been possible through the commitment EBL makes to its customers.

M-commerce

M-commerce made EBL as the bank of choice when it comes to banking digitally with a staggering transaction volume of BDT 11,220+ million for credit card bill payment & debit card fund transfer service along with an enormous number of 118+ million impressions across all digital media channels.

By utilizing payment technology and partnering with Visa Inc., the world's largest payment network, as well as local leaders in mobile financial services, bKash and Nagad, we were able to offer a seamless service to our customers by combining credit card bill payment & debit card fund transfer with instant fund transfer and world-class payment technology. By effectively using digital media platforms such as Facebook, Instagram, LinkedIn & Google, we have reached out to the customers with campaigns that generated millions of views, impressions, engagements and reach, as they valued our interactions. This approach also significantly increased our potential customer base.

Challenges faced in 2022 and our approaches

Challenges	Our approaches
People's confidence on the overall banking sector of Bangladesh was put to the test. Complex world economic conditions plunged Bangladesh into inflationary, liquidity and foreign exchange pressures, impacting liquidity adversely.	Leveraging EBL's strong financial position and brand value to gain customer confidence.
Difficulty of recovery of monthly EMIs resulting in a deteriorating condition of asset quality as SME clients were faced with a sluggish business environment.	In order to ensure regular repayments, EBL increased monitoring of loans. Through dedicated team, relationship with clients were enhanced and customers were guided accordingly for their business and ensured regular repayments. Customers were also facilitated through extending flexibility in their repayments while staying within the parameters of policy/regulations.
Distrust of customers in the E-commerce platforms due to some fraudulent players.	Created customer awareness through promotional campaigns.

Way forward

- Exploring the NRB customer segment by creating avenues for them to send their remittances through banking channel.
- Extending our asset business to new geographical locations where EBL marked its footprint through sub-branches and agent banking outlets.
- Exploring untapped markets outside of metropolitan areas in order to expand payroll banking business and ensure growth.
- Following a partnership-based approach to ensure rural customers feel completely safe and secure through our agent outlets.
- Providing payment solutions to organizations such as educational institutions, travel & tourism etc. to enhance the portfolio and become a dominant player in the E-commerce sector.
- Providing customers with the best of digital services by enhancing capabilities through collaborations and valuable partnerships so that we can take the Bank to a new level in terms of technological transformation.

Retail & SME Banking Event Highlights



EBL launches co-brand credit card with Japan-Bangladesh Chamber of Commerce and Industry (JBCCI) in association with Visa



EBL signs deal with WASA to collect Dhaka WASA bills



EBL launches the country's first contactless Visa Debit and Prepaid cards



EBL and Mastercard launch co-brand cards for Bangladesh-Malaysia Chamber of Commerce and Industry (BMCCI)



EBL and Mastercard launch loungekey program



EBL partners with AMAL Foundation to support women entrepreneurs



EBL and Karnafuly Ship Builders Ltd. sign customer benefit agreement



EBL and Wander Woman join hands to facilitate female travelers

Treasury, FIs & Offshore Banking

The year 2022 presented a series of economic and financial difficulties for the Treasury, amidst various ongoing crises. With the aftermath of the COVID-19 pandemic and the prolonged Russia-Ukraine war, the country's economic progress suffered a severe setback, resulting in a surge of interest rates. As early as the year started, we anticipated the rise in interest rates and refrained from pursuing extended positions in fixed income securities. Instead, we focused on short-term investments to generate significant returns for our shareholders. We also predicted a scarcity of foreign exchange liquidity in the market, and hence, employed various strategies to combat the situation and ensure the bank's stability.

Despite the challenging circumstances, we remained vigilant and proactive in managing the Treasury's investments. We closely monitored market trends, analyzed data, and implemented

measures to mitigate potential risks. Global supply chain was disrupted due to pandemic. The shortage of raw materials and labor affected the production and delivery of goods and services leading to inflationary pressures. To mitigate the impact of inflation, we diversified our investment portfolio incorporating assets with a higher potential to counteract the effects of inflation. Our continuous efforts in risk management enabled us to maintain the stability of our operations and minimize the impact of external factors on our performance. Looking ahead, we remain cautiously optimistic about the economic outlook, with the hope that global cooperation and innovative solutions can help overcome the current challenges. The Treasury will continue to leverage its expertise and resources to navigate the changing environment and deliver sustainable value to our stakeholders.

Performance highlights 2022



+18.46%

Money Market income growth



+13.49%

Investment Income growth

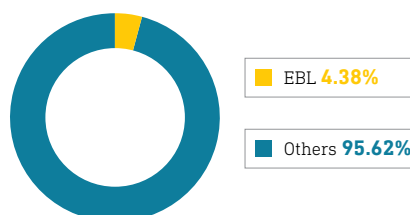


+21.61%

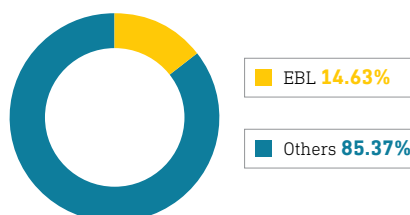
Treasury Income growth

EBL's Market share

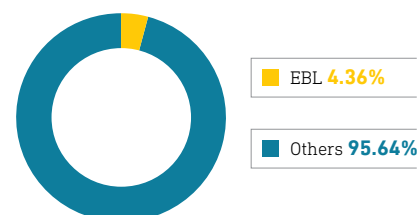
SPOT



SWAP



G-SEC



Our Market Performance in 2022

Money market

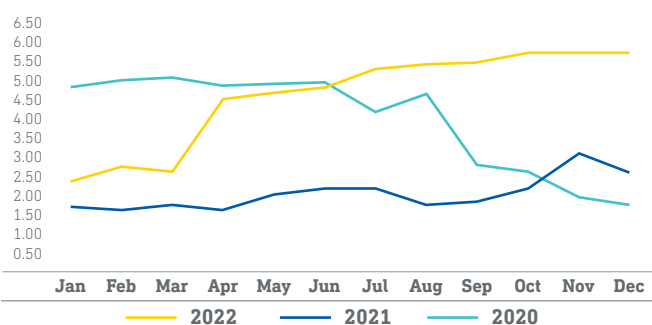
Due to adoption of various relaxed fiscal and monetary policies, the liquidity situation of the financial system was relatively favourable at the beginning of 2022. However, with the beginning of the COVID-19 recovery and the resurgence of dormant economic activity, the excess reserves and liquid assets rapidly depleted over the months and drive up demand for domestic credit. Due to rising local currency demand for ongoing economic operations and rising foreign currency demand for expanding import payments, that were partially met by purchasing greenback from BB in exchange for BDT, excess reserve decreased significantly in last few months of 2022. To ensure adequate liquidity in the banking system, Bangladesh Bank took several supportive measures for both conventional and Islamic banks.

Considering increasing demand for money, the call money rate was in upward trend during the year 2022. The average call money rate was around 3.68% during the first half which reached around 5.62% at the second half of 2022. However, at the end of 2022, the average call money rate was around 6.00%.

We were able to conserve the liquidity condition of the Bank prudently in compliance with the regulator's requirements and were able to increase the money market income by 18.46%.

Average call money rate

(in percentage)



Source: Bangladesh Bank website

Foreign exchange market

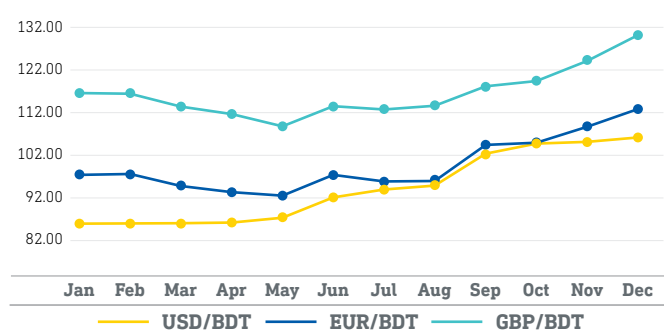
From the very beginning of the year 2022, the foreign exchange market started to exhibit signs of stress. Growing pressure for foreign exchange became evident amid Ukraine-Russia War and recovery phase of COVID-19 situation. Even after a government initiative to increase incentives, remittance inflow through banking channels faltered in comparison to last year.

US Dollar price skyrocketed during Sep'22-Dec'22 due to extreme import liability settlement pressure and declining inflow in Export and Wage Earner's Remittance. Within 12-Months period Bangladesh Taka devalued against US dollar from USD/BDT 85.80 to the highest USD/BDT 108. To support Import of essential consumer goods, industrial raw material and fuel for energy generation, Bangladesh Bank sold approximately USD 12.62 billion to different commercial banks. This foreign currency support came at a great cost and by the end of December 2022 the foreign exchange reserve came down to USD 33.75 billion.

Though Bangladesh Bank imposed several import restrictions, promoted export and remittance, forex market situation remained unstable in absence of a unitary body. On 11 September 2022 Bangladesh Foreign Exchange Dealers Association (BAFEDA) with collaboration of Association of Bankers, Bangladesh and under Bangladesh Bank's supervision set up fixed exchange rates for the commercial banks to follow in respect of export encashment, import settlement and purchasing wage earners remittance. All commercial banks are now complying with BAFEDA-ABB regulations under the watchful eye of Bangladesh Bank.

The banking industry as a whole had challenges securing foreign funding because of the current state of the market. EBL being heavily reliant on interbank market for foreign exchange had successfully overcome challenges in managing foreign exchange liquidity position in 2022. Even amid this turbulent market, EBL maintained ample liquidity and preserved regulatory position with significant profit contribution.

Major currencies against BDT in 2022



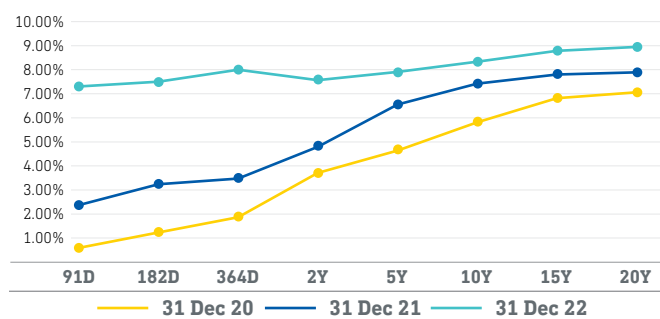
Source: Bangladesh Bank website

Fixed Income Securities Market

Since June 2021, Bangladesh Bank has been maintaining its benchmark interest rate or repo rate at 5.75%. Due to the larger return compared to savings accounts and other low-risk investments, government securities have promoted the investment in 2022. The size of middle-class population in Bangladesh was projected to approximately 21 million according to the data of Bangladesh Bureau of Statistics. This reveals a notable improvement from prior

years and represents predicted growth in 2022. In addition, the Bangladesh government has implemented a number of initiatives to enhance the ease of doing business and attract investors. For instance, the government has instituted a variety of incentives for foreign investors and reduced the number of days needed to launch a firm from 28 to 10. These changes have boosted up investors trust in the nation and raised interest in government securities. The total amount of G-Sec traded outright in FY 2021-22 was BDT 2,053.25 billion, a considerable increase over the BDT 1,377.73 billion traded in the prior FY. EBL contributed 4.36% of the overall market turnover volume in terms of investing and trading in government securities and increased its profit from the fixed income securities market by 13.49% from the prior year.

Yield curve comparison of govt. Securities



Source: Bangladesh Bank website

NRB remittance

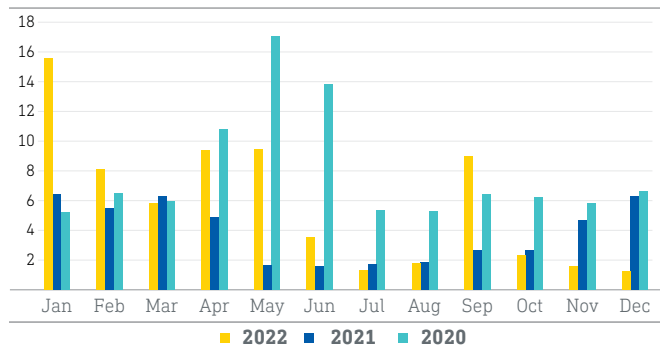
EBL, being a trade focused bank, needs to have sustained flow of foreign exchange to meet ongoing requirements of its clients. We continuously explore various avenues and sources to ensure continued sourcing of FX for supplementing any shortage in export receipts and unavailability in interbank forex market, keeping in consideration various challenges to reach out to top NRB remittance source countries and overseas Exchange Houses. In 2022 we approached country specific exchange houses as well as global Fintech companies to have remittance drawing arrangements to increase future inflow of wage earner remittance through EBL.

We have plans to deploy digital banking services, products, and digital delivery channels for real time remittance disbursement through automated clearing house of central bank, mobile financial services channels etc.

In 2022, EBL sourced inward remittance of USD 68.95 million through NRB business which was 7.11% of Bank's total inflows.

Inward remittance NRB

(USD in million)



Source: Bangladesh Bank Website

Asset-liability Management (ALM)

Asset-liability management (ALM) is the process of keeping the balance between an institution's assets and liabilities under check so that it has enough money to cover its debts and carry on its regular operations. This is crucial in the banking industry as institutions must strike a balance between the need to make money from lending operations and the requirement to have enough cash on hand to cover deposit withdrawals and to meet other commitments. Bangladesh Bank has been putting policies in place to reinforce the ALM practices of the nation's banks since the banking industry experienced a tremendous expansion in recent years. In the year 2022, EBL kept a significant focus on managing its liquidity through frequent checking of its liquidity position. The Bank frequently performs stress tests to evaluate its capacity to resist market shocks. It also has a strong contingency financing strategy in place. By balancing the interest rate sensitivity of its assets and liabilities, EBL actively controls its interest rate risk. This aids the Bank in stabilizing its earnings over time and reducing the influence of interest rate swings on its profitability. EBL's focus on ALM has helped it to maintain a stable financial position and provide a high level of service to its customers. To safeguard the overall financial stability of the Bank, the ALM committee routinely checks numerous regulatory standards including the Maximum Cumulative Outflow (MCO), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR).

ALCO prioritized below areas in 2022

- Investment in government securities.
- Compliance with regulatory ratios.
- Balance sheet management.
- Taking advantage from Money market Liquidity.

International business & Offshore banking

Major achievements in 2022 are mentioned below

- Received "2022 Elite Quality Recognition Award" for Outstanding Achievement of US Dollar Clearing MT 202 STP rate 99.98% from JP Morgan.
- Sourced USD 765 million FCY fund in the year 2022 from foreign banks & DFIs for Off-shore banking.

- Arranged LC Confirmation and Financing for 371 LCs for USD 711.29 million from foreign banks and LC Financing for 1816 LCs for USD 349.72 million from EBL OBU.
- Signed a Trade Facility Agreement with KfW-IPEX Bank, Germany as the first Bangladeshi Bank.
- Initiated a pilot project on "Carbon Accounting" in collaboration with KfW DEG, the German Development Finance Institution and their partner JIM Foundation.
- Received the 'Best TFP Green Deal (Issuing Bank) Award' from Asian Development Bank (ADB).
- Partnered with J.P. Morgan for block chain based payment solution, LIINK.
- Appointed Alpen Capital (ME) Limited as an exclusive financial advisor to raise up to USD 75 million in credit facilities (in multiple tranches) by way of Short/Medium term credit facilities to refinance imports into Bangladesh from the UAE, Short Term Trade/Bilateral Loan from commercial banks, Medium/long term loans from DFIs and other commercial lenders.
- Issued Bank Guarantee of BDT 114.42 million favoring Bangladesh Railway against counter guarantee from Bank of China. The size of the Guarantee Book increased from BDT 13,764.30 million in 2021 to BDT 21,597.60 million in 2022.
- Issued Counter Guarantee in favor of Gandharbpur Water Treatment SNC for building Water Treatment Plant at Gandharbpur under Environmentally Sustainable Water Supply Project (DESWSP).
- Sourced USD 20 million as funded limit from Asian Development Bank for supporting food and agriculture-related imports under ADB TSCFP.

Challenges and our response

In 2022, interest rate volatility has had an effect on the banking sector, making it challenging for banks to effectively forecast their future revenues and manage their assets and liabilities. Despite these obstacles, EBL has been able to maintain its growth trajectory while increasing total profitability. Ensuring financial stability and profitability through rigorous monitoring of interest rate, liquidity and market risks, EBL remains in compliance with all regulatory requirements.

Way forward

- Focusing on NRB business.
- Adoption of technology and digitalization of Asset-Liability Management.
- Increasing market activity for fixed income securities.
- Focusing more on export-based customers.
- Doing effective asset-liability pricing and managing fund mobilization.
- Digitizing treasury product and services.

Performance Review of EBL Subsidiaries

Market scenario in 2022

In 2022, capital market of Bangladesh had a bumpy ride due to economic challenges resulted from global adversities like escalating Russia-Ukraine war and worldwide recessionary forecasts. DSEX, the prime index of the Dhaka Stock Exchange, declined by 550 points (8.14%) and ended at 6,207 points at year end. However, the listing of government securities led the market capitalization to rise by BDT 2,187.4 billion (around 40%) during the period, though excluding debt securities, it declined by 7.9%.

Key factors

- Concerns over the Russia-Ukraine war.
- Inflationary pressure, foreign exchange volatility, strain on the foreign currency reserve and widening balance of payments deficit.
- Initiatives taken by the central bank to control the money market.
- Reinstatement of floor price by the stock market regulator.
- Hike in fuel and energy prices.
- Investors taking cautious stance.

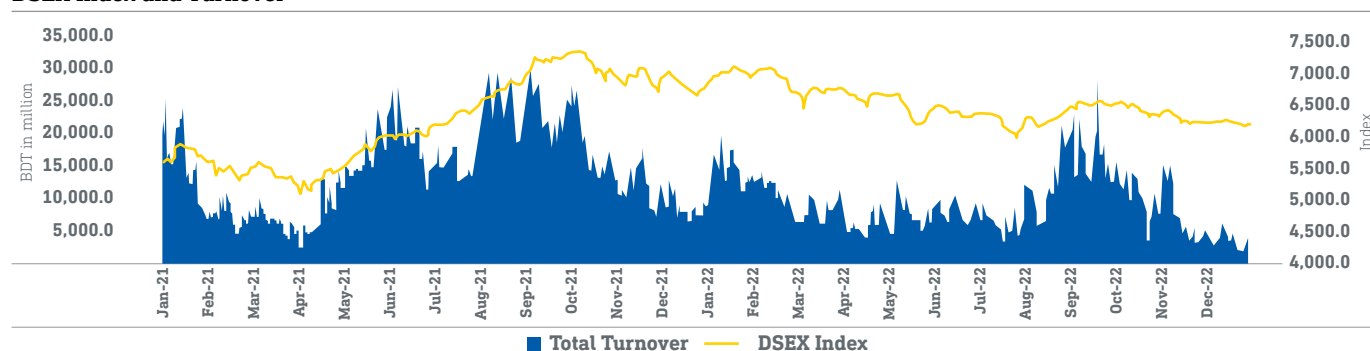
DSEX Index and Turnover

Particulars	2022	2021	2020	2019	2018
Market Cap (BDT Billion)	7,609	5,422	4,482	3,396	3,873
DSEX Index	6,207	6,757	5,402	4,453	5,386
Avg. Daily Turnover (BDT Million)	9,603	14,749	6,489	4,803	5,510
Market P/E	14.1	16.3	16.5	11.8	15.2

Source: Dhaka Stock Exchange Limited (DSE) and EBLSL Research

The year 2022 began on a positive note following the previous year's buoyant momentum when the broad index, DSEX, reached its peak at 7,368 points in October 2021. However, the momentum could not last long as fears loomed around the probable adverse economic impact of the Russia-Ukraine war, inciting worries among investors regarding the economic outlook of the country. The global supply chain had been disrupted causing the prices of essential commodities to soar in the global markets. Meanwhile, the current account deficit of Bangladesh widened while remittance inflows slowed. Moreover, the notable depreciation of the local currency against the USD and the pressure on the foreign exchange reserve put further strain on the country's economy.

DSEX Index and Turnover



Source: Dhaka Stock Exchange Limited (DSE)

The capital market felt the heat as the core index fell below the psychological threshold of 6,000-mark, propelling the stock market regulator to reinstate the floor price by the end of July 2022. The floor price, however, could not entice investors for long, as economic fears were exacerbated by a decade-high inflation in August 2022, following a record hike in fuel and energy prices. Moreover, the government's austerity measures in response to power and energy shortage in the country affected the operations of already hampered manufacturing companies, putting further pressure on

their financial performance. Meanwhile, the imposition of floor price curbed liquidity in the market, causing the daily average turnover to fall by 34.9% to BDT 9.6 billion as compared to that of the previous year since the market had been concentrated on selective low-paid scrips, while the other scrips were stuck at the floor price without having potential buyers who deemed the reference price not lucrative. Investors' willingness for long term investment in the market weakened due to concerns regarding the economic outlook, along with the continuation of higher taxation on dividend income.

Bangladesh Bank came up with initiatives to tame the effects of rising inflation, soaring dollar rates, depleting foreign currency reserve and declining balance of payments. The yield on Treasury bills and Treasury bonds along with the call money rate increased significantly during the year. The rising trend in government bond yields and the call money rate illustrated the liquidity pressure in the money market and the decrease in money flow in the economy. Moreover, the amount of excess liquidity in the country's banking sector also reduced as a result of high dollar sales by the Bangladesh Bank, rising inflationary pressures, low deposit rates and cash withdrawals due to growing concerns over loan defaults. The liquidity pressure in the money market affected the capital market as well. However, on August 2022, the Bangladesh Bank came up with the long-awaited resolution regarding the computation of the bank's capital market exposure based on cost price rather than market value, which was a positive sign for the market. Moreover, banks were allowed a time extension until December 2023 to adjust their excess exposure in the stock market.

The stock market regulator lifted the floor price restrictions from 168 scrips on December 2022 with a 1% lower circuit breaker to enhance liquidity in the market. However, investors' participation was yet to recover across the bourse as they anticipated a due correction in the market since the financial performance of the companies could not meet investor expectations. Hence, despite continuous efforts from the regulators, the capital market could not perform up to expectation in 2022.

Capital market outlook for 2023

The capital market of Bangladesh is expected to show mixed performance in 2023 due to concerns regarding the global recessionary outlook and the slashed GDP growth forecast of Bangladesh for FY'23. However, an indication of easing adversities on the macroeconomic front following the positive nod on securing the IMF loan is likely to instill confidence among the investors, resulting in a probable increase in market turnover.

Key drivers

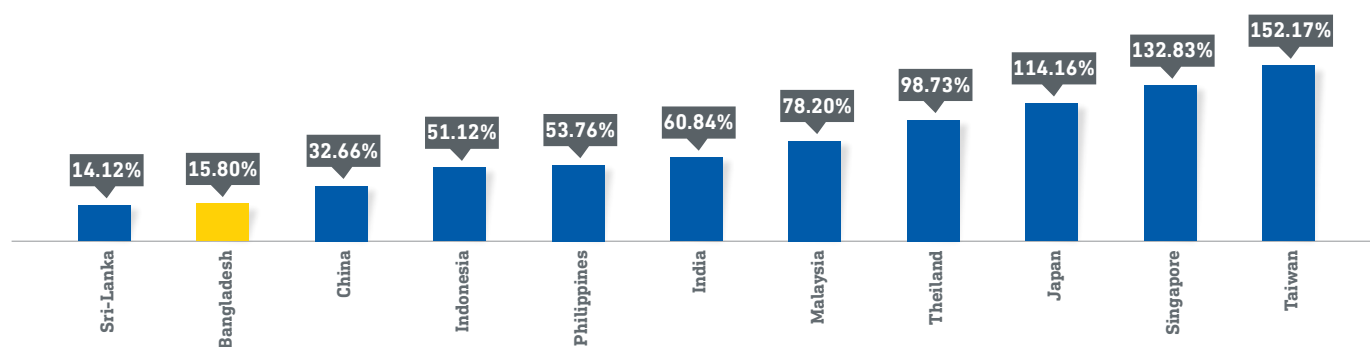
- Current global & macroeconomic scenario.
- Easing of adversities on the macroeconomic front.
- Long-term economic outlook of Bangladesh.
- Proactive regulatory initiatives to boost investors' confidence and enhance market participation.
- Upcoming national election.

The year 2023 might be a challenging yet prospective year for the capital market. Investors are likely to remain watchful amidst the possibility of persistent inflationary pressure, upward adjustments with benchmark interest rate easing the interest rate cap and liquidity pressures in the money market. Moreover, rising energy prices and input costs are likely to affect the top-line growth and profitability of the major manufacturing companies, while a decline in discretionary spending in the economy may have an adverse effect on the capital-intensive sectors such as construction, electronics, automobiles etc. Meanwhile, the possibility of political movements

ahead of the national election may also exacerbate investors' worries. However, market sentiment is expected to stabilize by the latter part of the year and economic tensions are expected to ease due to the recent decline in LC opening and import bills, as well as receiving the first tranche of the IMF loan installments, which will pave the way to a possible improvement in the country's current account deficit and foreign exchange volatility during the period. Moreover, the stock market regulator is expected to continue frequent policy updates, including the lifting of floor price restrictions, in order to restore investors' confidence and enhance liquidity in the market.

Market Cap to GDP

(in percentage)



Source: DSE & Bloomberg

The capital market of Bangladesh still remains an attractive place for the investors from home and abroad since there is enormous growth opportunity for the market in the long run as the Market Cap to GDP ratio is one of the lowest in the world with a moderate level of PE ratio and dividend yield compared to its peer markets. Unlike 2022, companies with sound fundamentals from FMCG, IT, Insurance and Pharma sectors, along with well-governed Banks and

NBFIs may stand out in 2023. Moreover, a regained optimism in the market owing to improvements on the macroeconomic front may lead both the core index and market turnover to rise. Hence, with the anticipation of a gradual economic recovery, the capital market is expected to be gradually driven towards a vibrant momentum by the latter part of the year.

Key highlights 2022



Ranked 6th in 2022

One of the leading brokers of DSE



BDT 1.50 billion

Paid-up capital



01

Dedicated research team



05

Locations

EBL Securities Limited (EBLSL) is one of the top-tier full-service brokerage houses in Bangladesh and ranks among the top ten stockbrokers of the Dhaka Stock Exchange (DSE). It's a fully owned subsidiary of Eastern Bank Ltd. The company holds the TREC of both Dhaka Stock Exchange Limited (TREC No. 026) and Chittagong Stock Exchange PLC (TREC No. 021). The company also holds the Depository Participant (DP) license. Headquartered in Dilkusha, EBLSL has an extension office in DSE Tower, Nikunja. Besides, EBLSL has branches in Dhanmondi, Dhaka and Agrabad, Chattogram along with a digital booth at Khatungonj, Chattogram.

Products and services

EBL Securities Limited is a full-service brokerage house and offers a wide range of services including trade execution in both DSE and CSE, CDBL services, margin loan, foreign trade and panel brokerage services.

EBLSL also encourages investment based on fundamentals and has an in-house research team that provides equity valuation reports, industry & macroeconomic reviews, daily & weekly market updates, and helps investors in making informed investment decisions. EBLSL also has research distribution agreements with several leading international research distribution platforms, including Bloomberg, Refinitiv, CFA ARX, Research Pool, RSRCHX etc. as part of its endeavor to attract foreign clients.

Products and Services



Brokerage services: DSE & CSE

Error free & compliant trade execution and margin trading



CDBL services: full service DP

BO Account opening & maintenance, share transfer and transmission through CDBL



Research services

Equity Valuation, Industry & Macroeconomic Review, Daily & Weekly Market updates



Daily electronic notification

Daily Portfolio Statement, Trade Confirmation & Research Reports through Email & SMS



Foreign trade

Trading for Foreign Investors & NRBs



Margin loan facilities

Competitive rates and Easy processing



Panel brokerage

Special trading services/ Terminals for institutional investors



Trade with ease

Trade instruction through DSE Mobile & Desktop App and BO account management through EBLSL App and Client Portal

Performance highlights of EBLSL

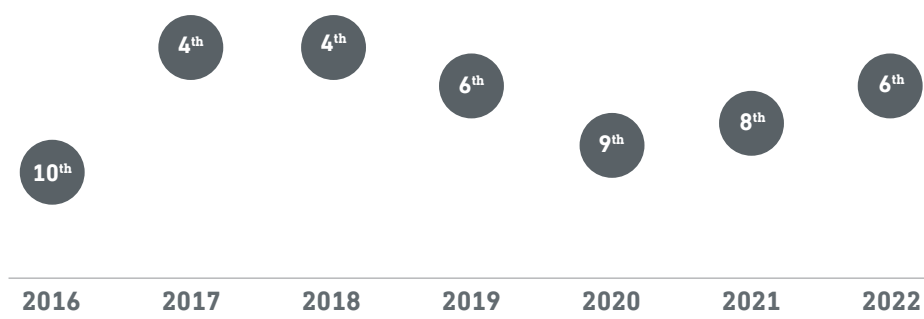
The year 2022 turned out to be a notable year for EBLSL as the Market Share of the company increased to 6.0% in 2022 from 5.2% in 2021 and the Ranking of EBLSL based on turnover in Dhaka Stock Exchange (DSE) improved to 6th position in 2022.

BDT in million

Particulars	2022	2021
Total operating income	668.76	796.76
Net operating profit	507.91	628.39
Net profit/(loss)	161.63	388.48
Operating profit margin (%)	75.95%	78.87%
Total assets	7,586.81	7,713.93

Despite a downbeat vibe and lower turnover in the market, EBLSL had been able to maintain a stable financial performance as the company earned total operating income of BDT 668.76 million and net profit of BDT 161.63 million during the year. It had also been consistent in efficiently managing its operating expenses while its cost to income ratio (24.10%) was one of the lowest among the top-tier brokerage firms. Meanwhile, EBLSL also focused on effective dealer portfolio management and significantly improved its portfolio performance. Total income generated from the dealer portfolio, including dividend income and capital gains, increased to BDT 225.38 million in 2022 (11.85% YoY growth) from BDT 201.50 million in 2021. Nevertheless, EBLSL disbursed BDT 150.00 million as dividend (92.80% Payout) during the year, which was 10% of its paid-up capital. It was one of the highest dividend payout among the peer companies.

EBLSL yearly DSE ranking



Way forward

- Expanding business through opening new branches and digital booths at strategic locations.
- Hiring business people, arranging training programs and encouraging job rotation within the organization.
- Arranging low-cost funds for facilitating the growth of the company and ensuring effective monitoring of margin loan & proper management of negative equity to increase profitability.
- Implementing Order Management System (OMS) to ensure better compliance, efficient trade operation and seamless integration of back-office & front-office operations.
- Launching new website and mobile application to offer more web-based services to clients and digitization of account opening, maintenance and service delivery process to ensure maximum customer satisfaction.
- Exploring cross-selling opportunities by co-branding with parent i.e. Eastern Bank Limited and sister concerns to maximize offline and online customer outreach and maximizing synergy between EBL and its subsidiaries.

EBL Investments Limited (EBLIL), a fully owned subsidiary of EBL, is a full-fledged merchant bank offering full range of investment banking services including conventional merchant banking activities. It envisions a broad-based business horizon by offering a comprehensive range of financial solutions starting from debt to equity through Issue Management, Portfolio Management and Corporate Advisory services.

Products and Services



Issue Management
(IPO, RPO, Rights)



Corporate Advisory Services
(Issue management of Bonds, Preference Shares, Sukuk, Loan Syndication, Mergers & Acquisitions)



Underwriting
(IPO, RPO, Rights, Perpetual Bonds)



Trustee Services



Portfolio Management
(Discretionary and non-discretionary)

Performance highlights 2022

- Successful listing of Navana Pharmaceuticals Ltd. worth BDT 750 million through Initial Public Offering (IPO) under Book Building method as Issue Manager.
- Provided Trustee services for 9 bonds worth total BDT 31,700 million.
- Underwritten public issue of shares and perpetual bonds worth BDT 61 million.
- Significant capital gain through secondary market operation.
- Improved technological setup for effective client service and smooth operations.

Key financials

BDT in million

Particulars	2022	2021
Operating income	45.21	58.11
Operating profit	18.52	9.39
Profit before tax	8.52	19.98
Profit after tax	6.75	7.35
Total assets	513.54	391.96

Way forward

- Positioning EBLIL gradually to be one of the leading sustainable merchant banks in the country.
- Focusing on Corporate Advisory services on high priority basis.
- Providing discretionary and non-discretionary portfolio management service.

EBL Asset Management Limited (EBLAML) obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 for asset management operation. The main objective of EBLAML is to carry out the business of asset management, portfolio management, fund management, capital market operation and other financial services including corporate advisory services, merger & acquisitions, equity investment, corporate restructuring, financial & socio-economic consultancy, corporate research & project studies, privatization and other related services in Bangladesh and overseas.

Products and services



**Mutual Fund
Management**



**Portfolio
Management for
HNWI** (High-net-
worth individuals)



**Corporate Advisory
Services**



**Alternative
Investment Fund
Management**

Key initiatives

EBLAML launched its first open end mutual fund "EBL AML 1st Unit Fund" in 2020. Initial size of the fund was BDT 300 million and subscribed amount of the fund was BDT 184.18 million till 31 December 2022. Meanwhile, after the successful completion of the Second year, dividend @17% (12% for the year 2021 and 5% for the year 2022) was paid to the subscribers of the fund.

Key financials

BDT in million

Particulars	2022	2021
Operating income	7.17	27.41
Operating profit	(6.88)	14.92
Net profit	(6.29)	12.63
Total assets	261.21	299.19

Way forward

Year 2023 will be the best opportunity for the existing and prospective investors of mutual fund for injecting the fund in the lower Market Index and boost their return on investment when the index will go up. Considering this, we are hopeful to have subscription of BDT 500.00 million of our existing fund 'EBL AML 1st Unit Fund' and also to launch second mutual fund of EBL AML with initial fund size of BDT 100.00 million. Apart from this, we will start SIP (Systematic Investment Plan) for the individual investors.



EBL Finance (HK) Limited (EBLFHK)

EBL Finance (HK) Limited, a fully owned subsidiary of EBL, has been in operation in Hong Kong since 2013. To achieve EBL's goal of diversifying revenue streams and expanding its customer service capability in foreign markets, EBL Finance (HK) Limited has been continuously expanding its business base in Hong Kong. Operating under a Money Lenders License, the company has been providing a wide range of trade-related products and services to the Business clients of Bangladesh and Hong Kong.

Market scenario & our approach

EBLFHK made a good comeback from the COVID-19 pandemic during 2021. But the price hike in different fuel & commodities due to sudden escalation of war between Russia and Ukraine in February 2022 has made USD sourcing dearer and challenging in Bangladesh causing tightening of business strides. Market competition in Hong Kong has also increased since other local banks have opened fully owned subsidiaries as well. Despite the presence of these market obstacles, EBLFHK has maintained its position as Hong Kong's largest Bangladeshi Bank owned financing company in terms of business volume and customer base. EBL's representative office in Guangzhou is also helping EBLFHK to expand its customer base in mainland China.

Key financials

HKD in million		
Particulars	2022	2021
Net assets	37.56	33.86
Revenue	29.39	22.59
Operating profit	8.91	7.73
Profit after tax	7.38	6.67
Loan Asset Size	391.56	458.65

Way forward

EBL Finance (HK) Limited will continue to expand its customer base with its varied range of services and creative customer solutions. With a strong capital base, a sturdy market presence and a well-equipped team at the helm; EBLFHK is well underway to achieving sustained growth and financial stability in the years to come.

eblHR: The Trendsetter in Caring HR Practices

We believe caring HR practice has a direct impact on employee engagement, commitment, motivation and skill. We treat our people with dignity and respect and do HR practices with fairness and equity. At EBL, we are passionate about making a difference and our unique people-friendly culture enables us to drive towards taking varied employee friendly initiatives to keep our people engaged and motivated. When we talk about the culture of EBL we can define it as professional yet informal. EBL has been the 'employer of choice' for many reasons – the people experience is the prime one.

Performance highlights 2022



2 E-certification programs for 5,109 participants



E-learning exams held for 2,737 employees



40 sessions held at EBLNEST



22 foundation programs for 1,026 participants



Future leader program for 69 future leaders



Automation of HR services

Code of conduct & ethical guidelines

EBL's code of conduct acts as an internal guideline and an external statement of corporate values and commitments towards stakeholders. Our well-written code of conduct clarifies our mission, vision and values, linking them with standards of professional conduct. The code articulates the values that the Bank wishes to foster in its people and in doing so, defines desired behavior expected from each employee managing internal & external stakeholders. Our code of conduct sets the ethical benchmarks against which individual and Bank's performance can be measured.

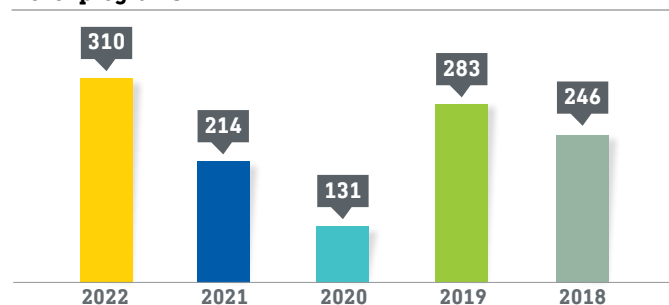
Essentially, our code of conduct is the central guideline and reference for our employees to support day-to-day decision-making especially in handling ethical dilemmas they encounter in everyday work. It also serves as a valuable reference to help employees locate relevant documents, services and other resources related to ethics within the organization.

Talent development

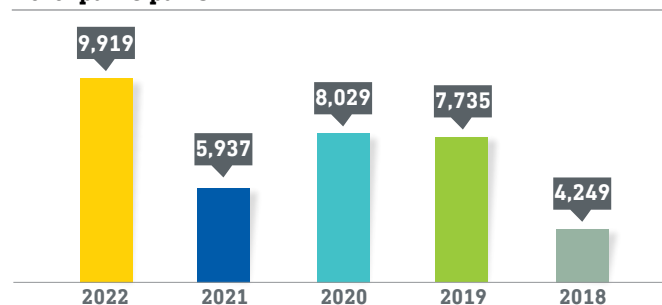
The management of EBL is committed to facilitate continuous learning and development of its employees. The 310 learning and development programs along with e-learning & e-certification were arranged for 17,765 participants in 2022 that reflect the organization's emphasis on improving its organizational health, culture, effectiveness, and quality.

Learning & development programs trend

No. of programs

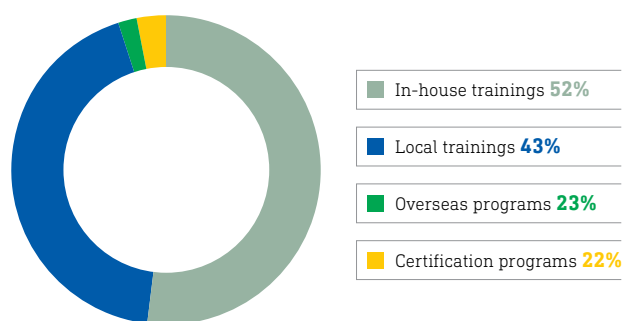


No. of participants

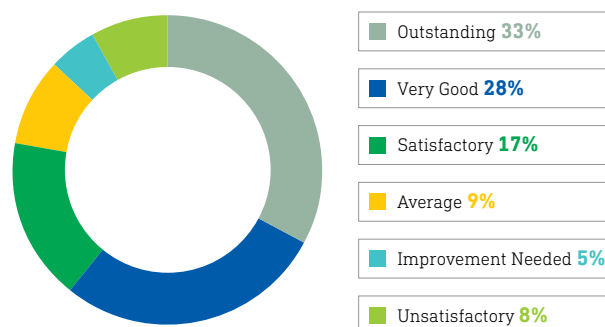


The use of various learning methods, such as classroom, digital and on-the-job training programs indicate that EBL recognizes the importance of providing its employees with different learning opportunities to suit their diverse learning needs and styles. The provision of 131,336 man-hours of training equivalent to 38 man-hours (4.75 days) of training per person is a significant investment in employee development. It demonstrates that EBL values its employees and recognizes that investing in their growth and development can lead to improved performance, engagement and retention. Among the 310 training programs arranged, we covered in-house training, local training, overseas training & certification programs.

Training programs 2022



E-learning 2022



Furthermore, the e-certification courses and e-learning exams offered by EBL provide employees with the opportunity to develop their skills and knowledge at their own pace and convenience making learning more accessible and flexible. In 2022, we successfully arranged e-learning exams for 2,737 participants. Finally, to support continuous learning and development for our employees, we released 10 training videos on different topics. Videos are an effective and engaging way to deliver training contents and can be accessed by employees at any time making it easier for them to learn and develop their skills.

Employee Engagement

Employee engagement drives help us creating harmony and bridge various gaps among employees. Our goal is to listen to everyone. We believe that open and constructive communication in an environment of mutual respect is very much essential for EBL. Our open-door communication policy dictates that any employee is welcomed and encouraged to share their concerns or feedback with their line managers and/or the members of the senior management. We encourage our employees to provide feedback regularly so that we can navigate us for the betterment of the Bank.



We have a variety of engagement and feedback mechanisms that help us continuously improve our workplace experience. In addition, there are dozens of employee retention activities, such as, "Simple Pleasures of Life" (photography competition), "EBL Bankers Chef" (cooking competition), "এসো মিলি সুরে সুরে" (singing competition), "জানতে চাই ভালো থাকার গল্প" (story writing competition), EBL Football Tournament, EBL Badminton Tournament, EBL Cricket Tournament, etc. We also celebrated the 30 years of service excellence through our unique initiative of "EBL Mission Bangladesh"

Employee engagement is strongly linked to productivity. Our employees are committed to EBL's success and are willing to go extra mile. As a result, EBL's productivity per employee remains consistent for decades.

EBL MISSION BANGLADESH

To celebrate its 30th anniversary of service excellence, EBL organized a motorbike rally called EBL Mission Bangladesh, where four bikers completed their 26 days travel across all the 64 districts of Bangladesh to create awareness on the proper use of electricity, preserving energy, road safety, integrity, and EBL service excellence guidelines. They planted 300 trees all over the country.

Ali Reza Iftekhar, the Managing Director and CEO of EBL, kicked off EBL Mission Bangladesh by handing over the flags and reading the messages of the campaign. He also handed over the motorbike driving safety wearable to the riders.

EBL is renowned for innovation, whether engaging its employees or providing quality customer service. For EBL, employees are the most valuable asset of the company. Employee engagement is, therefore, at the top of all its agenda. Nurturing future leaders, scouting talents, and encouraging creative pursuits among the employees has made EBL an exciting place to work with zest and passion.

This was an initiative by EBL HR. The bikers, composed of EBL employees, Md. Al-Razi, Md. Rasel Hossain Patwary, Md. Mizanur Rahman and A.M.M Afsarur Rahman Bhuiyan.

Health & Safety

Work life balance

At EBL, we remain highly vigilant to maintain a healthy work-life balance. But it is not so easy; we have taken following steps to ensure employee satisfaction on work-life balance:

- We track our people's working hours and reward them for completing work on time.
- We arrange awareness sessions.
- Our people set their daily priorities in the morning huddle to finish the day's job on time.
- We train our people on effective time management and prioritization.
- We have employee wellness programs for the well-being of our people.
- We encourage our people to 'speak up', and we value their opinion.
- We facilitate job rotation and recognize our employees' achievements.



Employee wellness

'People First' is a well embraced motto engrained in our people management policy. As we strive to be and remain the bank of choice by providing excellent service to our customers; we are equally committed to improving the health, safety and well-being of our people through good HR practices. We recognize that the health of our employees is pivotal to the success of our business – healthier people tend to be happier, more engaged, and more productive.

Our approach towards employee wellness involves:

- a) Protecting employees by anticipating and managing workplace health risks.
- b) Promoting health and well-being by organizing various awareness programs that focus on the most important components of behavior change: awareness, motivation, skills & opportunities.
- c) Supporting employees during and after injury and/or illness through financial and medical advisory support.
- d) Holding formal employee wellness competitions.

With the most compelling retirement benefits plans and comprehensive wellness programs, EBL strives to ensure employees thrive and avoid burnout.

Performance management

EBL is committed to supporting its employees and helping them to grow and succeed within the organization.

Our comprehensive performance appraisal system involves both line managers and job holders which helps to ensure that employees are engaged and motivated to work towards achieving their goals.

The introduction of behavioral ratings also provides valuable insights into employees' competencies and soft skills which enables us to identify areas of improvement and provide opportunities for development.

Regular feedback and opportunities for development are essential to create a positive work environment where employees feel valued and supported. By focusing on employee growth and development, we can help to increase employee satisfaction and retention rates as well as boost overall organizational performance. EBL is taking steps to invest in its employees and foster a positive workplace culture.



Leadership development

Our objective is to enhance the capacity of our people so that they can be effective in leadership roles. Our leadership development initiatives are aligned with our strategy and we offer development opportunities that are tailored to the individual employee. Our leadership development approach consists of the following steps:

- Identification of potential leaders.
- Future leader development program.
- Behavioral feedback.
- Work experience and rotational assignments.
- Develop executive skill sets.
- Provide one another with high-value constructive feedback.
- Enhance interpersonal communication.
- Break functional silos.
- Tackle real-world challenges in real time.

Equal opportunity & diversity

There are different views as to what constitutes equal opportunities. Nonetheless, it is possible to define this as combined efforts, equal participation and shared responsibilities regardless of gender, ethnicity, disability, age, religious belief and marital status. In brief, here the term “equal opportunities” upholds the idea that all employees including the pre-employment phase should be entitled to have access to all of the basic facilities.

- Providing equal opportunity to everyone.
- Creating a work environment free from discrimination.
- Evaluating employee's performance based on ability, experiences, and potential.
- Recruiting someone based on individual's ability to perform, experiences and potential.

Grievance management

We have a well-written grievance management policy. We also have a speak-up policy and harassment committee headed by a female leader. We try to protect employees' rights which is backed by our code of conduct and service excellence policy. Our grievance management approaches are as follows:



Succession planning

Our succession planning is a focused process for keeping talent in the pipeline. Effective job design, varied internal development opportunities and smart organizational structure are important features of eblHR practice to support the succession planning process. Our objective is to have well-designed succession planning in place which are as follows:

- Adapting to demographic changes and talent scarcity.
- Identifying skill gaps and training needs.
- Retaining institutional knowledge in a knowledge economy.
- Boosting morale and retention by investing in employees.
- Replacing unique or highly specialized competencies.

Retention strategy

Our people retention strategy is very simple. We are hiring the right people and shaping their growth and development. We have developed a good orientation program and encourage open communication. We have an excellent reward package and we maintain a good work-life balance. We believe in "speak up" and we provide leadership opportunities. We have a strong performance-driven culture. We also look after employees' wellness and we provide out of the box end of service benefits for long-term employees.

Way forward

- Sustainable human resource management.
- Creating effective learning experience for our employees.
- Reevaluate workplace environment & identify areas of improvement.
- Reviewing retention strategy to benefit both employees & the Bank.
- Diversification of employees' skills needed for future of the Bank.

HR Event Highlights



Launching of EBL Mission Bangladesh country-wide bike campaign for spreading the message of EBL values.



Inauguration of EBL Badminton Tournament 2022



EBL cooking competition for employees is the most sought after event



EBL music talent hunt Esho Mili Surey Surey 2022 winners



EBL photography competition Simple Pleasure of Life Season 10 winners



EBL Football Fiesta 2022 arranged during World Cup



EBL women well-being and career counseling session



Women's Day celebration at EBL head office

NEST Session Highlights



Participants of EBL NEST's 100th Batch celebrate the occasion by cutting a cake



Branch Managers gather at NEST to discuss people management issues



NEST Session with Relationship Managers of the Corporate Banking Division



NEST session with Contact Center colleagues



Customer Service Officers brainstorm about delighting customers



Card Acquisition team at an idea generation session

Human Resources Accounting (HRA)

Background

Human resources accounting can be defined as an art of valuing, recording and presenting data relating to the measurement of worth of human resources of an organization. The core concept of HRA is to estimate & evaluate the value of human capital. It comprises of two elements: measurement of costs incurred by the organizations for recruitment, training & development, payments to employees and measurement of the economic value added to the organization.

As the quality of human resources is essential to achieve success and maintain compliance in the banking sector, it has become crucial to appraise human resources in terms of costs & value. The purpose of HRA is to help management to make business decisions by evaluating employees which will help to improve efficiency and effectiveness of policies and operations. It is a useful information system that conveys to the management what has changed over time to the human resources of a bank. To have a steady human resources in an organisation, it is necessary to measure human resources in terms of data & analyse them for better policy implementation.

Objectives of Human Resources Accounting



Monitor human resources effectively.



Hire & retain qualified human resources.



Provide quantitative information on human resources.

Importance of HRA at EBL

EBL is a people-centric bank that values the well-being of its employees as well as highly appreciates the value added by them to the Bank. So, the importance and benefits of Human Resources Accounting at our Bank is far reaching and can be identified as follows:

- It helps to monitor human resources effectively in utilising their expertise and true potential.
- It helps the management to plan as well as evaluate the human capital to make them sustain in the long run.
- It provides information on investments and return on investments on human resources which helps to plan training & developments program for the employees.
- It provides a tool to implement & understand the impact of a policy on human capital.
- It helps to plan recruitment and retention of human resources to have consistent positive impact on the success of the Bank.

Particulars	2022	2021	2020	2019	2018
No. of permanent employees	2,202	1,975	1,896	1,892	1,715
Employee remuneration (BDT million)	4,875	4,129	3,950	3,764	3,466
Training investment (BDT million)	9.58	7.81	4.05	12.65	23.42

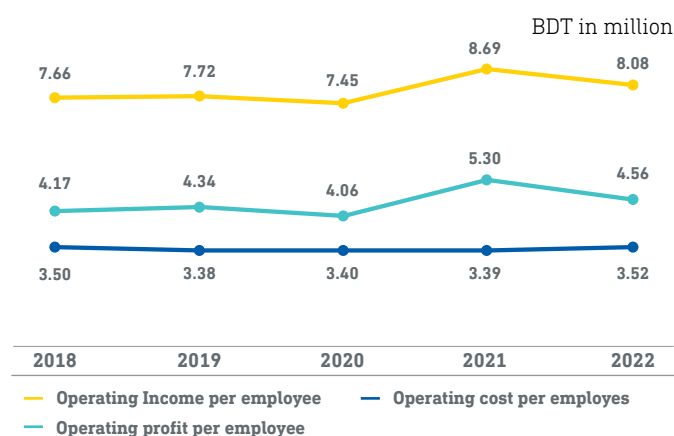
Category	No. of permanent employees	%
Female	485	22%
Male	1,717	78%
Total	2,202	100%

HR productivity trend

Apart from the training investment made for developing our human resources, EBL sponsored the employees who completed national and international professional certifications successfully such as Certificate for Documentary Credit Specialists (CDCS), Certificate for Specialists in Demand Guarantees (CSDG), Chartered Financial

Analyst (CFA), Moody's Certificate in Commercial Credit (CICC), Moody's Certificate in SME Credit (CiSMEC), Six Sigma Certification, Certified Expert in Risk Management (CERM), Certified Expert in Trade Service (CETS), Certified Experts in Credit Management (CECM), Certified Expert in E-Banking (CEEB), Certified Expert in Anti-Money Laundering and Financial Crime (CEAF), Certified Islamic Banking and Finance Professional (CIBFP), Cisco Certified Network Associate (CCNA), Certified Data Centre Professional (CDCP), Certified Information Systems Auditor (CISA), Certified Anti Money laundering Specialist (CAMS) and so on.

EBL offers pay-benefit packages with an incredible mix of both short-term & long-term rewards and thus, we are one of the highest end-of-benefit service provider in the industry. We also engage our people in different employee engagement activities increasing the morale to deliver better outcome. Our continuous effort towards making an employee friendly work culture is reflected in the Bank's overall performance.



EBL has successfully maintained both qualitative and quantitative aspects of human resources whose benefits can be seen throughout in numerical values and employee satisfaction. To have a sustainable growth in future, it is imperative to have timely decision making on issues, implementation of policies and maintain healthy work culture.

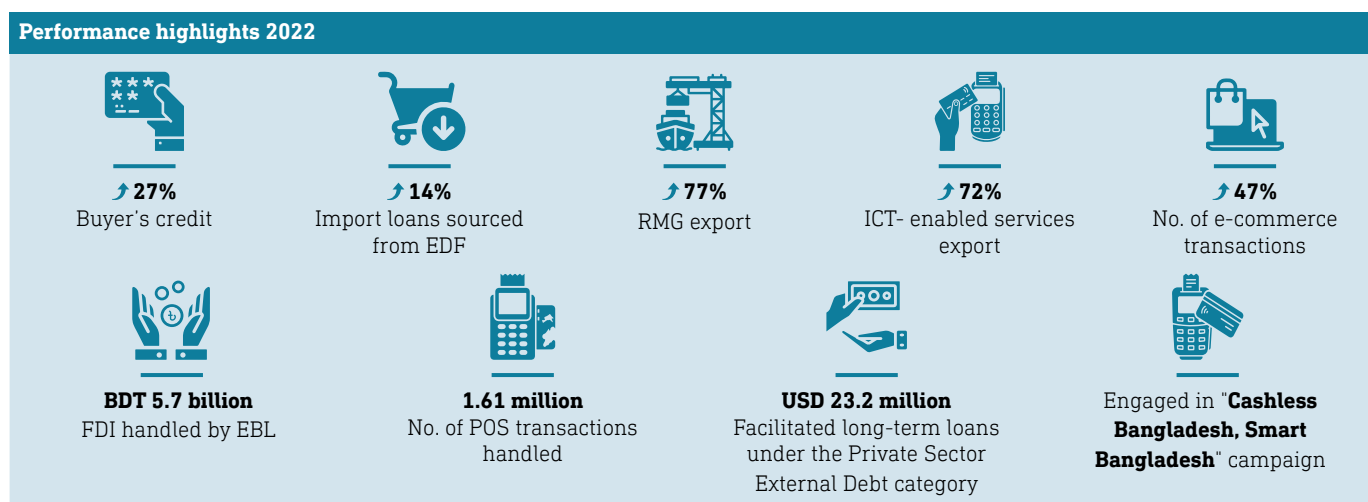
Operational Excellence

EBL's priority in 2022, from operational perspective, was to remove barriers to cross-functional collaborations and creating teams that can deliver solutions in alignment with the Bank's risk appetite within the specified turnaround time.

Navigating through crisis and volatility

At the onset of 2022, the entire banking industry experienced significant disruption due to the conflict between Ukraine and Russia. The resulting energy crisis, coupled with high global fuel and commodity prices, led to a steep increase in import payments. Furthermore, delayed export proceed negatively impacted import financing. Trade transaction flow was further disrupted due to bans and sanctions resulting from Russia-Ukraine war in 2022. To address these challenges, the Central Bank implemented a range of restrictions and intensified its supervision of daily trade activities, ultimately impacting the overall business strategy of the Bank. The depletion of US dollar reserves and the decline in the value of Bangladeshi Taka also contributed to this predicament. Despite these challenges, EBL was able to maintain a balanced risk-appetite and tolerance to withstand the financial crisis and achieve business stability.

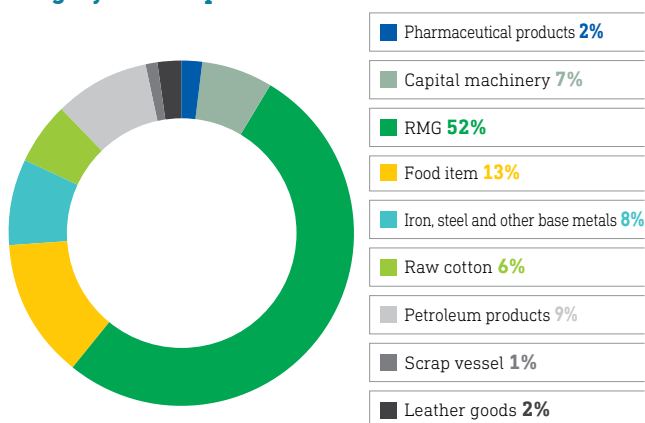
Performance highlights 2022



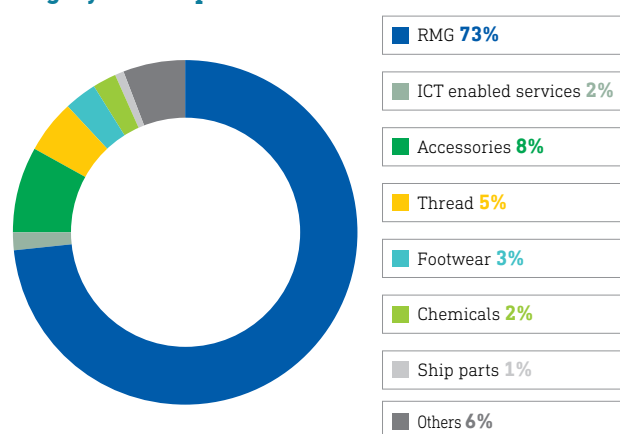
New milestones in trade service operational delivery

In 2022, Bangladesh Bank (BB) intensified its control on foreign currency reserve due to an increase in import bills compared to lower-than-expected remittance inflows and to some extent, exports - the two primary sources of foreign currency for the country. Despite these challenges, EBL outperformed previous years' trade performance by achieving USD 5.6 billion in trade business volume, depicting a 3% increase compared to 2021, thus accounting for approximately 4.3% of the entire trade volume of Bangladesh. Amid a surge in import bills as commodity prices rocketed in the global markets, BB implemented several measures, including intensifying supervision on everyday trade activity while the USD exchange rate surpassed BDT 100 in value. In July, 2022 in line with regulatory directives, 100% import payments were taken in advance as a mandatory advance payment (cash margin) for the import of commodities from businesses when opening Letter of Credit (LC) for luxury and non-essential items, including fruits, in an effort to keep the foreign exchange reserves stable, with exceptions for essential commodities to keep their prices at a tolerable level.

Category wise imports in 2022



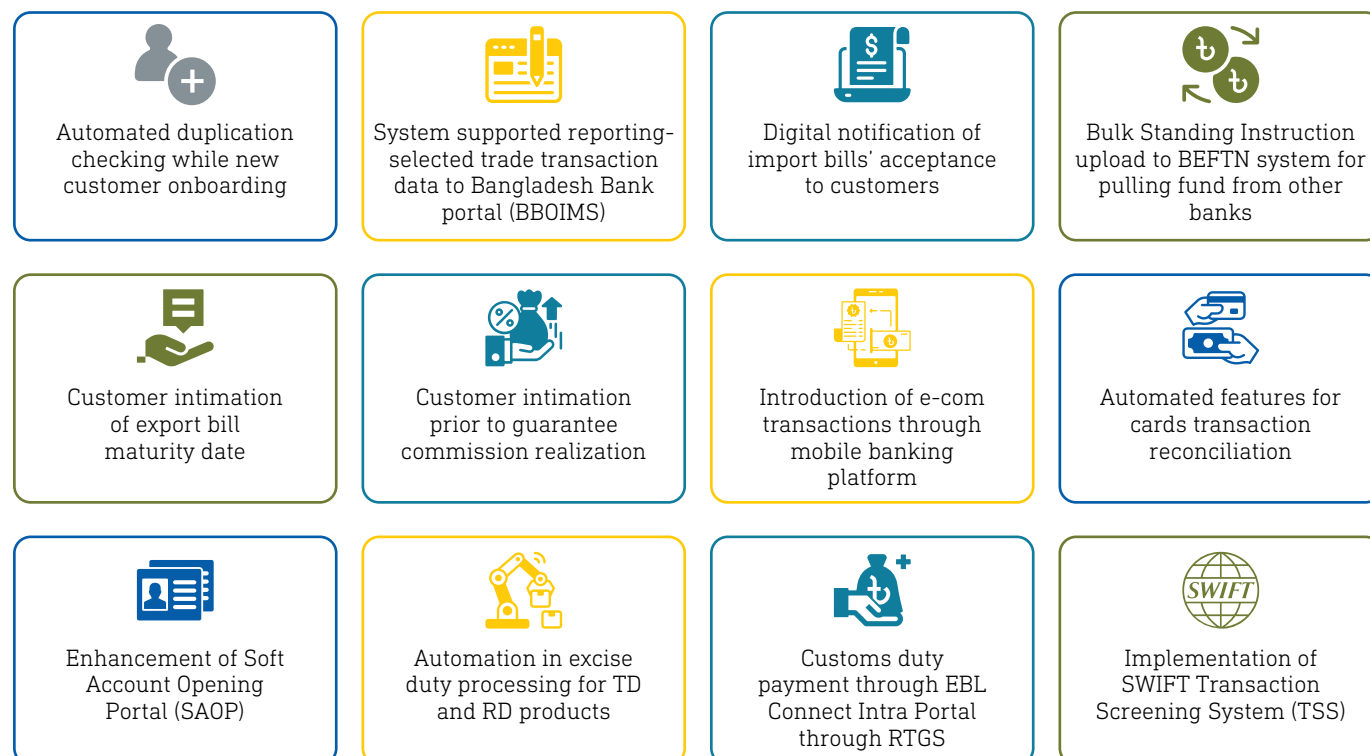
Category wise exports in 2022



Digitization deeply embedded in operational strategy

The Government's vision to transform Bangladesh into a truly "smart" economy through digitization has become deeply embedded in EBL's operational strategy – many operational deliveries are being planned for digital transformation to ensure positive customer experience, speed of service, quality delivery, productivity and efficiency. The momentum to adopt new technologies and automated operating models continue to grow over time, as EBL is committed to staying ahead of the curve in a rapidly evolving technological landscape. As such, EBL continues to prioritize innovation and digitization as a means of achieving sustainable growth and fulfilling its mission to meet the ever-changing needs of its customers.

The Upgradation of our Core Banking System has enabled us to provide below services

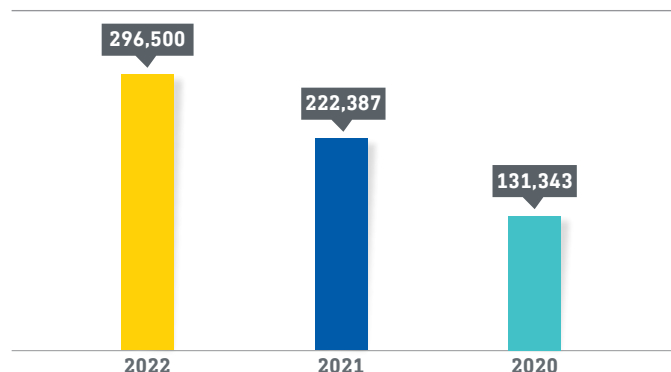


Optimizing resources and operational efficiency

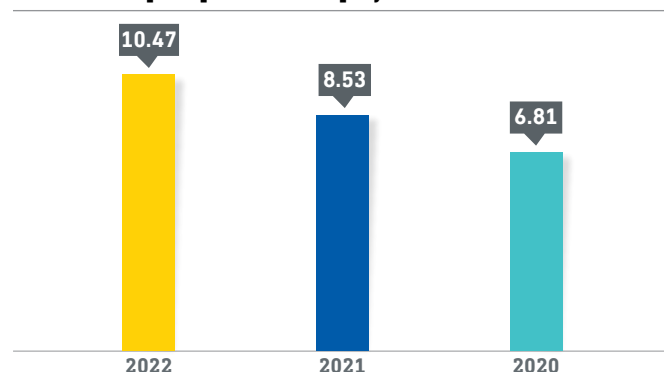
Over the years, EBL has maintained focus on optimizing resources and improving operational efficiency, which has driven overall business growth. EBL has achieved this through continuous training, knowledge sharing, performance feedback sessions and automations resulting in improved efficiency demonstrated by

the following charts. Despite maintaining almost static number of personnel over the years from 2020 to 2022, there has been a rising trend in average transaction or activity count, as well as contribution to revenue per employee. This can be attributed to the adoption of both technological and human based solutions in various aspects of operational delivery, resulting in improved resources optimization and overall efficiency.

Average transaction or activity count per operations employee
(No. of transactions)

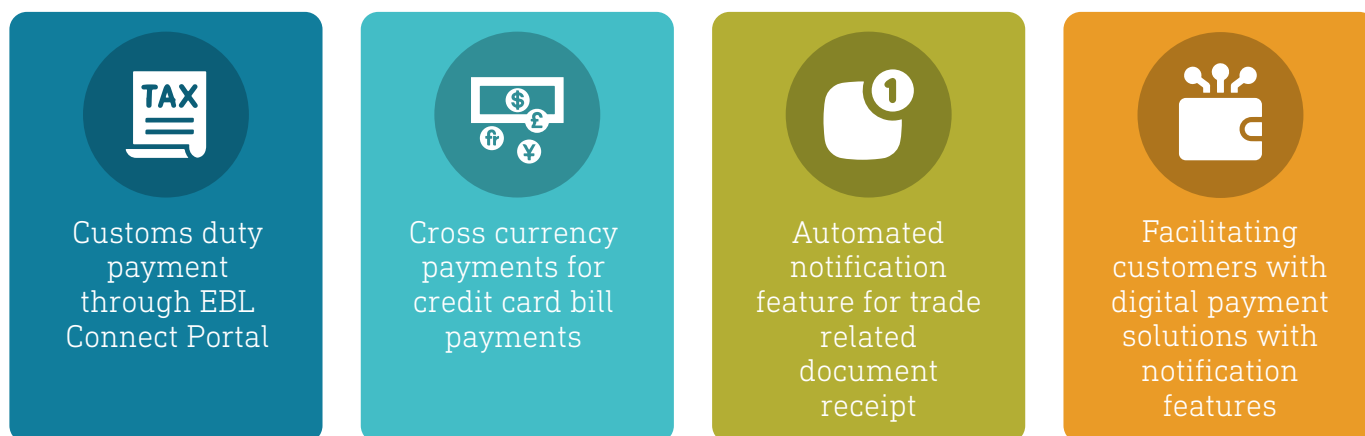


Contribution to revenue (Fees, charges and commissions) per operations employee
(BDT in million)



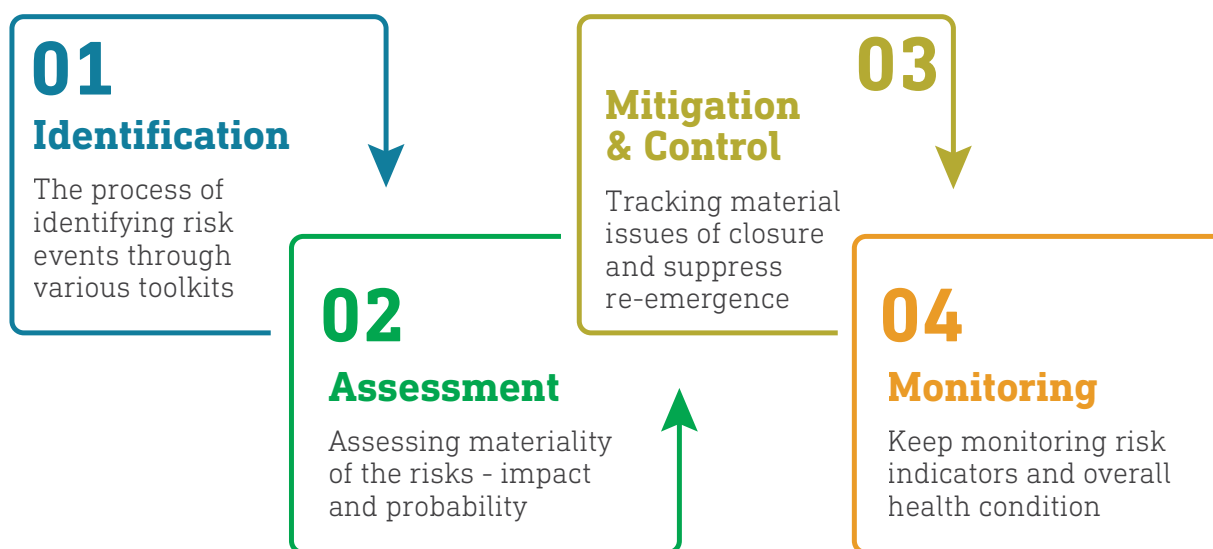
Accessible and sustainable solutions for fulfilling customer experience

Throughout the year 2022, EBL explored innovative ways of enhancing customer and stakeholder engagement through technology-based and data-driven solutions that positively impact operational delivery. The figure below illustrates some examples of these solutions.



Management of operational and transformational risks in 2022

EBL instills in its employees the belief that risk control and loss prevention activities, in addition to revenue-generation, contribute to the creation of organizational value. In 2022, EBL remained focused on modernizing existing procedures and controls to comply with new technologies, ideas and the utilization of new resources. The increasing complexity of regulatory regime and macro-economic challenges have led to a progressive review of risk-management and control functions in banking operations.



In 2022, Operational Risk Management Framework (ORMF) for the entire bank was reviewed and redesigned with the formalization of 1.5 line of defense at key operational wings in addition to the 1st, 2nd and 3rd lines of defense. The framework was later validated through a review exercise of the operational risks management framework of the entire bank by a team of experts from IFC, World Bank.



The Independent Assessment (IA) by a SWIFT-certified assessor confirmed complete conformity to the SWIFT Customer Securities Program (CSP) control framework developed for financial institutions to secure access. This IA report is accessible by counterparty financial institutions worldwide.



EBL has consistently emphasized the importance of risk and control governance and implemented suitable systems and tools to manage potential risks.



EBL has completed the 1st phase of implementation of SWIFT ISO 20022 adoption, a global standard for financial messaging used by financial institutions for Electronic Data Interchange (EDI) between systems that protects the integrity and confidentiality of financial transactions.



EBL has continued to ensure conformity of management systems in compliance of ISO 9001:2015



EBL has successfully obtained Payment Card Industry Data Security Standard (PCI-DSS) recertification.



EBL has invested in trainings and knowledge sharing activities to raise employee awareness, mitigate risks and enhance readiness in crisis situations. These activities include, but not limited to:

- ICT security and service awareness for all employees to prevent data breaches and malware infections through phishing scams on networked computers.
- Training workshop on, "Crisis and Business Continuity Plan in Banks" conducted by BIBM to enhance bank's preparedness in crisis situations.
- Knowledge sharing session on sanctions procedures and their impact on banking business, etc.



EBL has upgraded its applications used for detecting, analyzing, and managing risks linked to AML-CFT and sanctions rules and applications such as AML Velocity, Lloyd's Seasearcher and implemented a uniform template for price verification to ensure transaction profiling that enabled banks to identify patterns of behavior associated with money laundering, terrorist financing, and other illicit activities and report suspicious activities that may trigger violation of prevalent laws and regulations.



Departmental Anti Money Laundering Compliance Officers (DAMLCO) also ensured strict oversight of control procedures applicable for preventing money laundering and terrorist financing.



Departmental Control Function Checklists (DCFCL) for all applicable operational and non-operational units are implemented and reviewed periodically to better manage and control risks in accordance with BRPD regulations.

Way forward

EBL is looking ahead with the expectation of improvement in existing economic conditions. The Bank will strive to sustain operational efficiency and find new opportunities for growth in alignment with its enterprise strategy. To achieve this, EBL will continue to promote a robust culture of innovation that removes barriers to cross-functional collaboration and creates semi-autonomous teams with the right talent that can deliver solutions quickly. EBL will maintain consistency in risk management, cost control, customer experience improvement, automation to accelerate service delivery, and reinforce crisis preparedness, which will remain top priorities for the Bank in 2023.

ICT for Greater Outreach & Resilience

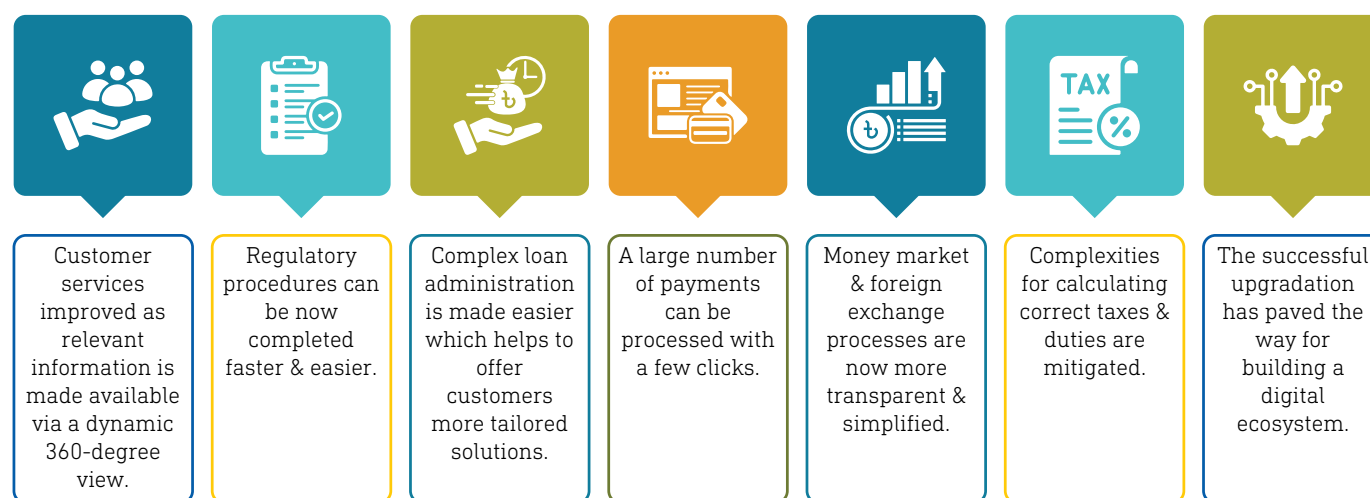
One of the rare opportunities that Coronavirus pandemic unfolded before us was the increased use of information & communication technology in our day-to-day banking operations and communications. While the life and livelihood came to a grinding halt from the early 2020, our customers embraced digital banking services far more spontaneously than anytime before. To uphold that momentum, we took multi-pronged measures to sharpen our ability to reach and serve our customers better including the upgradation of our Core Banking System (CBS).

Key projects



Project Rupantor

On 17th April, 2022, we went live with our upgraded version of Core Banking System (CBS). After one and half years of tremendous effort, we were able to deliver the fastest CBS migration project in the history of the banking industry of Bangladesh, that too amidst all four waves of Coronavirus. Now, we can revel in the benefits of transformation that the largest ICT project of EBL promised.



Implementation of 'Binimoy'

EBL is one of the first few banks to implement Bangladesh Bank's much-awaited Interoperable Digital Transaction Platform (IDTP), aka Binimoy, via its popular mobile app—EBLSkybanking. Binimoy platform, an initiative to create a cashless society, not only enables interoperable transactions among all the connected banks, mobile financial service providers, and payment service providers but also offers three layers of security for the transactions. EBL customers can avail all the services 'Binimoy' has to offer by logging in to EBLSkybanking and registering to Binimoy.



EMI from POS

This is a significant leap for EBL as this feature will give customers access to an instant EMI conversion facility from the bank's POS terminals. It will result in delight for customers, at the same time, an increase in revenue and operational efficiency for the bank.



Peoplebl mobile app

EBL has developed PEOPLEBL app to digitalize the human resource management system. This app is going to provide employees of EBL an easy access to various services such as apply for leave/visit, place requisitions, get wellness information and raise voices via the mobile app to their fingertips. Especially, this app will provide a close-knit community assistance in times of emergencies which will help us to connect with people faster.



Connectivity via the Bangabandhu Satellite

This year we have provided connectivity to six locations via the Bangabandhu Satellite. With the help of satellite connectivity, we can now give connection to places that were previously beyond our reach.



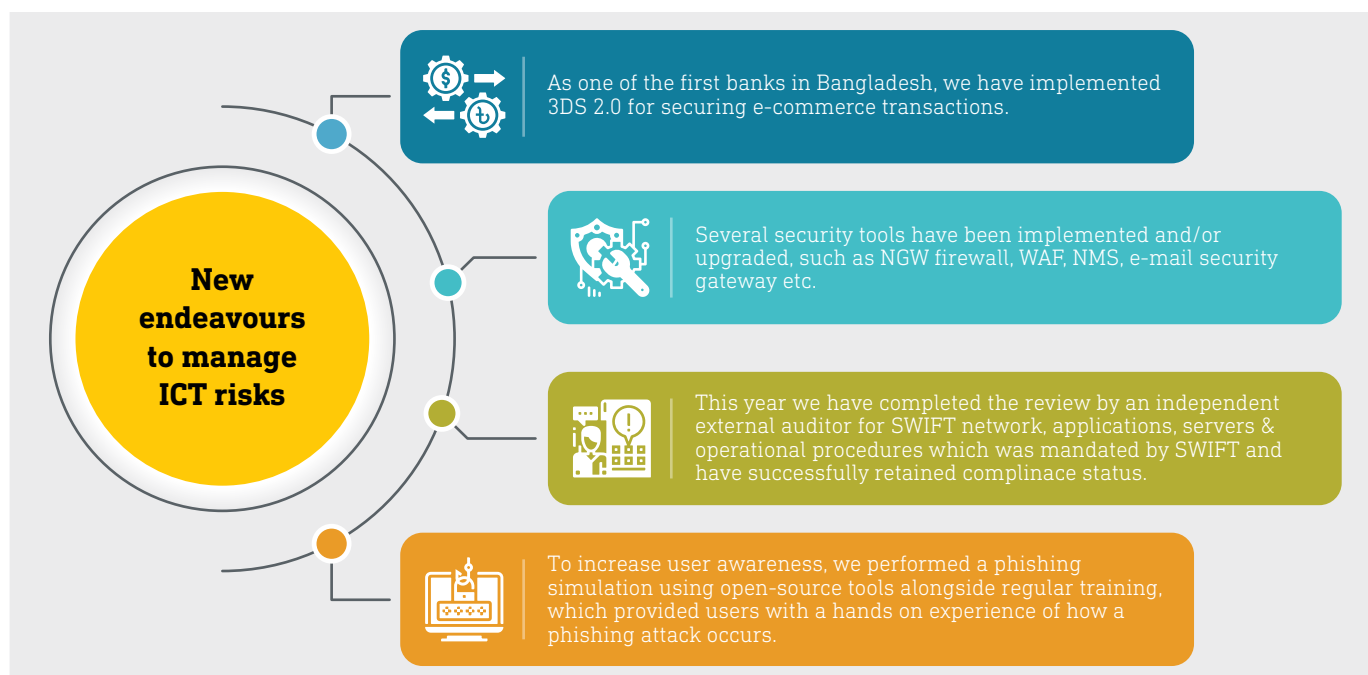
Robotic Process Automation (RPA)

As envisioned earlier, we have automated 14 of our internal ICT processes this year. RPA not only reliably reduces risk by executing repetitive tasks but also provides resources with additional time to accomplish important activities which are subject to complex human judgement.

Our approach towards managing ICT risks

Our holistic, integrated, and disciplined approach to managing risks is guided by board-approved and up-to-date ICT Risk Management Policy and ICT Security Policy. All technical decisions are made with a prior assessment of risks. Systematic approaches are followed for identifying, evaluating, mitigating and monitoring risks, and necessary tools are made available for these activities. Vulnerability assessment and remediation have been conducted for IT systems and penetration testing has been done for IT devices.

This year we achieved the milestone of being complied with PCI-DSS for seven consecutive years and ISO/IEC 27001:2013 for four successive years. Additionally, new endeavours are made continuously to manage the risk of the ever-changing technology landscape.



Award for Cyber Security Response

Champion in Financial Cyber Drill 2022

EBL was ranked first in Financial Cyber Drill held on 22 October 2022 hosted by Bangladesh Government's e-Government Computer Incident Response Team (BGD e-GOV CIRT), Bangladesh Digital Security Agency, Bangladesh Computer Council and Information and Communication Technology Division (Ministry of Posts, Telecommunications and Information Technology). Here, fifty banking and NBFI teams of 232 participants competed in a time-bound cyber security response drill. EBL ICT team was the first to solve all the challenges clinching the top rank and establishing ICT security dominance across the industry.

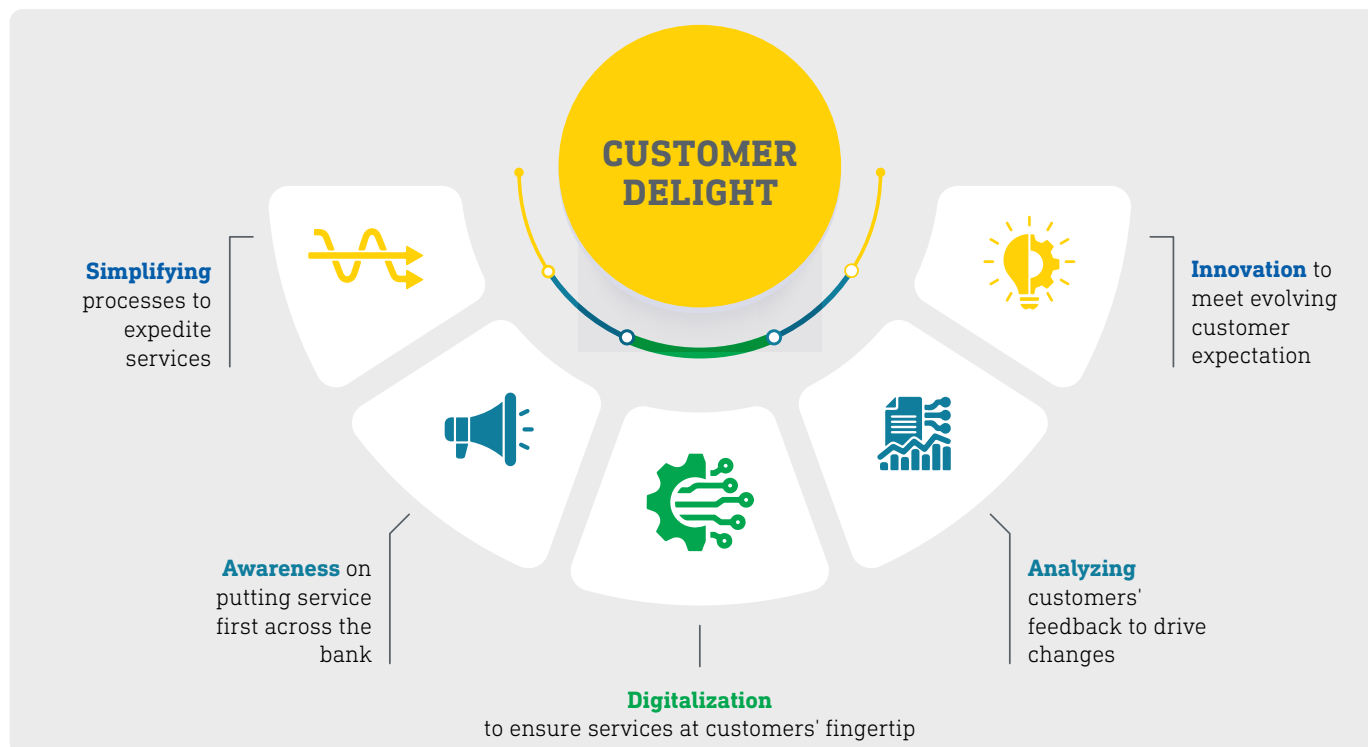
Way forward

We have started our groundwork to expand our business in the Islami Banking segment. Thus, our focus for 2023 will be implementing a separate core banking system to offer our customers Shariah-compliant financial solutions.

Customer Delight: Our Journey towards Excellence

Strategic focus

EBL has a strong foothold in the banking industry due to the robust maintenance of compliance that gives our customer the comfort to trust us. One of the Bank's core objectives is to ensure highest level of customer satisfaction that is to achieve customer delight. Keeping customers at the heart of the very reason of our existence, the prime focus has always been timely delivery of solutions based on expected changes through active listening to customers' feedback and bringing innovation into play.



Customers' appreciation is our recognition

Customer feedback is an essential tool for measuring the level of client satisfaction as well as instrumental in catching a grip of their perception towards the Bank. Recognition from our valued customers inspire us to perform better with positive energy in the working place.



Sayandev Chakravarti

"I am sending this email to record my appreciation for the extraordinary service I have received as a customer. Proactive engagement of your relationship manager and follow ups with multiple stakeholders have been quite exemplary and has helped in timely resolution of some of the issues I've faced with my fund repatriations. What stood out for me is that despite moving to a new role he still made himself available and got engaged when I needed help. Thank you and my best wishes for him."



Md Shanjir Hossain

"I am very delighted & grateful to your team. Especially to the relationship manager who worked tirelessly on this issue. I was determined not to send the family health insurance in any unfair way to Australia; your branch team supported me and we made it within the proper banking procedure. Though from the beginning it seemed impossible as it was a huge amount. It is an example of determination & team dedication. It was great learning for all of us, wishing you success all the way."



Customer experience survey

(New individual accounts-2022)

- Surveyed about 200 account holders through digital platform.
- Explored various aspects i.e. EBL branch experience, behavioral competency of the officer, time taken to provide the service etc.
- Received positive feedback from majority respondents who are likely to recommend EBL to others.



Customer insight survey from contact center

- Conducted customer feedback calls to explore customers' experience on executives' service during the service call.
- Considered insights shared by customers to identify areas of improvement.
- Monthly on an average 450 calls were made and executives were given score accordingly.
- Helped to detect customers' satisfaction level.

Initiatives that took service excellence to newer heights



Credit card activation through contact center



Instant SMS alert for any reversal transaction



Passport endorsement status view through EBL Skybanking app



Banking facility for the growing freelancer community



Launched country's first contactless Visa Debit and Prepaid cards

Addressing customer complaints

Channel	Customers' preferred actions
Branch	<ul style="list-style-type: none"> • Call or visit a branch in person. • Fill in "Suggestion Form" available in all branches.
Alternative channel	<p>Contact centre: 16230 (from any mobile inside Bangladesh), +8809612316230 (from anywhere in the world)</p> <p>Complaint Management Cell: 096666777325 Ext. 7403, 7438, 7439, 7440, 7468</p> <p>EBL Query/Complaint Management Cell: https://dgzip.ebl-bd.com/query/</p> <p>EBL Skybanking app (mobile & web version)</p>
Website	www.ebl.com.bd/regulatory/complaintcell
Email	ccs.cmc@ebl-bd.com ; info@ebl-bd.com
Letter	Send letter to: any customer touch point/head office

Valuing customer feedback



Complainant's feedback survey

- 55 complainants/customers have been surveyed through direct phone call under this study.
- Objective was to receive customer's feedback on bank's grievance management process in order to understand its efficiency.
- Got the opportunity to gather respondent's suggestions (if any) on the improvement areas of existing products, processes and services.

Continuously strengthening ties with our customers



A major awareness campaign was conducted in 2022 to address significance of service excellence for both internal & external customers. DMD & Head of Retail & SME Banking division personally addressed clients in an audio-visual initiative through all major social media platforms.



Multiple customer engagement initiatives taken where invited clients could meet top management in person to share their feedback and suggestions.



Numerous capacity building initiatives have been taken for both potential and existing female clients to strengthen ties as well as to better equip them with financial information and know-how.



EBL hosted a roundtable on 'Financial Inclusion for Women's Economic Empowerment' with an objective to initiate discussion and propose recommendations on how to overcome the barriers faced by women-led enterprises to access finance. Dignitaries from Bangladesh Bank, UNDP, ActionAid, UCEP, PRI, IMF, WaterAid, Bangladesh Nari Progati Sangha, Alive & Thrive, SAARC Women's Association etc. participated in the discussion.



EBL keeps its ties strong with its valued clients by notifying them time to time on Bank's achievements, initiatives taken to serve customers better, new products & services on offer to enhance their banking services and various communication aiming customers' awareness on security & safety instructions on banking information.

Our approach towards customer retention



Throughout the year EBL reaches out to low balance customers with an aim to a renewed relationship with them. SMS notifications were sent along with a digital FAQ was designed to guide clients to learn about interest earning. On an average, deposit mobilization of BDT 215 million was achieved quarterly by nurturing these clients.



To reconnect with outgoing customers, EBL promoted utilization of EBL accounts & self-service hub through contact center. The clients with negative portfolio growth trend were retrieved and resulted in BDT 161.60 million portfolio growth as well as various business leads.



EBL highly appreciates a good borrower and hence, reaches out to them from time to time to have stable relationship with them in the long run. Through contact center channel, EBL reached out to good borrowers which resulted in 237.70 million gross disbursement of loan from 313 clients among which 140 clients were retained. Also, we rigorously monitored credit card portfolio by identifying unproductive credit cards to find scopes for improvement.



EBL has taken educative measures for branch and value centers of Retail & SME Banking division by raising awareness on the importance of customer retention and significance of understanding root cause of business attrition.

Way forward

In 2023, the Bank shall strive to bring about changes in business processes, optimize resources in striking a harmonious balance between physical and digital banking to cater to customer needs of all segments and demography. Tapping the unbanked clients through wider agent banking and sub-branch networks, catering to the ever growing banking needs of freelancers and enhancement of digital services for all shall be the way towards sustainable growth.



FINANCIAL REPORTS



Declaration by CEO & CFO on Financial Statements for the year ended on 31 December 2022

03 April 2023

The Board of Directors
Eastern Bank Limited
100 Gulshan Avenue
Dhaka -1212.

Subject: **Declaration on Financial Statements for the year ended on 31 December 2022.**

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Eastern Bank Limited for the year ended on 31 December 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure therefrom has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

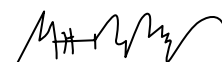
In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. 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 of Directors or its members.

Sincerely yours,



Ali Reza Iftakhar
Managing Director & CEO



Masudul Hoque Sardar
Chief Financial Officer

Independent auditor's report

to the shareholders of Eastern Bank Limited

Report on the audit of the consolidated and separate financial statements

Opinion

We have audited the consolidated financial statements of Eastern Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Eastern Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheet as at 31 December 2022, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank (the "financial statements") give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2022, and of its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), rules & regulations issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the financial year 2022. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Measurement of provision for loans and advances

Key Audit Matters	How the matter was addressed in our audit
<p>With reference to Note 13.4 to the financial statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments. To minimize COVID-19 impact, Bangladesh Bank issued BRPD Circular no. 19 dated 26 August 2021 and subsequent circular letters 50/2021, 51/2021 52/2021 and BRPD circular 14 dated 22 June 2022 and subsequent circular letters 51/2022 and 53/2022. According to those circulars, commercial bank must keep an extra provision for those borrowers who have availed payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding (deferral payment) loans as of 31 December 2022. The Bank has kept this special provision of BDT 542 million (2021: BDT 756 million) as per the circular. In Bangladesh, non-performing loans have been increasing day by day. Banks need to maintain provision for additional nonperforming loans in line with guidelines of the central bank. The Bank identifies impaired loan accounts and calculates required provision following BB circulars. Furthermore, management has incentive to maintain lower provision for loan and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans and advances as significant risk as well as a key audit matter. At year end of 2022 the Group reported total gross loans and advances of BDT 311,084.73 million (2021: BDT 271,601.66 million) and in 2022 the Bank reported total gross loans and advances of BDT 308,915.60 million (2021: BDT 269,393.97 million) whereas at the year end of 2022 the Group reported total provision for loans & advances and off-balance sheet exposures of BDT 14,754 million (2021: BDT 14,399 million) and the Bank reported total provision for loans & advances and off-balance sheet exposures of BDT 14,452 million (2021: BDT 14,101 million).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process.</p> <p>Tested the controls related to provision for loans and advances.</p> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: Tested the Group and the Bank's general and specific provisions; assessed quarterly classification ledger of loans and advances (CL); assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; assessed COVID-19 provision according to BRPD circular. Also assessed the presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See the notes no. 13.4 to the Financial Statements	

02. Measurement of deferred tax assets

Key Audit Matters	How the matter was addressed in our audit
<p>At the year ended 2022 the Group reported total deferred tax assets (Net of deferred tax liabilities) of BDT 2,424 million (2021: BDT 2,396 million) and deferred tax income (Net of deferred tax expense) of BDT 51 million (2021: BDT 290 million) and the Bank reported total deferred tax assets (Net of deferred tax liabilities) of BDT 2,333 million (2021: BDT 2,310 million) and deferred tax income (Net of Deferred Tax Expense) of BDT 45 million (2021: BDT 301 million). Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax assets.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.</p>
See the notes no. 09 & 38 to the Financial Statements	

03. Valuation of treasury bill and treasury bond

The classification and measurement of T-Bill and T-Bond require judgment and complex estimates. In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.

We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.

We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.

We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.

See the notes no. 06 to the Financial Statements

04. Legal and regulatory matters

We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.

These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.

Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.

We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.

We enquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.

We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.

We also assessed the Bank's provisions and contingent liabilities disclosure.

05. IT systems and controls

Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volumes of transactions processed in numerous locations daily and for reliance on automated and manual with automated (IT Dependent) controls.

We have focused on Data management, user access management, and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring the operating control and automated controls.

We also concentrated on formal security administration policies and procedures to determine whether they are approved, comprehensive, up-to-date, and bank-wide communicated.

We tested the design and operating effectiveness of the Bank's IT access controls over the information system that are critical to financial reporting. We tested IT General Controls (Logical Access, Changes in management, and aspects of IT Operational Controls). This included testing that requests for access to systems were appropriately reviewed and authorized.

We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.

We performed the tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We are also to:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's and Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991, and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, we also report that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- II. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control;
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate.
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank.
- III. financial statements of Eastern Bank Limited's subsidiaries namely, EBL Securities Limited, EBL Investments Limited and EBL Asset Management Limited have been audited by Aziz Halim Khair Choudhury, Chartered Accountants and EBL Finance (HK) Limited has been audited by Kingston C.P.A. Limited, Certified Public Accountants, Hong Kong and have been properly reflected in the consolidated financial statements;
- IV. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- V. the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- VI. the expenditures incurred and payments made were for the purpose of the Group's and Bank's business for the year;
- VII. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- VIII. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery.
- IX. the records and statements submitted by the branches have been properly maintained and incorporated in the financial statements.
- X. the information and explanations required by us have been received and found satisfactory.
- XI. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4600 man hours; and
- XII. capital to risk-weighted assets ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Howladar Yunus & Co.

Chartered Accountants

Firm Registration No: N/A



Md. Jahidur Rahman FCA

Partner, Enrolment No: 860

Dated: Dhaka, 11 April 2023

DVC No: 2304110860AS404316

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	4,716,684,227	3,710,909,855
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	16,438,906,912	14,957,829,541
		21,155,591,139	18,668,739,396
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	4,612,126,429	15,358,095,560
Outside Bangladesh	4.2	7,987,271,813	1,527,361,769
		12,599,398,242	16,885,457,329
Money at call and short notice	5	6,440,000,000	1,573,200,000
Investments	6		
Government	6.1	64,603,877,534	41,229,430,813
Others	6.2	28,428,309,602	27,671,579,018
		93,032,187,136	68,901,009,831
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	260,686,467,101	231,099,397,244
Bills discounted and purchased	7.2	50,398,266,460	40,502,266,414
		311,084,733,561	271,601,663,658
Fixed assets including land, building, furniture and fixtures	8	8,583,485,506	7,668,010,751
Other assets	9	6,973,051,006	6,889,182,751
Non banking assets	10	-	-
TOTAL ASSETS		459,868,446,589	392,187,263,713
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,950,000,000	5,500,000,000
Borrowing from other Banks, FIs, Agents etc.		72,647,428,423	59,796,372,676
		78,597,428,423	65,296,372,676
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	48,977,808,908	32,298,170,288
Bills payable	12.2	1,073,551,209	1,155,851,680
Savings bank deposits	12.3	75,127,325,490	70,403,378,712
Fixed deposits	12.4	130,692,541,410	101,607,706,168
Special notice deposit (SND) account		60,455,307,927	61,982,493,378
Bearer certificates of deposits		-	-
		316,326,534,944	267,447,600,227
Other liabilities	13	29,182,855,215	27,804,365,660
TOTAL LIABILITIES		424,106,818,582	360,548,338,563
SHAREHOLDERS' EQUITY			
Paid-up capital	14	10,730,975,250	9,538,644,670
Statutory reserve	15	10,730,975,250	9,538,644,670
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (land and other assets)	17	2,735,843,783	2,501,893,279
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(367,924,063)	(406,049,063)
Foreign currency translation gain/(loss)	19	(75,276,321)	1,996,270
Surplus in profit and loss account	20	11,047,500,739	9,504,261,953
TOTAL SHAREHOLDERS' EQUITY		35,761,628,008	31,638,925,150
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		459,868,446,589	392,187,263,713

Eastern Bank Limited and its subsidiaries

Consolidated Balance Sheet

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
OFF BALANCE SHEET ITEMS			
Contingent liabilities	21		
Acceptances and endorsements	21.1	61,495,322,122	53,047,505,500
Letters of guarantees	21.2	44,488,068,707	31,749,649,918
Irrevocable letters of credit	21.3	41,911,963,642	46,268,850,715
Bills for collection	21.4	15,298,846,071	10,647,181,021
Others		-	-
		163,194,200,541	141,713,187,154
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	501,704,953	118,101,190
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,400,000,000	-
		1,901,704,953	118,101,190
TOTAL OFF-BALANCE SHEET ITEMS		165,095,905,495	141,831,288,344
Net asset value (NAV) per share (restated 2021)	43	33.33	29.48

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhar
Managing Director & CEO



Ruslan Nasir
Director



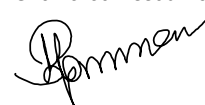
Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Dhaka,
05 April 2023

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited and its subsidiaries

Consolidated Profit and Loss Account

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Interest income	22	19,886,875,220	16,535,769,415
Interest paid on deposits and borrowings	23	(13,027,089,532)	(8,601,126,650)
Net interest income		6,859,785,688	7,934,642,765
Income from investments	24	6,726,276,119	5,996,842,333
Fees, exchange and brokerage commission	25	4,572,566,473	3,623,741,723
Other operating income	26	294,007,985	287,206,430
		11,592,850,578	9,907,790,486
Total operating income		18,452,636,265	17,842,433,250
Salary & allowances (excluding those of MD)	27	5,019,551,691	4,263,549,170
Rent, taxes, insurance, utilities etc.	28	495,525,433	427,243,019
Legal & professional expenses	29	131,015,275	87,507,746
Postage, stamp, telecommunication etc.	30	174,916,178	155,475,166
Stationery, printing, advertisement, business promotion etc.	31	294,981,202	275,000,463
Managing Director's salary and allowances (Bank only)	32	30,470,876	28,441,208
Directors' fees & expenses	33	4,097,310	3,372,804
Audit fees	34	2,549,341	2,530,051
Depreciation and repair of bank's assets	35	1,231,346,824	1,044,994,764
Other operating expenses	36	620,037,663	688,797,665
Total operating expenses		8,004,491,794	6,976,912,056
Profit before provisions		10,448,144,471	10,865,521,194
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net off w/o recovery)		1,281,382,932	1,733,791,900
General provision for loans & advances		344,986,171	475,235,139
Special general provision for COVID-19		(225,086,025)	152,926,606
General provision for off balance sheet exposures		119,471,033	368,073,261
		1,520,754,111	2,730,026,906
Other provision	37	678,719,960	(395,908,014)
Total provisions		2,199,474,071	2,334,118,892
Profit before tax for the year		8,248,670,400	8,531,402,303
Current tax expense for the year	13.3.1	3,178,751,532	4,021,028,809
Deferred tax income (net)	38	(50,667,813)	(289,850,900)
Total provision for taxation		3,128,083,720	3,731,177,909
Profit after tax for the year		5,120,586,681	4,800,224,394
Appropriation			
Statutory reserve	15	(1,192,330,580)	(1,420,649,200)
General reserve		-	-
		(1,192,330,580)	(1,420,649,200)
Retained earnings carried forward		3,928,256,101	3,379,575,194
Earnings per share (EPS) (restated 2021)	39	4.77	4.47

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhar
Managing Director & CEO



Dr. Toufic Ahmad Choudhury
Director

Dhaka,
05 April 2023

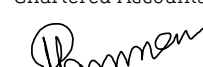


Ruslan Nasir
Director



Gazi Md. Shakhawat Hossain
Director

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited and its subsidiaries

Consolidated Cash Flow Statement

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
A) Cash flows from operating activities			
Interest receipts in cash		19,485,742,859	16,643,441,262
Interest payments		(11,835,913,070)	(10,149,631,198)
Dividend receipts		969,553,677	230,973,031
Fees and commission receipts in cash		4,759,309,449	3,317,944,639
Income from investment (other than dividend received)		5,631,674,101	5,849,819,097
Recoveries on loans previously written off	13.4.1	793,358,712	363,274,439
Cash payment to employees (including directors)		(5,055,640,148)	(4,173,353,626)
Cash payment to suppliers		(1,477,521,521)	(1,249,822,276)
Income taxes paid	13.3.2	(4,263,006,688)	(2,420,046,758)
Receipts from other operating activities		294,007,985	287,206,430
Payments for other operating activities		(620,037,663)	(688,797,665)
Cash from operating profit before changes in operating assets and liabilities		8,681,527,692	8,011,007,375
Increase/(decrease) in Operating Assets & Liabilities			
Net (purchase)/sale of trading securities		(17,116,130,028)	18,651,991,769
Loans and advances to customers (other than banks)		(39,097,078,802)	(41,085,874,502)
Adjustment of reserve against non banking assets	10	-	12,345,330
Other assets	40	(130,421,630)	(829,223,559)
Deposits from other Banks	12.b.1	218,710,155	(262,280,684)
Deposits from customers (other than banks)		47,742,342,699	27,932,297,188
Liability for tax		1,134,922,969	(1,311,131,151)
Liabilities for provision		(2,992,832,783)	(2,697,393,332)
Other liabilities	41	1,142,290,887	5,031,660,875
Cash generated from changes in operating assets and liabilities		(9,098,196,533)	5,442,391,934
Net Cash (used in)/received from operating activities		(416,668,841)	13,453,399,308
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities		(6,783,101,752)	(22,343,168,875)
(Purchase-net) of property, plant and equipment		(1,765,738,145)	(724,622,359)
Net cash (used in) investing activities		(8,548,839,897)	(23,067,791,233)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents		13,301,055,746	19,015,292,059
Dividend paid (cash dividend)		(1,192,330,580)	(1,420,649,200)
Net cash received from financing activities		12,108,725,166	17,594,642,858
D) Net increase/(decrease) in cash (A+B+C)		3,143,216,428	7,980,250,934
E) Effects of exchange rate changes on cash and cash equivalents		(77,628,769)	(3,496,240)
F) Opening cash and cash-equivalents		37,132,093,624	29,155,338,931
G) Closing cash and cash-equivalents (D+E+F)*		40,197,681,282	37,132,093,625
*Closing cash and cash-equivalents			
Cash in hand (including foreign currencies)	3.1	4,716,684,227	3,710,909,855
Balances with Bangladesh Bank and its agent bank (s)	3.2	16,438,906,912	14,957,829,541
Balances with other Banks and Financial Institutions	4	12,599,398,242	16,885,457,329
Money at call and short notice	5	6,440,000,000	1,573,200,000
Prize bonds	6.1	2,691,900	4,696,900
		40,197,681,282	37,132,093,625

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhhar
Managing Director & CEO

Dhaka,
05 April 2023



Ruslan Nasir
Director



Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Eastern Bank Limited and its subsidiaries

Consolidated Statement of Changes in Equity

for the year ended 31 December 2022

Amount in BDT

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial remeasurement gain/(loss)	Foreign currency translation gain/(loss)	Surplus in profit and loss account	Total
Balance as on 1 January 2022	9,538,644,670	9,538,644,670	356,040,000	2,501,893,279	603,493,370	(406,049,063)	1,996,270	9,504,261,953	31,638,925,150
Bonus share issued for 2021	1,192,330,580					-		(1,192,330,580)	-
Cash dividend paid for 2021	-	-	-	-	-	-	-	(1,192,330,580)	(1,192,330,580)
Profit after tax for the year	-	-	-	-	-	-	-	5,120,586,681	5,120,586,681
Transfer to statutory reserve	-	1,192,330,580	-	-	-	-	-	(1,192,330,580)	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	180,117,148	-	-	-	-	180,117,148
Reserve for amortisation of treasury securities (HTM)	-	-	-	53,833,356	-	-	-	-	53,833,356
Adjustment of remeasurement (loss) on defined benefit plans	-	-	-	-	-	38,125,000	-	-	38,125,000
Foreign currency translation difference	-	-	-	-	-	-	(77,272,591)	-	(77,272,591)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(356,155)	(356,155)
Balance as at 31 December 2022	10,730,975,250	10,730,975,250	356,040,000	2,735,843,783	603,493,370	(367,924,063)	(75,276,321)	11,047,500,739	35,761,628,008
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,501,893,279	603,493,370	(406,049,063)	1,996,270	9,504,261,953	31,638,925,150

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftakhar
Managing Director & CEO



Ruslan Nasir
Director



Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Dhaka,
05 April 2023

Eastern Bank Limited and its subsidiaries

Consolidated Liquidity Statement (Asset and Liability Maturity Analysis)

as at 31 December 2022

Amount in BDT					
Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term
Assets					Total
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	21,155,591,139	-	-	-	21,155,591,139
Balances with other banks and financial institutions	10,569,398,242	1,330,000,000	700,000,000	-	12,599,398,242
Money at call and short notice	6,440,000,000	-	-	-	6,440,000,000
Investments	1,014,497,598	3,792,364,941	9,681,929,340	26,230,123,485	93,032,187,136
Loans and advances	34,061,144,132	50,426,539,336	134,889,100,264	66,001,201,850	311,084,733,561
Fixed assets including land, building, furniture and fixtures	53,320,136	109,470,413	479,881,221	2,343,821,611	8,583,485,506
Other assets	17,603,965	8,509,015	2,675,299,206	2,165,063,123	6,973,051,006
Non-banking assets	-	-	-	-	-
Total assets	73,311,555,212	55,666,883,705	148,426,210,031	96,740,210,068	459,868,446,589
Liabilities					
Borrowing from other banks, financial institutions and agents	18,573,628,055	19,418,585,916	31,733,602,676	8,677,092,066	78,597,428,423
Deposits and other accounts	36,506,860,189	57,262,962,721	61,529,791,344	159,604,320,798	316,326,534,944
Provisions & other liabilities	179,562,602	3,810,113,672	2,726,306,123	16,512,192,672	29,182,855,215
Total liabilities	55,260,050,846	80,491,662,309	95,989,700,143	184,793,605,536	424,106,818,582
Net liquidity Gap	18,051,504,366	(24,824,778,605)	52,436,509,888	(88,053,395,467)	35,761,628,008
Cumulative net liquidity gap	18,051,504,366	(6,773,274,239)	45,663,235,649	(42,390,159,818)	-

Eastern Bank Limited

Balance Sheet

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	4,716,619,787	3,710,774,087
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	16,438,906,912	14,957,829,541
		21,155,526,699	18,668,603,627
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	4,471,348,086	15,005,092,489
Outside Bangladesh	4.2	7,382,719,034	1,264,597,790
		11,854,067,120	16,269,690,279
Money at call and short notice	5	6,440,000,000	1,573,200,000
Investments	6		
Government	6.1	64,603,877,534	41,229,430,813
Others	6.2	25,802,844,879	25,423,718,052
		90,406,722,413	66,653,148,865
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	263,817,658,813	234,038,851,242
Bills discounted and purchased	7.2	45,097,944,098	35,355,122,969
		308,915,602,911	269,393,974,212
Fixed assets including land, building, furniture and fixtures	8	8,500,798,743	7,632,189,734
Other assets	9	8,716,424,628	8,623,907,370
Non banking assets	10	-	-
TOTAL ASSETS		455,989,142,514	388,814,714,087
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,950,000,000	5,500,000,000
Borrowing from other Banks, FIs, Agents etc.		70,046,357,312	57,686,515,851
		75,996,357,312	63,186,515,851
Deposits and other accounts	12		
Current deposits & other accounts etc.	12.1	49,608,497,830	32,747,951,058
Bills payable	12.2	1,073,551,209	1,155,851,680
Savings bank deposits	12.3	75,127,325,490	70,403,378,712
Fixed deposits	12.4	130,692,541,410	101,607,706,168
Special notice deposit (SND) account		60,595,389,174	62,103,962,762
Bearer certificates of deposits		-	-
		317,097,305,113	268,018,850,380
Other liabilities	13	27,850,035,594	26,592,772,458
TOTAL LIABILITIES		420,943,698,018	357,798,138,689
SHAREHOLDERS' EQUITY			
Paid-up capital	14	10,730,975,250	9,538,644,670
Statutory reserve	15	10,730,975,250	9,538,644,670
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (land & others)	17	2,650,425,416	2,416,474,912
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(367,924,063)	(406,049,063)
Foreign currency translation gain/(loss)	19	(164,282,960)	(5,967,070)
Surplus in profit and loss account	20	10,505,742,233	8,975,293,909
TOTAL SHAREHOLDERS' EQUITY		35,045,444,496	31,016,575,398
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		455,989,142,514	388,814,714,087

Eastern Bank Limited

Balance Sheet

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
OFF BALANCE SHEET ITEMS			
Contingent liabilities	21		
Acceptances and endorsements	21.1	61,495,322,122	53,047,505,500
Letters of guarantees	21.2	44,488,068,707	31,749,649,918
Irrevocable letters of credit	21.3	41,911,963,642	46,268,850,715
Bills for collection	21.4	15,298,846,071	10,647,181,021
Other liabilities		-	-
		163,194,200,541	141,713,187,154
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	501,704,953	118,101,190
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		1,400,000,000	-
		1,901,704,953	118,101,190
TOTAL OFF-BALANCE SHEET ITEMS		165,095,905,495	141,831,288,344
Net asset value (NAV) per share (restated 2021)	43	32.66	28.90

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhar
Managing Director & CEO



Ruslan Nasir
Director



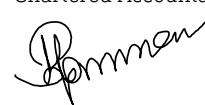
Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Dhaka,
05 April 2023

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited

Profit & Loss Account

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Interest Income	22	19,568,667,364	16,206,209,303
Interest paid on deposits and borrowings	23	(12,869,384,368)	(8,444,976,493)
Net Interest Income		6,699,282,996	7,761,232,810
Income from investments	24	6,705,461,835	6,088,639,366
Fees, exchange and brokerage commission	25	4,092,875,070	3,040,479,254
Other operating income	26	291,798,090	267,799,268
		11,090,134,995	9,396,917,887
Total operating income		17,789,417,991	17,158,150,697
Salary & allowances (excluding those of MD)	27	4,844,110,054	4,100,539,805
Rent, taxes, insurance, utilities etc.	28	483,904,897	415,353,404
Legal & professional expenses	29	129,780,179	86,483,565
Postage, stamp, telecommunication etc.	30	167,235,129	148,308,477
Stationery, printing, advertisement, business promotion etc.	31	290,154,386	271,160,246
Managing Director's salary and allowances	32	30,470,876	28,441,208
Directors' fees & expenses	33	3,594,810	2,771,554
Audit fees	34	1,308,178	1,190,312
Repairs, maintenance and depreciation	35	1,190,279,987	1,001,833,059
Other operating expenses	36	603,007,062	634,250,171
Total operating expenses		7,743,845,559	6,690,331,802
Profit before provisions		10,045,572,432	10,467,818,895
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net off w/off recovery)		1,278,437,655	1,655,381,613
General provision for loans		344,986,171	475,235,139
Special general provision for COVID-19		(225,086,025)	152,926,606
General provision for off-balance sheet exposures		119,471,033	368,073,261
		1,517,808,834	2,651,616,619
Other provision	37	432,378,729	(391,478,235)
Total provisions		1,950,187,563	2,260,138,385
Profit before tax for the year		8,095,384,868	8,207,680,510
Current tax expense for the year	13.3.1	3,033,354,808	3,855,014,674
Deferred tax income (net)	38	(45,427,604)	(301,198,890)
Total provision for taxation		2,987,927,205	3,553,815,784
Profit after tax for the year		5,107,457,663	4,653,864,726
Appropriation			
Statutory reserve	15	(1,192,330,580)	(1,420,649,200)
General reserve		-	-
		(1,192,330,580)	(1,420,649,200)
Retained earnings carried forward		3,915,127,083	3,233,215,526
Earnings per share (EPS) (restated 2021)	39	4.76	4.34

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftekhar
Managing Director & CEO



Dr. Toufic Ahmad Choudhury
Director

Dhaka,
05 April 2023

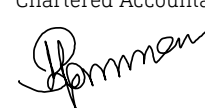


Ruslan Nasir
Director



Gazi Md. Shakhawat Hossain
Director

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants



Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka, 11 April 2023
DVC No: 2304110860AS404316

Eastern Bank Limited

Cash Flow Statement

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
A) Cash flows from operating activities			
Interest receipts in cash		19,167,196,081	16,284,739,074
Interest payments		(11,678,207,906)	(9,993,443,560)
Dividend receipts		1,344,930,389	199,399,208
Fees and commission receipts in cash		4,285,733,206	2,732,231,871
Income from investment (other than dividend)		5,235,483,105	5,973,189,953
Recovery on loans previously written off	13.4.1	793,358,712	363,274,439
Cash payment to employees (including directors)		(4,876,806,457)	(4,017,539,129)
Cash payment to suppliers		(1,445,831,841)	(1,217,480,524)
Income taxes paid	13.3.2	(4,171,023,059)	(2,290,690,848)
Receipts from other operating activities		291,798,090	267,799,268
Payments for other operating activities		(603,007,062)	(634,250,171)
Cash generated from operating activities before changes in operating assets and liabilities		8,343,623,257	7,667,229,580
Increase/(decrease) in Operating Assets & Liabilities			
Net (purchase)/sale of trading securities		(16,745,665,931)	18,835,036,031
Loans and advances to customers (other than banks)		(39,135,298,676)	(40,449,552,103)
Adjustment of reserve against non banking assets	10	-	12,345,330
Other assets	40	(45,185,793)	(1,014,792,055)
Deposits from other Banks	12.b.1	218,710,155	(262,280,684)
Deposits from customers (other than banks)		47,941,862,714	27,441,152,328
Liability for tax		1,183,095,854	(1,263,124,936)
Liabilities for provision		(2,743,546,275)	(2,623,412,824)
Other liabilities	41	1,019,416,076	4,996,132,255
Cash generated from changes in operating assets and liabilities		(8,306,611,875)	5,671,503,343
Net Cash received from operating activities		37,011,382	13,338,732,922
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities		(6,775,962,092)	(22,345,308,535)
(Purchase-net) of property, plant and equipment		(1,684,131,746)	(715,809,642)
Investment in Subsidiary-EBL Investments Limited		(100,000,000)	-
Net cash (used in) investing activities		(8,560,093,838)	(23,061,118,176)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents		12,809,841,461	18,900,126,722
Dividend paid (cash dividend)		(1,192,330,580)	(1,420,649,200)
Net cash received from financing activities		11,617,510,881	17,479,477,521
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		3,094,428,424	7,757,092,264
E) Effects of exchange rate changes on cash and cash equivalents		(158,333,511)	(5,970,692)
F) Opening cash and cash-equivalents		36,516,190,806	28,765,069,234
G) Closing cash and cash-equivalents (D+E+F)*		39,452,285,719	36,516,190,806
* Closing cash and cash-equivalents			
Cash in hand (including foreign currencies)	3.1	4,716,619,787	3,710,774,087
Balances with Bangladesh Bank and its agent bank (s)	3.2	16,438,906,912	14,957,829,541
Balances with other Banks and Financial Institutions	4	11,854,067,120	16,269,690,279
Money at call and short notice	5	6,440,000,000	1,573,200,000
Prize bonds	6.1	2,691,900	4,696,900
		39,452,285,719	36,516,190,806

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftakhar
Managing Director & CEO

Dhaka,
05 April 2023



Ruslan Nasir
Director



Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Eastern Bank Limited

Statement of Changes in Equity

for the year ended 31 December 2022

Particulars	Amount in BDT								
	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial remeasurement gain/(loss)	Foreign currency translation gain/(loss)	Surplus in profit and loss account	Total
Balance as at 1 January 2022	9,538,644,670	9,538,644,670	356,040,000	2,416,474,912	603,493,370	(406,049,063)	(5,967,069)	8,975,293,909	31,016,575,398
Bonus share issued for 2021	1,192,330,580	-	-	-	-	-	-	(1,192,330,580)	-
Cash dividend paid for 2021	-	-	-	-	-	-	-	(1,192,330,580)	(1,192,330,580)
Profit after tax for the year	-	-	-	-	-	-	-	5,107,457,663	5,107,457,663
Transfer to statutory reserve	-	1,192,330,580	-	-	-	-	-	(1,192,330,580)	-
Reserve for revaluation of treasury securities (HFT)	-	-	-	180,117,148	-	-	-	-	180,117,148
Reserve for amortisation of treasury securities (HTM)	-	-	-	53,833,356	-	-	-	-	53,833,356
Adjustment of remeasurement (loss) on defined benefit plans	-	-	-	-	-	38,125,000	-	-	38,125,000
Currency translation difference	-	-	-	-	-	-	(158,315,890)	-	(158,315,890)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(17,599)	(17,599)
Balance as at 31 December 2022	10,730,975,250	10,730,975,250	356,040,000	2,650,425,416	603,493,370	(367,924,063)	(164,282,960)	10,505,742,232	35,045,444,496
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,416,474,912	603,493,370	(406,049,063)	(5,967,069)	8,975,293,909	31,016,575,398

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftikhar
Managing Director & CEO



Ruslan Nasir
Director



Dr. Toufic Ahmad Choudhury
Director



Gazi Md. Shakhawat Hossain
Director

Dhaka,
05 April 2023

Eastern Bank Limited

Liquidity Statement (Asset and Liability Maturity Analysis)

as at 31 December 2022

Amount in BDT						
Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	10,185,171,778	-	-	-	10,970,354,921	21,155,526,699
Balances with other banks and financial institutions	9,824,067,120	1,330,000,000	700,000,000	-	-	11,854,067,120
Money at call and short notice	6,440,000,000	-	-	-	-	6,440,000,000
Investments	1,014,497,598	1,166,900,218	9,681,929,340	26,230,123,485	52,313,271,773	90,406,722,413
Loans and advances	33,981,537,037	50,316,347,499	132,909,768,546	66,001,201,850	25,706,747,979	308,915,602,911
Fixed assets including land, building, furniture and fixtures	52,806,490	108,415,859	475,258,411	2,321,243,019	5,543,074,964	8,500,798,743
Other assets	21,613,724	687,526	3,324,705,880	2,737,238,346	2,632,179,152	8,716,424,628
Non-banking assets	-	-	-	-	-	-
Total assets	61,519,693,748	52,922,351,101	147,091,662,177	97,289,806,698	97,165,628,790	455,989,142,514
Liabilities						
Borrowing from other banks, financial institutions and agents	17,533,199,611	17,857,943,250	31,733,602,676	8,677,092,066	194,519,709	75,996,357,312
Deposits and other accounts	36,815,168,256	57,725,424,822	61,529,791,344	159,604,320,798	1,422,599,892	317,097,305,113
Provisions & other liabilities	168,766,763	3,673,099,815	2,635,541,107	15,661,720,472	5,710,907,437	27,850,035,594
Total liabilities	54,517,134,630	79,256,467,887	95,898,935,127	183,943,133,335	7,328,027,038	420,943,698,018
Net liquidity gap	7,002,559,118	(26,334,116,786)	51,192,727,051	(86,653,326,637)	89,837,601,752	35,045,444,496
Cumulative net liquidity gap	7,002,559,118	(19,331,557,668)	31,861,169,382	(54,792,157,255)	35,045,444,496	-

Eastern Bank Limited and its subsidiaries

Notes to the financial statements

as at and for the year ended 31 December 2022

1 The Bank and its activities

- 1.1** Eastern Bank Limited was incorporated in Bangladesh as a public limited company to carry out all kinds of banking business in and outside Bangladesh. The Bank took over the business, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited (hereinafter referred to as BCCI) as they stood after reduction or adjustments in accordance with the provisions of the BCCI (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 and at present it has 83 branches, 23 sub-branches and 63 agent banking outlets across Bangladesh. The shares of the Bank is listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange PLC. The registered office of the Bank is located at 100 Gulshan Avenue, Dhaka - 1212, Bangladesh.

The principal activities of the Bank are to provide a comprehensive range of financial products (loans and deposits) and services, personal and commercial banking, trade services, cash management, treasury, securities and custodial services.

1.2 Offshore Banking Operation (OBO)

EBL has an Offshore Banking Unit ('OBU' or 'the Unit') operated as a separate desk under control and supervision of the Offshore Banking Division/Operation (OBO). The unit and all activities of the division are governed under the permission by Bangladesh Bank vide letter no. BRPD(P)/744(89)/2004-303 dated 25 January 2004 and subsequent approvals for continuation by Bangladesh Bank vide letter no. BRPD(P)/744(89)/2020-2254 & 2255 dated 25 February 2020 in line with the offshore banking policy issued by Bangladesh Bank vide BRPD circular no. 02 dated 25 February 2019 and amendments thereon. The activities of the unit is to provide both funded and non-funded facilities and to accept savings/current/term deposits in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned enterprises (Type 'A') in EPZs, PEPZs, EZs and Hi-Tech Parks, etc. Besides, OBU offers short term loan facility to the Type 'B' industrial enterprises in EPZs, PEPZs, EZs and Hi-Tech Parks. In addition, OBU discounts/purchases accepted usance/deferred bills against import from abroad (Bills Finance), and discounts/purchases accepted usance/deferred export bills against direct and deemed exports of products produced in Bangladesh, of persons resident in Bangladesh. The unit commenced its operations on 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka-1212.

Representative office and agent banking operation of the Bank

Representative Office:

The bank has two Representative Offices (ROs) abroad, one in Myanmar named 'EBL Yangon Representative Office (YRO)' and another one in China named 'EBL Guangzhou Representative Office (GRO)', which were established in 2014 and 2019 respectively with a view to extend its trade businesses by providing banking and business information to the business people of those countries. Registered office of YRO is at No. 207, (1st Floor), Baho Road, Sanchaung Township, Yangon, Myanmar, Postal Code: 11111; and GRO is at Unit G, 22 Floor, Jianhe Centre, No.111 Tiexi Road, Tianhe District, Guangzhou, Guangdong Province, China.

Agent Banking Outlet:

The bank has started agent banking operation in 2018 with a view to reach unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. EBL has now 63 outlets across the country with thousands of new customers. This service includes offering all types of deposit accounts and other banking transactions including bill payments, inward foreign remittance payment, fund transfer etc.

1.3 Subsidiaries of the Bank

The Bank has four fully owned subsidiaries as on the reporting date. These are EBL Securities Limited, EBL Investments Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. All subsidiaries of the Bank were incorporated in Bangladesh except EBL Finance (HK) Limited which was incorporated in Hong Kong.

EBL Securities Limited

EBL Securities Limited (EBLSL), a securities brokerage firm acquired in two phases, is a public limited company having TRECs (Trading Right Entitlement Certificate) and ordinary shares of both the bourses i.e., Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange PLC. The principal activities of this subsidiary are buying, selling and settling of securities on behalf of investors and its own portfolio. Registered office of EBLSL is located at Jiban Bima Bhaban, 10 Dilkusha CA, Dhaka - 1000, Bangladesh.

EBL Investments Limited

EBL Investments Limited (EBLIL) was incorporated on 30 December 2009. EBLIL obtained license from Bangladesh Securities & Exchange Commission (BSEC) on January 2013 and started full-fledged operations of merchant banking, portfolio management, underwriting services from June 2013. Registered office of EBLIL is located at Bangladesh Shipping Corporation (BSC) Tower 2-3, Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka-1000, Bangladesh.

EBL Finance (HK) Limited

EBL Finance (HK) Limited, the first foreign subsidiary of EBL, was incorporated on 28 November 2011 with Hong Kong (HK) authority. This subsidiary started its full-fledged business operations (i.e. offshore trade finance, advising, documents collection etc.) in Hong Kong in 2013 after obtaining all the required licenses from Bangladesh and HK authority. Registered office of EBL Finance (HK) Limited is Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Hong Kong.

EBL Asset Management Limited

EBL Asset Management Limited (EBLAML) was incorporated on 9 January 2011 to carry out asset management business, capital market operation, equity investment etc. EBLAML obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 to run full-fledged business operations. Registered office of EBLAML is located at Bangladesh Shipping Corporation (BSC) Tower, 2-3 Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka - 1000, Bangladesh.

2 Basis of preparation and significant accounting policies

Basis of preparation

Separate and consolidated financial statements

The financial statements of the Bank comprise those of its Domestic Banking Operations (including representative offices) and Offshore Banking Operations; and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries (together referred to as 'the group' and individually referred to as 'group entities/subsidiaries').

There was no significant change in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.1 Statement of compliance

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the the Financial Reporting Council (FRC) under the Financial Reporting Act, 2015 (FRA) and the requirements of the Bank Company Act 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

i) Presentation of financial statements

IFRSs: As per IAS 1 *Presentation of Financial Statements*, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period and notes - comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

ii) Investments in Equity Instruments (Shares, Mutual funds, etc.)

IFRSs: As per requirements of IFRS 9 *Financial Instruments*, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognised in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognised in profit or loss account.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued on the basis of year-end market price and Net assets value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (closed end) is revalued 'at lower of cost and (higher of market value and 85% of NAV)'. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

The Bank reviews its investment in shares & mutual funds at each quarter-end on mark-to-market basis and has maintained a cumulative provision of BDT 593.29 million as on 31-12-2022 as per BB instructions (note 13.8).

iii) Revaluation gain/loss on government securities

IFRSs: As per IFRS 9 *Financial Instruments*, treasury bills (T-bills)/treasury bonds (T-bonds) are measured 'at fair value through other comprehensive income' where gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arisen from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the financial position. Interest calculated using the effective interest method shall be recognised in profit or loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortization gain/loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

The Bank recognised revaluation loss of BDT 609.87 million and amortization expense of BDT 298.41 million in profit and loss account in 2022 against its investment in government treasury securities categorised as HFT and HTM respectively. Unrealised gain of BDT 180.12 million arising from revaluation of HFT Securities and amortized gain of BDT 83.09 million arising from amortization of HTM securities has been booked in equity as reserve in compliance with Bangladesh Bank guidelines (note 17.02 & 17.03).

iv) Provision on loans and advances, off-balance sheet exposures including other commitments

IFRSs: As per IFRS 9 *Financial Instruments*, loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: As per Bangladesh Bank instructions through different circulars, general provision (GP) ranging 0.25% to 2% on different categories of unclassified loans (standard/SMA loans) and special GP for COVID-19 ranging 1% to 2% on accounts under payment by deferral facility upon receiving 15% and 50% payment against total dues for the year 2021 and 2022 respectively to be maintained regardless of objective evidence of impairment. And specific provision ranging 5% to 100% on classified loan accounts including certain rescheduled loan accounts to be made netting off eligible securities (if any). Also, a general provision ranging 0.5% - 1% to be provided for certain off-balance sheet exposures (including other commitments). Such provision policies are not specifically in line with those prescribed by IFRS 9.

The Bank maintained a cumulative general provision of BDT 5,869.01 million (special GP for COVID-19 of BDT 542.25 million, general provision of BDT 3,945.91 million for unclassified loans & advances, and BDT 1,380.84 million for off-balance sheet exposures) and specific provision of BDT 8,583.04 million for classified, rescheduled and stay order accounts on 31-12-2022 (note 13.4.a.1).

v) Other comprehensive income and appropriation of profit

IFRSs: As per IAS 1 *Presentation of Financial Statements*, other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statement of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vi) Financial instruments - presentation and disclosure

As per BB guidelines, in certain cases financial instruments are categorized, recognized, measured and presented differently from those prescribed in IFRS 7 *Financial Instruments* - disclosure and IFRS 9 *Financial Instruments*. As such, some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.

vii) REPO transactions

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralized borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognized in the seller's book and recognised in the buyer's book.

viii) Financial guarantees

IFRSs: As per IFRS 9 *Financial Instruments*, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognized initially at their fair value and is amortized over the life of the instrument. Any such liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee becomes probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit (LC) & letter of guarantees (LG) should be treated as off-balance sheet items. No liability is recognized for such guarantee except the cash margin. However, a general provision ranging 0.5% -1% is maintained against such guarantee.

ix) Cash and cash equivalents

IFRSs: Cash and cash equivalent items should be reported as cash item as per IAS 7 *Statements of Cash Flows*.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills/T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents; rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x) Non-banking assets

IFRSs: No indication of non-banking assets is found in any IASs/IFRSs.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank, there exists a face item named non-banking assets.

xi) Cash flow statement

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank, cash flow statement is to be prepared following a mixture of direct and indirect method.

xii) Balance with Bangladesh Bank (cash reserve requirement)

IFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7 Statement of cash flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiii) Off-balance sheet items

IFRSs: No concept of off-balance sheet items in any IFRS/IAS/IFRIC; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no.14 dated 25 June 2003, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.

xiv) Presentation of loans and advance net of provision

IFRSs: Loans and advances shall be presented at amortized cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xv) Recognition of interest in suspense

IFRSs: Loans and advances to customers are generally classified as non-derivative financial assets measured at amortized cost as per IFRS 9 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is to be recognized in profit and loss account on the same basis on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012 and BRPD Circular no. 03 dated 21 April 2019, interest on classified loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

xvi) Presentation of intangible asset

IFRSs: An intangible asset must be identified and recognized, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no specific regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003. However, intangible assets of bank are shown in fixed assets.

*Please refer to note 2.10 compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) for further details.

2.2 Basis of measurement

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury bills and bonds designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are amortized yearly with resulting gain credited to amortization reserve account but loss charged to profit and loss account.
- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per IAS 16 *Property, Plant & Equipment* and BSEC notification no. SEC/CMRRCD/2009-193/150/Admin/51 dated 18 August 2013.

2.3 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. EBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The rating outlook of the Bank as denoted by both the rating agencies CRISL and Moody's is 'stable'. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements of the Group and the separate financial statements of the Bank in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future period affected.

Key estimates include the following:

- Loan loss provision
- Revaluation of land
- Deferred tax assets/liabilities
- Gratuity & superannuation fund
- Useful lives of depreciable assets

2.5 Foreign currency transactions and translations

Functional and presentation currency

The financial statements of the Group and the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the parent, except Offshore Banking Operation and EBL Finance (HK) Ltd. where functional currency is US Dollar (USD) and Hong Kong Dollar (HKD) respectively. All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.

Conversion of foreign currency transactions

Foreign currency transactions of the Bank and its subsidiaries are converted into respective functional currencies (Bangladesh Taka in case of DBO, US Dollar in case of OBO and HKD in case of EBL Finance (HK) Limited) at the rate of exchange prevailing on the day of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at standard mid-rate of exchange prevailing at the reporting date. Effects of exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Bank are recorded in the profit and loss account as per IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Translation of foreign currency financial statements

Assets and liabilities of OBO and EBL Finance (HK) Limited have been translated into Taka (functional currency of the Bank) using year-end standard mid-rate of exchange (i.e. the closing rate) whereas income and expenses are translated using monthly average rate of standard mid-rates of exchange of the Bank. The cumulative amount of net exchange rate differences has been presented separately as a component of equity as per IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

2.6 Basis of consolidation

- Subsidiaries (investees) are entities controlled by the parent (the Bank). Control exists when the Bank has the power over the subsidiaries that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the Bank's returns.
- The consolidated financial statements comprise the financial statements of the Bank and its subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (the Bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.
- Financial assets and liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realize the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required or permitted by accounting standards and regulators.
- Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Loss of control

Upon loss of control of a subsidiary the group derecognizes the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss account. If the group retains any interest in the former/previous/ex-subsidiary, then such interest is measured at fair value at the date when the control is lost. However, the group has neither lost control nor derecognized any asset or liability of any of its subsidiaries in the reporting period.

Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition and identifiable net assets acquired are measured at fair value. Any goodwill that arises is annually tested for impairment. Any gain on bargain purchase is recognized in Group's profit or loss account immediately. Transaction costs are expensed as incurred except if they are related to the issue of debt or equity securities.

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7 *Statement of Cash Flows* and under the guideline of Banking Regulations & Policy Department (BRPD) of Bangladesh Bank circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year.

2.8 Reporting period

These financial statements of the Group, the Bank and its subsidiaries cover 01 (One) calendar year from 01 January to 31 December.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioral trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioral trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realization/amortization basis.
Borrowings from other banks and financial institutions	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioral trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

2.10 Significant accounting policies

The accounting policies set out and presented in these financial statements have been applied consistently to all the periods by group entities except otherwise instructed by Bangladesh Bank as the primary regulator. Significant accounting policies applied in these financial statements are presented separately with relevant notes.

Accounting policies of subsidiaries

The financial statements of subsidiaries which are included in the consolidated financial statements of the Group have been prepared using uniform accounting policies of the Bank (the Parent) for transactions and other events of similar nature unless there is any instruction by regulators. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

2.11 Others

i) Materiality and aggregation

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 *Presentation of Financial Statements*.

ii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the Bank is presented on net basis under liability as the amount of tax liability is higher than advance tax. Deferred tax (DT) assets and DT liabilities of the bank is presented on net basis under asset as the amount of DT asset is higher than DT liability. Net defined benefit obligation is presented under liability as defined benefit obligation is higher than fair value of plan assets. Card revenues and expenses earned and incurred on shared basis and are directly attributable to are presented on net off basis.

iii) Comparative information

Comparative information including narrative is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements.

Certain comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to the current year's presentation.

iv) Earnings per share (EPS)

As per IAS 33 *Earnings per share*, the Bank has been reporting basic earnings per share as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. Bonus shares issued (if any) in current period are considered for number of ordinary shares outstanding for preceding period to present comparative EPS with retrospective adjustment i.e. restated EPS.

v) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 *Related Party Disclosures*, Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in Annexure - C and Annexure - C1. The Bank carries out business with related parties in the ordinary course of business on an arm's length basis at commercial rates except for those transactions that the key management personnel have availed at concessionary rates which is applicable to all the eligible staffs/customers. However, in 2022, the bank has discontinued procuring goods and services (i.e. courier, internet, refreshment items etc.) from the respective related party entities following Bangladesh Bank BRPD circular -12 dated 15 June 2022 (which restricts banks from procuring goods or services from "related parties") as disclosed in Annexure- C1."

Transactions between the Bank and its subsidiaries and outstanding amount within the group have been disclosed in Annexure - C1.

vi) Reconciliation of books of account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

vii) Events after the reporting period

All material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 *Events after the Reporting Period*. Board's recommendation for dividend distribution is a common item presented in the note 42.

viii) Operating segments

The Group has identified following six reportable segments which are the Group's major strategic business units/entities. The strategic business units offer different products and services, and are managed separately based on the management and internal reporting structure of the group. For each of the strategic business units, the Group's/Bank's Management Committee reviews internal management reports on quarterly basis. The following summary describes the operations in each of the reportable segments:

Segment Name		Description
SOLO	DBO (Domestic Banking Operation)	Deals with the full range of commercial banking products and services offered by three different business units: Corporate, Retail & SME Banking and Treasury.
	OBO (Offshore Banking Operation)	Deals with loans, deposits and related banking transactions in freely convertible foreign currencies with eligible Corporate customers in EPZs, PEPZs, Ezs and Hi-tech Parks.
CONSOL	EBL Securities Limited (EBLSL)	It buys, sells and deals with capital market securities i.e shares, MFs, debentures etc., on behalf of customers and provides margin loan facilities etc.
	EBL Investments Limited (EBLIL)	It offers all kinds of merchant banking activities i.e. issue management, underwriting, portfolio management and other transactions.
	EBL Finance (HK) Limited	It deals with trade finance and off-shore banking business in Hong Kong.
	EBL Asset Management Limited (EBLAML)	It is to carry out business on asset management, portfolio management, capital market operation, equity investment, financial services i.e. corporate advisory, merger & acquisition, corporate restructuring etc.

Information regarding the results of each reportable segment is included in Annexure - E. Performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the management committee of the Bank. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments.

ix) Risk management and other related matters

Financial Institutions are in the business of taking calculative risk and it is important how a bank decides on its risk appetite. EBL firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems of the Bank in place are discussed below:

a) Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bank. Board of Directors is the apex body for credit approval of the Bank. However, a part of credit approval authority is sub-delegated to the Managing Director & CEO and other officers of the Credit Risk Management (CRM) Division. The Board approves credit policies for the management for setting procedures, which together has structured the CRM framework of the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving and managing credit risk in the bank. The policy covers corporate, retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardized CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

Management, at least once in a quarter, reviews credit exposures and portfolio performance of corporate and SME (M) under a clearly set out 'early alert' policy. If early alerts are raised, account plans are then re-evaluated; remedial actions are set, executed and monitored. Remedial action includes, but not limited to exposure reduction, security enhancement, exit of relationship or immediate transfer to Special Asset Management Division (SAMDD).

The bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021, BRPD circular no. 14/2022 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. The bank has maintained adequate provision against impaired loans including certain UC accounts having payment by deferral facilities following relevant circulars of Bangladesh Bank. Details of which are stated in note 13.4 to the financial statements.

b) Liquidity risk

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modelling and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the Bank and regulators.

c) Market risk

Risk Management Division (RMD) is responsible for overall monitoring, control and reporting of market risk. Treasury mid office of RMD is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMD, periodically reported to Executive Risk Management Committee (ERMC) and observations are shared with RMC of the Board. Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

d) Interest rate risk

Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The Bank deploys several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions.

e) Foreign exchange risk

Foreign exchange risk is the risk that a bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies. Bank makes import payment and outward remittance as its outflow, whereas it gets foreign currency inflow as export receipts and inward remittance. Exchange rate risk arises if, on a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged.

The Bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions at 95% confidence level on daily basis. The Bank maintains various nostro accounts in order to conduct operations in different currencies. The position maintained by the Bank at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.

f) Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans and changes in the value of unlisted shares.

Mark-to-Market is the process the bank applies for maintaining provision against losses arisen from changes in market price of securities. As of 31 December 2022, the Bank had a cumulative provision of BDT 593.29 million charging its profit and loss account over the periods to cover unrealized loss against quoted and unquoted securities. EBL is also computing Equity VaR (Value at Risk) on its equity exposure at 95% and 99% confidence level.

g) Operational risk

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk.

Risk Management Division (RMD) enriched the scope of risk matrix/KRI for Operational Risk compiling both quantitative and qualitative parameters in the regulatory frameworks and in the Bank's risk appetite. This department collects required information from different sources in different frequencies from monthly to yearly interval. Based on source data RMD plots the results in the risk matrix and escalates the critical and high risk issues to MANCOM, ERMC and RMC of the Board for guidance and to implement mitigation measures.

h) Monitoring activities and corrective measures

To ensure effective Internal control system in line with risk management framework of the Bank, the ICCD of the bank runs a strong monitoring unit. This unit ensures effectiveness of internal control on perpetual basis through set control mechanism, reviews approved tools and processes i.e. Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self-Assessment Anti-Fraud Internal Control Check list etc. For any identified operational risks/lapses, this unit takes necessary steps for risk mitigation and escalates to the higher management and Audit Committee of the Board for risk mitigation or absorption with specific recommendations. All the tools used for monitoring are in alignment with regulatory guidelines and internal policies and circulars.

i) Prevention of money laundering and terrorist financing

EBL performs a series of activities in identifying, assessing, mitigating and monitoring risks related to Money Laundering (ML) and Terrorist Financing (TF). Bank has established a control framework for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence Unit with regard to AML & CFT. For prevention of Money Laundering and Terrorist Financing, the bank has revised Central Compliance Committee (CCC) with 14 department/division heads to ensure collective participation of different departments in comprehensive AML and CFT program. Under direction of CCC and Chief Anti Money Laundering Compliance Officer (CAMLCO), AML Department implements and monitors different AML & CFT programs across bank. In addition to nominating Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branches, we have nominated Department Anti-Money Laundering Compliance Officer (DAMLCO) at crucial departments to oversee AML/CFT compliance at root level.

EBL has implemented automated transaction monitoring and sanction screening system to corroborate AML/CFT compliance program. Currently 8 sanction screening lists are incorporated in the system for sanction compliance and 60 rules & 58 reports for robust transaction monitoring. To increase awareness among employees, EBL has adopted training programs such as need based training, foundation trainings, certification programs etc. for its employees.

j) Information and communication technology risk

EBL follows ICT Security Guideline of Bangladesh Bank while framing ICT Security policies and procedures for the Bank. In 2016, EBL was certified by an international accreditation organization for data security, namely the Payment Card Industry Data Security Standard (PCI DSS), and has been in compliance since then. EBL received ISO 27001:2013 Standard Compliance Certification for the 4th year in a row in 2022 demonstrating its commitment to protecting the confidentiality, integrity, and availability of IT systems and data in a professional manner. To protect sensitive ICT infrastructures from cyber criminals/fraudsters, the EBL ICT division has implemented standard physical and logical security procedures (e.g., Data Center, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). Also to monitor cyber threat activity EBL is in procedure of building a Security Operation Center.

EBL has advanced logical ICT security measures in place for all systems, such as an access control system, intrusion detection, an access log, and monthly security assessments. EBL has installed a SIEM (Security Information and Event Management) solution to better monitor security occurrences. Internal and external vulnerability assessments and penetration testing are undertaken on a regular basis to detect security flaws and set controls for mitigation. Business Continuity Management (BCM) is in place at EBL to handle any man-made or natural calamity. Through retail and corporate channels, the Information Security team has also taken steps to raise cybersecurity awareness among all EBL officials and customers. We have a separate information system audit in place to identify control weaknesses.

k) Internal audit

The Bank has an independent and functional internal audit department to perform risk based audit on various business and operational areas of the Bank and its Subsidiaries on periodic interval. Audit rating is determined on the basis of audit policy and guidelines as approved by the Board. The objective of internal audit is to examine and evaluate whether the process of risk management, internal control and governance are adequate and functioning properly. The objective also includes advising and recommending to higher management for improvements in internal control and risk management system. The Audit Committee of Board regularly reviews the internal audit reports as well as monitors progress of previous findings. However, the Head of Audit being part of internal control & compliance, reports to and is responsible to the audit committee of the Board.

l) Prevention of fraud

EBL has a Board approved policy titled EBL Fraud and Theft Risk Prevention and Management Policy to minimize the incidence and impact of fraud. Incidence of fraud or theft has become one of the inherent risks in banking business but can very well be avoided or minimized by creating a highly regimented environment and harnessing a culture and value of transparency, accountability, trust and teamwork. With this endeavour to encourage all employees to report perceived unethical or illegal conduct of employees to appropriate authorities in a confidential manner without any fear of harassment, a 'Speak Up Policy' has been approved by the Board. Moreover, EBL Incident Reporting (IR) Process Guideline has been established so that all incidents are reported to Head of ICC and recorded in incident log book for regularization/preventive measures.

2A Credit rating of the Bank

As per BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the audited financial statements as at and for the year ended 31 December 2021. The following ratings have been awarded:

Particulars	Periods	Date of rating	Long term	Short term
Entity rating	January to December 2021	28 June 2022	AA+	ST-1
Entity rating	January to December 2020	17 June 2021	AA+	ST-1
Entity rating	January to December 2019	22 June 2020	AA+	ST-1

2B Compliance with International Financial Reporting Standards (IFRSs)

The Bank has complied with following IFRSs & IASs as adopted by the Financial Reporting Council (FRC) during the preparation of financial statements as at and for the year ended 31 December 2022.

Name of IFRSs/IASs	IFRSs/IASs	No.	Status
Presentation of Financial Statements	IAS	1	*Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied
Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	*Applied (for Hedge Accounting)
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	*Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	*Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	*Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	Applied
Insurance Contracts	IFRS	17	N/A

* Subject to departure described in note 2.1

N/A = Not Applicable

2C Audit Committee disclosures

Please refer to Report of the Audit Committee for details disclosures on audit committee presented in other information in the annual report.

2.11 Approval of financial statements

These financial statements were reviewed by the audit committee of the Board in the meeting held on 05 April 2023 and was subsequently approved by the Board in the meeting held on the same date.

Amount in BDT

3 Cash

Cash and cash equivalents include notes and coins at vault and at ATM, unrestricted balances held with Bangladesh Bank and its agent banks, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.

Amount withdrawn/transferred by customers after end-of-year closing are properly addressed, reconciled and adjusted with ATM balance and customers' deposit to reflect the actual balance of ATM and deposits as of the reporting date.

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Cash in hand (including foreign currencies)	4,716,684,227	3,710,909,855	4,716,619,787	3,710,774,087
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	16,438,906,912	14,957,829,541	16,438,906,912	14,957,829,541
	21,155,591,139	18,668,739,395	21,155,526,699	18,668,603,627

3.1 Cash in hand (including foreign currencies)

Local currency	3.1.1	4,641,122,645	3,673,253,441	4,641,058,205	3,673,117,673
Foreign currencies		75,561,583	37,656,413	75,561,583	37,656,413
		4,716,684,227	3,710,909,855	4,716,619,787	3,710,774,087

3.1.1 Local currency

With Bank	4,641,058,205	3,673,117,673	4,641,058,205	3,673,117,673
With Subsidiaries	64,440	135,768	-	-
	4,641,122,645	3,673,253,441	4,641,058,205	3,673,117,673

3.2 Balance with Bangladesh Bank and its agent Bank(s) including foreign currencies**Bangladesh Bank**

Local currency	15,100,350,453	14,148,545,659	15,100,350,453	14,148,545,659
Foreign currencies	954,131,280	456,255,890	954,131,280	456,255,890
	16,054,481,734	14,604,801,550	16,054,481,734	14,604,801,550
Sonali Bank (An agent of Bangladesh Bank) - local currency	384,425,178	353,027,991	384,425,178	353,027,991
	16,438,906,912	14,957,829,541	16,438,906,912	14,957,829,541

3.a Cash Reserve Ratio (CRR)

Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), MPD circular no. 03 dated 09 April 2020 and BRPD circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, EBL has been maintaining CRR @ 3.5% and 1.5% on daily basis, and @ 4.0% and 2.0% on bi-weekly basis for DBO and OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2022 is maintained on the basis of weekly ATDTL of October 2022). Reserve maintained by the bank as at 31 December is as follows:

	DBO	OBO	Solo-2022	Solo-2021
Average total demand and time liabilities of October (excluding inter-bank deposit)	297,465,596,611	37,270,602,646	334,736,199,257	275,313,445,750
Daily basis				
Required reserve (for DBO 3.50% & OBO 1.5% of ATDTL)	10,411,295,881	559,059,040	10,970,354,921	9,096,791,731
Actual reserve held with Bangladesh Bank*			15,755,145,310	14,362,651,680
Surplus			4,784,790,389	5,265,859,949

Bi-weekly basis:

The bank maintained excess cash reserve of BDT 6,730.38 million in the last fortnight of 2022 (BDT 10,947.60 million in the same period of 2021) calculated by summing up excess cash reserve maintained over required CRR on daily basis.

3.b Statutory Liquidity Ratio (SLR)

Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), DOS circular no. 1 dated 19 January 2014 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, EBL has been maintaining SLR @ 13% for DBO & OBO on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2022 is based on weekly ATDTL of October 2022). Reserve maintained by the Bank as at 31 December is as follows:

	DBO	OBO	Solo-2022	Solo-2021
Required reserve (13% of ATDTL)	38,670,527,559	4,845,178,344	43,515,705,903	35,790,747,948
Actual reserve held (Note 3.c)			72,813,339,980	49,177,828,710
Surplus			29,297,634,076	13,387,080,763

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
3.c Actual reserve held				
Excess cash reserve (note 3.c.1)			3,111,109,380	3,889,292,720
Cash held			4,716,619,787	3,710,774,087
Balance with Sonali Bank			384,425,178	353,027,991
Unencumbered approved securities (HFT)			16,501,299,916	-
Unencumbered approved securities (HTM)			48,099,885,718	41,224,733,913
			72,813,339,980	49,177,828,710

3.c.1 Excess cash reserve

Balance with Bangladesh Bank *	15,755,145,310	14,362,651,680
Less: Required cash reserve on bi-weekly average basis (for DBO 4% & OBO 2% of ATDTL)	12,644,035,930	10,473,358,960
Excess of cash reserve as on the reporting date	3,111,109,380	3,889,292,720

*As per Bangladesh Bank Local & Foreign Currency Statement.

4 Balances with other banks and financial institutions

Balance with other banks and financial institutions are reported as per our book balance and following BRPD circular no. 14 dated 25 June 2003. Periodic reconciliation is done to keep any un-reconciled balance within non-material level. Nostro account reconciliations are also certified by external auditors on half-yearly basis. Provision is also made for any un-settled debit entries over 6 months.

Balance in Bangladesh	4.1	4,612,126,429	15,358,095,560	4,471,348,086	15,005,092,489
Balance outside Bangladesh	4.2	7,987,271,813	1,527,361,769	7,382,719,034	1,264,597,790
		12,599,398,242	16,885,457,329	11,854,067,120	16,269,690,279

4.1 Balance in Bangladesh**In current deposit accounts with**

Banks	920,299,072	617,290,761	259,508,932	158,386,816
Non-bank financial institutions (NBFIs)	-	-	-	-
	920,299,072	617,290,761	259,508,932	158,386,816
Less: Inter company elimination (with deposit account)	(630,688,922)	(449,780,770)	-	-
	289,610,150	167,509,991	259,508,932	158,386,816

In special notice deposit accounts with

Banks	241,957,290	2,479,652,291	11,839,154	2,014,605,556
NBFIs	-	-	-	-
	241,957,290	2,479,652,291	11,839,154	2,014,605,556
Less: Inter company elimination (with deposit account)	(140,081,247)	(121,166,839)	-	-
	101,876,043	2,358,485,452	11,839,154	2,014,605,556

In fixed deposit/placement accounts with

Banks	7,570,424,524	13,127,627,061	7,570,424,524	13,127,627,061
NBFIs	3,520,640,236	6,330,000,000	3,500,000,000	6,330,000,000
	11,091,064,760	19,457,627,061	11,070,424,524	19,457,627,061
Less: Inter unit/company elimination (with borrowings)	(6,870,424,524)	(6,625,526,943)	(6,870,424,524)	(6,625,526,943)
	4,220,640,236	12,832,100,118	4,200,000,000	12,832,100,118
Total	4,612,126,429	15,358,095,560	4,471,348,086	15,005,092,489

4.2 Balance outside Bangladesh**In deposit account (non-interest bearing) with**

AB Bank Limited, India	1,086,510	13,168,336	1,086,510	13,168,336
Al-Rajhi Bank, KSA	1,719,850	4,181,922	1,719,850	4,181,922
Bank of Bhutan, Bhutan	884,947	423,129	884,947	423,129
Bank of China, China	3,539,239	3,110,063	3,539,239	3,110,063
Bank of Tokyo Mitshubishi, Japan	194,780,750	23,881,326	194,780,750	23,881,326
Citibank NA, USA	-	665,802,194	-	665,802,194
Commerz Bank AG, Germany	443,298,125	-	443,298,125	-
Habib American Bank, USA	11,319,182	44,397,689	11,319,182	44,397,689
HDFC Bank Limited, Hongkong	50,733,496	43,396,451	-	-
ICICI Bank Limited, India	185,806,076	34,128,555	185,806,076	34,128,555
ICICI Bank Limited, Hongkong	555,227,331	228,118,896	1,408,048	8,751,368
JP Morgan Chase Bank NA, London	23,556,970	17,583,575	23,556,970	17,583,575
JP Morgan Chase Bank NA, Australia	202,283	1,247,781	202,283	1,247,781

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
JP Morgan Chase Bank, USA	3,100,665,347	171,490,303	3,100,665,347	171,490,303
JP Morgan Chase Bank, Germany	4,520,398	-	4,520,398	-
Mashreqbank, USA	65,997,299	13,347,825	65,997,299	13,347,825
Mashreqbank, UAE	2,451,517	1,869,487	2,451,517	1,869,487
Nepal Bngladesh Bank Limited, Nepal	10,319,970	5,892,312	10,319,970	5,892,312
MCB Bank Limited, Pakistan	7,172,648	65,556,365	7,172,648	65,556,365
Nordea Bank, Norway	2,423,664	233,069	2,423,664	233,069
Standard Chartered Bank, Srilanka	493,573	12,030,172	493,573	12,030,172
Standard Chartered Bank, India	50,036,929	73,587,539	50,036,929	73,587,539
Standard Chartered Bank, USA	2,893,545,237	95,419,763	2,893,545,237	95,419,763
Standard Chartered Bank, Singapore	1,367,523	7,247,338	1,367,523	7,247,338
Wells Fargo Bank, USA	374,074,617	-	374,074,617	-
Zuercher Kantonal Bank, Zurich, Switzerland	2,048,333	1,247,680	2,048,333	1,247,680
Total	7,987,271,813	1,527,361,769	7,382,719,034	1,264,597,790

Details of Foreign currency amounts and exchange rates are presented in 'Annexure-B'.

4.a Balances of subsidiaries with Banks & NBFIs

With Eastern Bank Limited (eliminated as intra group balance)

EBL Securities Limited	284,178,912	135,945,912
EBL Investments Limited	72,879,024	68,645,978
EBL Finance (HK) Limited	357,962,520	329,909,602
EBL Asset Management Limited	55,749,713	36,920,843
Total	770,770,169	571,422,335

With other banks & NBFIs

Banks	745,331,122	615,594,869
NBFIs	-	-
Total	1,516,101,291	1,187,017,204

4.b Consolidated balance with Banks and FIs by group entities

Eastern Bank Limited (Parent)	11,854,067,120	16,269,690,279
EBL Securities Limited	404,263,226	488,776,802
EBL Investments Limited	72,932,818	68,645,978
EBL Finance (HK) Limited	962,515,299	592,673,581
EBL Asset Management Limited	76,389,948	36,920,843
Total	13,370,168,411	17,456,707,483
Less: Inter company elimination	(770,770,169)	(571,250,154)
Total	12,599,398,242	16,885,457,329

4.c Balance with banks and FIs (according to remaining maturity grouping)

<i>Receivable</i>				
On demand	499,508,932	398,386,816	499,508,932	398,386,816
In not more than one month	10,069,889,310	16,062,570,513	9,324,558,188	15,446,803,463
In more than one month but not more than three months	1,330,000,000	424,500,000	1,330,000,000	424,500,000
In more than three months but not more than one year	700,000,000	-	700,000,000	-
In more than one year but not more than five years	-	-	-	-
In more than five years	-	-	-	-
Total	12,599,398,242	16,885,457,329	11,854,067,120	16,269,690,279

5 Money at call and short notice

Banks	6,440,000,000	1,083,200,000	6,440,000,000	1,083,200,000
NBFI	-	490,000,000	-	490,000,000
Total	6,440,000,000	1,573,200,000	6,440,000,000	1,573,200,000

6 Investments

Accounting policy

All investments are initially recognised at cost, including acquisition charges associated with the investment. Investments in government treasury securities or Bangladesh Bank Bills categorised as HTM or/and HFT are subsequently measured as per DOS circular no. 5 dated 26 May 2008 and related clarifications on 28 January 2009. Investments classified as non-government treasury securities are subsequently measured either at cost or market value less any recoverable cost. Details are given below:

Investment in Govt.T-Securities/BB Bills- Held to Maturity (HTM)

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortised and discounts are accredited, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on accrual basis as per BB guideline.

Investment in Govt.T-Securities/BB Bills- Held for Trading (HFT)

These are investments primarily held for selling or trading. After initial recognition, investments are marked-to-market on weekly basis. Any decrease on revaluation of securities is recognised to profit and loss account, but any increase of value of securities is booked to revaluation reserve account as per BB DOS circular no. 5 dated 28 January 2009. Income is recognised to profit and loss account on accrual basis as per BB guideline.

REPO and reverse REPO

Transactions of REPO and reverse REPO are made following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing treasury securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Investment in corporate bonds, zero coupon bond, perpetual bonds, debentures, pref. shares etc.

These are investments primarily 'held to maturity' or 'no maturity date'. After initial recognition at cost, investments are measured at realizable value in every period end. Any decrease in value of securities is recognized to profit and loss account, but no unrealized gain is booked to revaluation reserve account. Income (i.e. interest, profit, gain or dividend) is recognized to profit and loss account on accrual basis as per IFRS and Bangladesh Bank guideline.

Investments – Initial recognition and subsequent measurement at a glance

Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held For Trading (HFT)	Cost	Fair value	Revaluation loss to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held To Maturity (HTM)	Cost	Amortised cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debenture/bond (unquoted)	Cost	Lower of cost or realizable value	Provision is kept @ 25%, 50% and 100% on outstanding balance for 1st, 2nd and 3rd year respectively following BB DOS circular no. 04/2019, if due coupon/dividend payment is not received.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealised gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealised loss to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Unit fund (open-end) *	Cost	Lower of cost or 85% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Preference shares	Cost	Lower of cost or realizable value	Provision is kept @ 25%, 50% and 100% on outstanding balance for 1st, 2nd and 3rd year respectively following BB DOS circular no. 04/2019, if due dividend payment is not received.
Prize bonds	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) & unit funds (open-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
Details of investments					
Government	6.1	64,603,877,534	41,229,430,813	64,603,877,534	41,229,430,813
Others	6.2	28,428,309,602	27,671,579,018	25,802,844,879	25,423,718,052
		93,032,187,136	68,901,009,831	90,406,722,413	66,653,148,865
6.a Consolidated investments by group entities					
Eastern Bank Limited (Parent)		90,406,722,413	66,653,148,864		
EBL Securities Limited		2,102,010,325	1,968,342,867		
EBL Investments Limited		344,940,964	206,342,594		
EBL Asset Management Limited		178,513,434	73,175,505		
		93,032,187,136	68,901,009,831		
Less: Inter company elimination		-	-		
Total		93,032,187,136	68,901,009,831		
6.1 Government (Investment in govt. securities)					
Treasury Bills (HFT)		872,796,690	-	872,796,690	-
Treasury Bonds	6.1.1	63,728,388,944	41,224,733,913	63,728,388,944	41,224,733,913
Prize Bonds		2,691,900	4,696,900	2,691,900	4,696,900
		64,603,877,534	41,229,430,813	64,603,877,534	41,229,430,813
6.1.1 Treasury Bonds					
Held for Trading (HFT)		15,628,503,226	-	15,628,503,226	-
Held to Maturity (HTM)		48,099,885,718	41,224,733,913	48,099,885,718	41,224,733,913
	6.1.1.a	63,728,388,944	41,224,733,913	63,728,388,944	41,224,733,913
6.1.1.a Treasury Bonds (Tenor wise holding) - unencumbered					
2- year Treasury bonds		3,459,704,851	-	3,459,704,851	-
5- year Treasury bonds		6,640,447,564	411,644,631	6,640,447,564	411,644,631
10- year Treasury bonds		32,026,163,012	27,658,406,014	32,026,163,012	27,658,406,014
15- year Treasury bonds		12,517,611,987	9,085,106,634	12,517,611,987	9,085,106,634
20- year Treasury bonds		9,084,461,530	4,069,576,635	9,084,461,530	4,069,576,635
		63,728,388,944	41,224,733,913	63,728,388,944	41,224,733,913
Disclosure on REPO and Reverse Repo transactions is made in 'Annexure- D'.					
6.2 Others (Investment in securities other than govt)					
Corporate bond (non-convertible)		903,496,756	1,000,000,000	900,000,000	1,000,000,000
Subordinated bonds (issued by other banks)	6.2.1	9,630,000,000	10,420,000,000	9,630,000,000	10,420,000,000
Perpetual Bond		5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
Zero Coupon Bond		355,419,671	553,609,362	355,419,671	553,609,362
Preference Shares		5,195,333,333	4,190,000,000	5,195,333,333	4,190,000,000
Ordinary Shares & Mutual Funds (MFs)-(Quoted and Unquoted)	6.2.2	7,344,059,842	6,507,969,656	4,722,091,875	4,260,108,690
		28,428,309,602	27,671,579,018	25,802,844,879	25,423,718,052
6.2.1 Subordinated bonds (issued by other banks)					
United Commercial Bank Subordinated Bonds		800,000,000	1,100,000,000	800,000,000	1,100,000,000
Jamuna Bank Subordinated Bond		160,000,000	240,000,000	160,000,000	240,000,000
MTBL Subordinated Bonds		1,120,000,000	1,180,000,000	1,120,000,000	1,180,000,000
SIBL Subordinated Bond		50,000,000	100,000,000	50,000,000	100,000,000
Standard Bank Subordinated Bond		200,000,000	300,000,000	200,000,000	300,000,000
Bank Asia Subordinated Bond		800,000,000	1,000,000,000	800,000,000	1,000,000,000
DBBL Subordinated Bond		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
SEBL Subordinated Bonds		1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
IBBL Subordinated Bonds		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Trust Bank Subordinated Bond		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
Exim Bank Subordinated Bond		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
IFIC Bank Subordinated Bond		1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
		9,630,000,000	10,420,000,000	9,630,000,000	10,420,000,000

Notes	Consolidated		Bank	
	2022	2021	2022	2021
6.2.2 Ordinary shares & MFs (quoted and unquoted) - at cost				
Quoted shares & MFs				
Quoted shares (sector wise):				
Banks	1,763,278,883	1,847,244,658	1,306,087,143	1,280,639,235
NBFIs	718,063,805	643,966,384	154,977,959	166,844,524
Insurance	572,499,827	644,092,979	241,021,678	220,044,982
Cement & ceramics	90,113,637	28,157,706	60,129,452	23,406,734
Engineering	127,193,084	97,099,626	87,360,626	52,189,251
Food & allied	744,186,695	572,385,327	708,997,318	562,723,255
Fuel & power	345,071,975	346,573,484	178,299,050	203,034,613
Pharmaceuticals & chemicals	1,040,760,360	870,397,769	682,360,995	614,188,571
Textile	198,786,438	127,726,872	27,927,711	27,927,711
Others	654,100,014	284,959,389	284,924,819	156,604,692
	6,254,054,720	5,462,604,194	3,732,086,753	3,307,603,568
Mutual Funds:				
EBL Sponsored MFs:				
EBL First Mutual Fund	13,816,533	13,816,533	13,816,533	13,816,533
EBL NRB Mutual Fund	133,311,883	133,311,883	133,311,883	133,311,883
First Bangladesh Fixed Income Fund	698,580,237	698,580,237	698,580,237	698,580,237
Other Mutual Funds	30,000,000	30,000,000	30,000,000	30,000,000
	875,708,653	875,708,653	875,708,653	875,708,653
Total quoted shares & MFs	7,129,763,372	6,338,312,846	4,607,795,405	4,183,312,220
Unquoted shares & MFs:				
Shares	81,796,470	74,656,810	31,796,470	31,796,470
Unit Fund	132,500,000	95,000,000	82,500,000	45,000,000
	214,296,470	169,656,810	114,296,470	76,796,470
Total ordinary shares & MFs (quoted and unquoted)	7,344,059,842	6,507,969,656	4,722,091,875	4,260,108,690
6.2.2.1 Market value of quoted shares and MFs (as on 31 December)				
Quoted shares & MFs:				
Banks	1,515,258,202	1,819,927,481	1,157,902,198	1,298,698,168
NBFIs	612,474,484	662,002,058	124,736,250	159,200,000
Insurance	423,252,499	658,719,217	168,193,417	221,174,602
Cement & ceramics	75,366,359	26,196,000	51,138,750	22,200,000
Engineering	112,572,019	71,497,549	73,707,794	38,440,800
Food & allied	533,860,696	488,508,689	505,588,476	479,928,089
Fuel & power	274,557,379	274,027,763	140,677,255	168,224,929
Pharmaceuticals & chemicals	846,890,966	763,363,021	553,658,976	550,190,566
Textile	138,994,971	67,065,259	21,885,793	18,663,867
Others	593,432,264	244,285,520	220,295,000	100,935,000
	5,126,659,840	5,075,592,557	3,017,783,910	3,057,656,021
Mutual Funds/Unit Fund	758,454,577	825,833,328	706,734,577	770,233,328
Total	5,885,114,416	5,901,425,885	3,724,518,486	3,827,889,349
* Lock in status of EBL sponsored Mutual Funds	Trading Started	Lock in period	Lock in expiry	
EBL First Mutual Fund (Sponsor Unit)	19-08-09	20 Years	18-08-29	
EBL NRB Mutual Fund (Sponsor Unit)	23-05-11	20 Years	15-05-31	
First Bangladesh Fixed Income Fund (Sponsor Unit)	19-03-12	20 Years	18-03-32	
10% of all three EBL sponsored MFs are to be under lock-in status for 20 years (initially it was 10 years but extended subsequently) from the date of prospectus issued.				
6.a.2 Remaining maturity grouping of investments				
On demand	2,691,900	4,696,900	2,691,900	4,696,900
In not more than one month	1,011,805,698	400,000,000	1,011,805,698	400,000,000
In more than one month but not more than three months	3,792,364,941	2,387,860,966	1,166,900,218	140,000,000
In more than three months but not more than one year	9,681,929,340	6,042,391,434	9,681,929,340	6,042,391,434
In more than one year but not more than five years	26,230,123,485	14,394,942,671	26,230,123,485	14,394,942,671
In more than five years	52,313,271,773	45,671,117,859	52,313,271,773	45,671,117,859
	93,032,187,136	68,901,009,831	90,406,722,413	66,653,148,864

7 Loans and advances

Accounting policy

Loans and advances (initial recognition):

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date when they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

After initial recognition, loans, advances and interest receivables are subsequently measured at amortised cost using effective interest rate (EIR) over the relevant periods. The amortised cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Loans and advances (classification and provisioning):

Classification of loans into substandard/doubtful/bad-loss category and general provision (GP) on unclassified loans (0.25% to 2%), certain off balance-sheet exposures (0.5% to 1%); special GP for COVID-19 (1% to 2%) and specific provision (SP) on classified loans (5% to 100%) including rescheduled loans are made on the basis of quarter-end review and in compliance with BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021, BRPD circular no. 14/2022 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (as amendment up to date), instead of netting off with loans. Details of rate for provisioning is given below:

Existing rate of loan provision:

Heads	Rates of provision
General provision on:	
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to BHs/MBs/SDs against shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing including credit card (other than housing finance)	2%
Unclassified (including SMA) other loans and advances	1%
Short term agri credit and micro credit	1%
Special general provision: COVID-19	1%-2%
Off-balance sheet exposures (excluding Bills for collection)	0%-1%
Specific provision on:	
Substandard loans other than short term agri credit, micro credit and CMSE	20%
Doubtful loans other than short term agri credit, micro credit and CMSE	50%
Substandard & doubtful loans: short term agri credit and micro credit	5%
Substandard loans: CMSE	5%
Doubtful loans: CMSE	20%
Bad/Loss loans and advances	100%

Loans and advances (write-off):

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/loss for 3 years at a stretch, and adequate provision are maintained as per BRPD circular no. 01 dated 6 February 2019. No loans and advances are written off partially and without prior approval of the board of directors in compliance with the said circular. At each reporting period end, the bank assesses loans and advances to be written off in compliance with BB guideline.

Loans and advances (recovery from written off):

The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BB guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank.

However, recovery including any legal cost against written off loans and advances are recognised in profit and loss account as earned and on settlement basis. In 2022, the bank made a recovery of BDT 793.36 million from written off loans and advances and presented in profit and loss account after netting off with specific provision.

					Amount in BDT
Notes	Consolidated		Bank		
	2022	2021	2022	2021	
Details of loans and advances:					
Loans, cash credits, overdrafts etc.	7.1	260,686,467,101	231,099,397,244	263,817,658,813	234,038,851,242
Bills purchased and discounted	7.2	50,398,266,460	40,502,266,414	45,097,944,098	35,355,122,969
		311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
7.a Consolidated loans and advances by group entities					
Eastern Bank Limited (Parent)		308,915,602,911	269,393,974,212		
EBL Securities Limited		3,823,671,260	3,843,972,752		
EBL Investments Limited		54,203,443	58,154,661		
EBL Finance (HK) Limited		5,300,322,362	5,147,143,445		
EBL Asset Management Limited		-	160,000,000		
		318,093,799,976	278,603,245,070		
Less: Inter company elimination		(7,009,066,415)	(7,001,581,412)		
Total		311,084,733,561	271,601,663,658		
7.1 Loans, cash credits, overdrafts etc.					
Inside Bangladesh					
Loans - general		216,408,060,820	195,151,411,436	216,408,060,820	195,151,411,436
Cash credit		2,067,129,447	1,919,846,190	2,067,129,447	1,919,846,190
Overdraft		43,496,868,346	35,555,793,477	39,618,993,643	31,653,666,064
Less: Inter company elimination (with EBLSL borrowings)		(1,285,591,512)	(1,527,653,859)	-	-
		260,686,467,101	231,099,397,244	258,094,183,910	228,724,923,690
Outside Bangladesh					
Overdraft-EBL Finance (HK) Limited		5,723,474,903	5,313,927,553	5,723,474,903	5,313,927,553
Less: Inter company elimination (with borrowing)		(5,723,474,903)	(5,313,927,553)	-	-
		260,686,467,101	231,099,397,244	263,817,658,813	234,038,851,242
7.2 Bills purchased and discounted					
Inside Bangladesh					
Local bills /documents		44,836,762,722	35,198,112,487	44,836,762,722	35,198,112,487
Foreign bills /documents		261,181,376	157,010,482	261,181,376	157,010,482
		45,097,944,098	35,355,122,969	45,097,944,098	35,355,122,969
Outside Bangladesh					
Bills financed & UPAS (by EBL Finance HK Ltd)		5,300,322,362	5,147,143,445	-	-
		50,398,266,460	40,502,266,414	45,097,944,098	35,355,122,969
7.2.1 Bills purchased and discounted (on the basis of residual maturity grouping)					
On demand		5,075,897,258	1,128,355,895	4,542,071,521	984,961,212
Within one month		10,097,923,032	5,837,601,595	9,035,937,154	5,095,742,547
In more than one month but less than three months		15,596,815,692	11,982,270,358	13,956,518,182	10,459,529,292
In more than three months but less than six months		13,624,661,893	10,633,163,953	12,191,773,320	9,281,871,174
Above six months		6,002,968,585	10,920,874,613	5,371,643,921	9,533,018,744
		50,398,266,460	40,502,266,414	45,097,944,098	35,355,122,969
7.a.1 Residual maturity grouping of loans and advances (including bills purchased & discounted)					
Receivable					
On demand		13,371,485,270	7,312,228,100	13,371,485,270	7,312,228,100
In not more than one month		20,689,658,861	17,394,151,215	20,610,051,767	17,313,129,012
In more than one month but not more than three months		50,426,539,336	40,905,066,517	50,316,347,499	40,792,915,893
In more than three months but not more than one year		134,889,100,264	119,922,013,130	132,909,768,546	117,907,496,510
In more than one year but not more than five years		66,001,201,850	61,167,126,953	66,001,201,850	61,167,126,953
In more than five years		25,706,747,979	24,901,077,743	25,706,747,979	24,901,077,743
		311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

- 7.a.2** As per BRPD circular no. 04 dated 04 January 2021 and BRPD circular letter no. 35 dated 06 July 2021, in order to validate financial statements for credit sanction (fresh/renewal) to the clients under relationship of Corporate Banking, the Bank has verified DVC mentioned in audited financials with DVS (Document Verification System) developed by ICAB (Institute of Chartered Accountants of Bangladesh) for 100% cases and has preserved with loan file accordingly. Current status of the Bank is as follows:

Particulars	Compliance Status	
	% of compliance as per BRPD Circular Letter 04*	% of compliance as per BRPD Circular Letter 35**
Complied files in 2022 under the relationship of Corporate Banking	100%	100%

* BRPD Circular Letter no. 04: Regarding preservation of audited financial statements/statutory audit report for credit sanction (fresh/renewal) where applicable.

** BRPD Circular Letter no. 35: Regarding verification of audited financial statements through the data available in the Document Verification System (DVS) developed by ICAB.

- 7.a.3** As per Bangladesh Bank SMESPD circular on 05 dated 14 August 2022, in order to promote CMSME sector, EBL has continued cluster base financing to certain potential products/services countrywide since last couple of years. As of the reporting date, the bank has loan outstanding of BDT 1,484.89 million that was financed to the different clusters following Bangladesh Bank Cluster Financing Policy.

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
7.b Loans and advances on the basis of significant concentration				
7.b.1 Loans and advances to Directors, executives and others				
Advance to Directors and their allied concerns	384,955	41,445	384,955	41,445
Advances to Managing Director & CEO	10,725,568	11,714,836	10,725,568	11,714,836
Advances to other executives and staffs	1,645,251,235	1,810,923,471	1,645,251,235	1,810,923,471
Advances to customers (Group wise)	260,722,005,971	217,205,902,431	258,552,875,321	214,998,212,985
Industrial loans and advances	48,706,365,833	52,573,081,475	48,706,365,833	52,573,081,474
	311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

7.b.2 Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)

* Total Loans and Advances (BDT million)	161,610	116,449
Number of Customers	25	22
Classified amount thereon	-	-

* This amount represents total loans and advances (comprising funded and non funded facilities) to each customer exceeding BDT 4,076.06 million which is equivalent to 10% of total capital of the bank as at 31 December 2022.

7.b.3 Industry-wise concentration of loans and advances (including bills purchased and discounted)

Agri and micro credit through NGO	21,434,208,317	19,174,907,218	21,434,208,317	19,174,907,218
Commercial and trading	38,619,270,185	31,896,939,865	38,619,270,185	31,896,939,865
Construction	9,901,819,827	10,967,738,014	9,901,819,827	10,967,738,014
Cement and ceramic industries	5,506,735,518	3,892,666,033	5,506,735,518	3,892,666,033
Chemical and fertilizer	4,547,798,423	3,590,702,695	4,547,798,423	3,590,702,695
Crops, fisheries and livestock	629,467,998	740,622,727	629,467,998	740,622,727
Electronics and electrical goods	6,048,765,067	6,947,074,382	6,048,765,067	6,947,074,382
Food and allied industries	23,443,538,196	15,672,423,545	23,443,538,196	15,672,423,545
Consumer finance	36,774,625,528	34,571,098,127	32,896,750,825	30,668,970,714
Metal and steel products	22,284,789,692	19,137,968,412	22,284,789,692	19,137,968,412
Pharmaceutical industries	6,275,522,955	4,552,721,588	6,275,522,955	4,552,721,588
Power and fuel	14,293,116,796	14,203,762,643	14,293,116,796	14,203,762,643
Rubber and plastic industries	4,779,740,278	4,934,701,188	4,779,740,278	4,934,701,188
Readymade garments industry	44,155,307,591	40,356,406,325	38,854,985,229	35,209,262,880
Ship building & breaking industry	3,640,377,487	10,364,441,265	3,640,377,487	10,364,441,265
Sugar and edible oil refinery	10,401,002,652	1,488,466,688	10,401,002,652	1,488,466,688
Transport and e-communication	6,506,344,038	6,137,473,849	6,506,344,038	6,137,473,849
Textile mills	14,792,286,481	11,934,819,628	14,792,286,481	11,934,819,628
Other manufacturing or extractive industries	23,234,154,591	16,624,117,554	23,234,154,591	16,624,117,554
Others	13,815,861,942	14,412,611,911	20,824,928,357	21,254,193,321
	311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
7.b.4 Sector - wise concentration of loans and advances (including bills purchased and discounted)					
Government sector		-	-	-	-
Public sector		529,508,788	493,256,541	529,508,788	493,256,541
Private sector		310,555,224,773	271,108,407,118	308,386,094,124	268,900,717,670
		311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

7.b.5 Geographic location-wise concentration of loans and advances (including bills purchased and discounted)					
Inside Bangladesh					
Dhaka division		241,878,710,712	202,349,552,427	239,286,427,520	199,975,078,873
Chattogram division		50,335,280,791	52,633,548,679	50,335,280,791	52,633,548,679
Sylhet division		2,507,748,826	1,786,366,437	2,507,748,826	1,786,366,437
Rajshahi division		4,398,432,839	3,879,946,903	4,398,432,839	3,879,946,903
Khulna division		5,079,425,201	4,121,541,319	5,079,425,201	4,121,541,319
Rangpur division		556,751,276	753,857,430	556,751,276	753,857,430
Barishal division		454,597,772	408,187,443	454,597,772	408,187,443
Mymensingh division		573,463,782	521,519,576	573,463,782	521,519,576
		305,784,411,199	266,454,520,213	303,192,128,008	264,080,046,659
Outside Bangladesh					
EBL Finance (HK) Ltd		5,300,322,362	5,147,143,445	5,723,474,903	5,313,927,553
		311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

7.b.6 Geographic location and business segment-wise concentration of loans and advances (including bills purchased and discounted) as on 31-12-2022					
		Total Bank (Solo)			
		Corporate banking	Retail and SME (S) banking (including staff)	2022	2021
Division					
Dhaka division		193,992,544,772	45,293,882,749	239,286,427,520	199,975,078,873
Chattogram division		36,234,821,752	14,100,459,040	50,335,280,791	52,633,548,679
Sylhet division		-	2,507,748,826	2,507,748,826	1,786,366,437
Rajshahi division		2,897,342,803	1,501,090,036	4,398,432,839	3,879,946,903
Khulna division		1,500,333,270	3,579,091,931	5,079,425,201	4,121,541,319
Rangpur division		-	556,751,276	556,751,276	753,857,430
Barishal division		-	454,597,772	454,597,772	408,187,443
Mymensingh division		-	573,463,782	573,463,782	521,519,576
Outside Bangladesh		5,723,474,903	-	5,723,474,903	5,313,927,553
		240,348,517,499	68,567,085,412	308,915,602,911	269,393,974,212
		Consolidated		Bank	
		2022	2021	2022	2021

7.b.7 Business segment-wise concentration of loans and advances (including bills purchased and discounted)					
Corporate banking		189,806,248,465	166,761,118,461	191,514,992,519	168,455,556,428
Offshore banking		48,833,524,980	38,348,702,284	48,833,524,980	38,348,702,284
Retail and SME (S) banking		70,788,983,312	64,669,204,605	66,911,108,609	60,767,077,192
Executives & Staffs		1,655,976,802	1,822,638,307	1,655,976,802	1,822,638,307
		311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

7.b.8 Loans and advances (as categorised in CL Statement)					
<i>Inside Bangladesh</i>					
Continuous loan (CL-2)					
Consumer Financing (CF)		13,519,850,772	9,935,560,226	9,641,976,069	6,033,432,813
Small & Medium Enterprise (SME)		5,952,613,659	7,536,698,412	5,952,613,659	7,536,698,412
Loans to BHs/MBs/SDs against Shares		842,440,995	748,518,032	2,128,032,507	2,276,171,891
Other than SMEF, CF, BHs/MBs/SDs		23,957,085,765	17,725,340,322	23,957,085,765	17,725,340,322
		44,271,991,191	35,946,116,992	41,679,708,000	33,571,643,438

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Demand loan (CL-3)				
Small & Medium Enterprise (SME)	6,841,544,809	7,009,793,888	6,841,544,809	7,009,793,888
Other than SMEF, CF, BHs/MBs/SDs	145,856,810,441	120,461,279,567	145,856,810,441	120,461,279,567
	152,698,355,250	127,471,073,455	152,698,355,250	127,471,073,455
Term loan (CL-4)				
Consumer Financing (including staff, other than HF)	16,436,693,823	11,647,581,561	16,436,693,823	11,647,581,561
Housing Financing (HF)	6,818,087,563	5,179,786,295	6,818,087,563	5,179,786,295
Small & Medium Enterprise	19,736,410,886	18,071,850,587	19,736,410,886	18,071,850,587
Other than SMEF, CF, BHs/MBs/SDs	62,754,630,732	64,359,242,287	62,754,630,732	64,359,242,287
	105,745,823,004	99,258,460,730	105,745,823,004	99,258,460,730
Short term agri credit and microcredit (CL-5)				
Short term agri credit	3,068,241,753	3,778,869,036	3,068,241,753	3,778,869,036
	3,068,241,753	3,778,869,036	3,068,241,753	3,778,869,036
<i>Outside Bangladesh</i>				
Loans, cash credits, overdrafts etc.	5,300,322,362	5,147,143,445	5,723,474,903	5,313,927,553
Total	311,084,733,561	271,601,663,658	308,915,602,911	269,393,974,212

7.b.9 Security/Collateral-wise concentration of loans and advances (including bills purchased and discounted)

Collateral of movable/immovable assets	87,396,708,884	95,109,167,938	87,396,708,884	95,109,167,938
Local banks and financial institutions guarantee	15,105,791,588	14,754,970,213	9,805,469,226	9,607,826,768
Government guarantee	529,508,788	493,256,541	529,508,788	493,256,541
Export documents	27,314,539,474	21,801,145,016	27,314,539,474	21,801,145,016
Fixed deposit receipts (FDR)-own bank	29,636,108,688	29,362,255,204	29,636,108,688	29,362,255,204
Personal guarantee	17,085,179,371	15,635,419,349	17,085,179,371	15,635,419,349
Other securities (Hypothecation charges)	134,016,896,767	94,445,449,398	137,148,088,479	97,384,903,396
	311,084,733,560	271,601,663,658	308,915,602,911	269,393,974,211

7.b.10 Classification status of loans and advances

Unclassified				
Standard (excluding staff loan)	296,168,842,382	257,394,932,202	294,480,449,749	255,564,655,620
Special mention accounts (SMA)	4,200,106,648	2,028,005,272	4,200,106,648	2,028,005,272
	300,368,949,030	259,422,937,473	298,680,556,397	257,592,660,892
Classified				
Sub-standard	1,351,814,635	925,249,156	1,351,814,635	925,249,156
Doubtful	594,275,922	603,750,578	594,275,922	603,750,578
Bad/Loss	7,113,717,172	8,827,088,143	6,632,979,155	8,449,675,278
	9,059,807,729	10,356,087,877	8,579,069,712	9,978,675,012
Executives & staffs (HR loan)	1,655,976,802	1,822,638,307	1,655,976,802	1,822,638,307
Total	311,084,733,560	271,601,663,658	308,915,602,911	269,393,974,211
Percentage of Classified Loans & Advances/NPL	2.91%	3.81%	2.78%	3.70%

7.b.10.a The amount reported above under SMA category includes certain loan accounts with an aggregate outstanding of BDT 2,238.22 million as at 31-12-2022 (BDT 301.60 million as at 31-12-2021) which has not been reported as classified as at year-end on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. As at year-end 2022, an aggregate amount of BDT 1,924.70 million (BDT 67.52 million as at 31-12-2021) has been kept as specific provision considering all those customers as bad/loss.

7.b.11 Movement of classified loans and advances

Opening balance	10,356,087,877	6,721,141,245	9,978,675,012	6,226,382,857
Addition during the year	3,042,678,870	4,577,197,179	2,939,353,718	4,577,197,179
Reduction during the year (on write-off, rescheduling or adjustment)	(4,338,959,019)	(942,250,546)	(4,338,959,019)	(824,905,023)
Closing balance	9,059,807,729	10,356,087,877	8,579,069,712	9,978,675,012

7h11b Industry- wise concentration of Classified
Loans & Advances

	Bank (Solo)			
	2022		2021	
	Taka	%	Taka	%
Commercial and trading	3,691,491,335	43.03%	3,428,549,897	34.36%
Crops, fisheries & livestock	55,499,896	0.65%	51,857,659	0.52%
Electronics & electrical goods	2,895,446	0.03%	22,450,986	0.22%
Consumer finance	929,432,036	10.83%	736,205,446	7.38%
Metal & steel products	88,519,192	1.03%	15,707,749	0.16%
Readymade garments industry	1,759,250,833	20.51%	1,917,049,592	19.21%
Ship breaking industry	1,172,144,688	13.66%	2,730,261,160	27.36%
Sugar, edible oil refinery & food processing	145,981,414	1.70%	268,849,864	2.69%
Transport & ecommunication	31,582,688	0.37%	117,110,122	1.17%
Textile mills	13,962,306	0.16%	50,950,467	0.51%
Others	688,309,878	8.02%	639,682,070	6.41%
	8,579,069,712	100.00%	9,978,675,012	100.00%

Amount in BDT

Notes
7.b.12 Particulars of loans and advances

	Consolidated		Bank	
	2022	2021	2022	2021
i) Debts considered good in respect of which the bank is fully secured	293,912,388,741	255,965,569,805	291,743,258,091	253,757,880,359
ii) Debts considered good for which the bank holds no other security than the debtor's personal security	6,617,057,740	6,033,427,378	6,617,057,740	6,033,427,378
iii) Debts considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	10,555,287,084	9,601,991,971	10,555,287,084	9,601,991,971
iv) Debts adversely classified; for which no provision is created.	-	-	-	-
	311,084,733,564	271,600,989,154	308,915,602,915	269,393,299,708
v) Debts due by directors or officers of the bank or any of them either jointly or severally with any other persons.	1,656,361,757	1,822,679,752	1,656,361,757	1,822,679,752
vi) Debts due by companies and firms in which the directors of the bank have interests as directors, partners or managing agent or in case of private companies as members.	-	-	-	-
vii) Maximum total amount of advances, including temporary advances made at any time during the period to directors or managers or officers of the bank or any of them either severally or jointly with any other persons.	1,656,361,757	1,822,679,752	1,656,361,757	1,822,679,752
viii) Maximum total amount of advances, including temporary advances, granted during the period to the companies or firms in which the directors of the bank have interests as directors, partners or managing agents or, in case of private companies as members .	-	-	-	-
ix) Due from other banking companies	-	-	-	-
x) Information in respect of classified loans and advances	-	-	-	-
a) Classified loans for which interest/profit not credited to income	9,059,807,729	10,356,087,877	8,579,069,712	9,978,675,012
(i) (Decrease)/Increase of provision (specific)	2,071,796,367	2,018,656,053	2,071,796,367	2,018,656,053
(ii) Amount of loans written off	2,528,417,843	134,742,880	2,528,417,843	134,742,880
(iii) Amount recovered from loans written off	793,358,712	363,274,439	793,358,712	363,274,439
b) Amount of provision kept against loans classified as bad/loss	6,588,621,225	6,571,538,457	6,588,621,225	6,272,926,775
c) Amount of interest creditable to the interest suspense account	2,925,099,761	2,939,008,519	2,750,271,719	2,750,794,589

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
xi) Cumulative amount of written off loans:				
Opening Balance	13,620,258,692	13,465,399,498	13,600,142,378	13,465,399,498
Amount written off during the year:				
Principal amount	2,291,795,389	141,072,535	2,291,795,389	122,477,188
Interest suspense	236,622,454	13,786,659	236,622,454	12,265,692
Balance of written off loans and advances	16,148,676,535	13,620,258,692	16,128,560,221	13,600,142,378
7.b.13 Cumulative amount of recovery from written off loans (including BCCI loans)	5,088,801,028	4,295,442,316	5,088,801,028	4,295,442,316
7.b.14 Cumulative amount of written off loans for which law suits have been filed (note 7.b.14.1)	19,081,371,752	15,754,488,554	19,081,371,753	15,754,488,555
7.b.14.1 Cumulative amount of written off loans (including legal and other charges)	7.b.14.1.a			
Opening balance	15,754,488,554	15,618,345,039	15,754,488,555	15,618,345,040
During the year	3,326,883,198	136,143,515	3,326,883,198	136,143,515
Closing balance	19,081,371,752	15,754,488,554	19,081,371,753	15,754,488,555
7.b.14.1a Cumulative number of written off loan accounts against which lawsuits have been filed				
Opening balance			8,282	8,173
During the year			488	109
Closing balance			8,770	8,282

8 Fixed assets including land, building, furniture and fixtures

Accounting policy:

Fixed assets (other than lease items)

The group applies IAS 16 *Property, Plant and Equipment* for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets except land are stated at cost less accumulated depreciation as per IAS 16. Land is recognised at cost at the time of acquisition and subsequently measured at revalued amount which is the fair value at the time of revaluation done by independent valuer and any increase (by netting of decrease of value within same class) on revaluation is shown as equity component until the asset is disposed off.

The cost of an item of fixed assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day-to-day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases in the month when the assets are disposed. No depreciation is charged on capital-work-in-progress until the usage of the assets.

The rates and useful lives at which fixed assets are depreciated for current and comparative years are given below:

Assets Category	Estimated useful lives (years)	Rate of depreciation/amortization per annum
Building	40	2.50%
Furniture and fixture	10	10.00%
Machineries and equipment	5	20.00%
Electromechanical equipment	20	5.00%
Digital banking equipment	8	12.50%
Computer and network equipment	5	20.00%
Vehicles *	8	12.50%
Software	5	20.00%

* The bank has revised the useful life of Bank's vehicles to 8 years (from 5 years) following BRPD circular letter no. 48 dated 07 December 2022. Hence, applicable depreciation rate is re-fixed @ 12.5% and applied in 2022 with prospective impact.

Capital-work-in-progress

Costs incurred for software development, licensing and implementation; hardware up-gradation and related other costs incurred as capital expenditures are recognised as capital-work-in-progress as per IAS 16, until the development or implementation work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation/amortization of the asset is charged from the date of its intended use.

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is recorded in profit and loss account when the item is derecognised.

Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. The Group classifies its intangible assets as per IAS 38 'Intangible assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call centre, ATM service, Finance and HR operations i.e. PMS, FAR, HRMS, etc.

Recognition, subsequent expenditure and measurement

The Group recognises an intangible asset if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 *Intangible Assets*. The Group does not have any intangible assets with indefinite useful lives.

Subsequent expenditure on intangible asset of the Group is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates; otherwise is charged as expense when incurred.

Core banking software of EBL

The core banking software used by EBL (not by subsidiaries) represents the value of application software licensed for the use of the Bank. The value of the software is carried at cost less accumulated amortization. Initial cost comprises license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortized using the straight line method over the estimated useful life of 5 (five) years commencing from the month when the application of the software is made available for use.

Details of fixed assets are presented in note 8 and Annexure - A of these financial statements

Leases:

As per IFRS 16 *Leases*, the bank has made recognition, measurement and disclosure in the financial statements-2022 both as Lessee and Lessor from the date of commencement or 01 January 2019 (date of initial application).

Bank as lessee

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank considers the contract as a lease contract.

The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value assets. The bank recognises lease liabilities to make lease payment and right-of-use (ROU) assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per Fixed Asset Policy of the bank. In case of low value, the Bank, on lease-by-lease basis, elected a single threshold on the basis of materiality level of Bank's total capital (BDT 40,760.06 million as on 31-12-2022). The reason behind considering the materiality level is that the bank operates many ATM booths with short tenure (not over 12 months) and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU)

The bank recognises the right-of-use assets (RoU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The bank assessed all live lease contracts in 2022 and recognised as RoU assets of all leases, except short tenure and low value assets as per the Banks' own policy set as per IFRS 16 *Leases*. As leases under IFRS 16 has been first time adopted by the bank, the bank followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. However, in 2022, the bank reassessed all RoU assets recorded earlier considering a cut-off date i.e. 01 January 2022.

Lease liabilities (Bank as a lessee)

At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease.

In 2022 the bank reassessed all lease payments of existing contracts for remaining period considering a cut-off date i.e. 01 January 2022. The lease liabilities are presented in the *note 13.11* of these financial statements.

Bank as a lessor

Leases where the bank does not transfer substantially all the risk and benefit of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2022.

Recognition of consideration made under contract in exchange of use of rental premises/assets:

As per IFRS 16 *Leases*, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months and/or the present value of the obligation plus initial payment under contract does not exceed the threshold of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 *Revenue from contracts with customers*.

Therefore, EBL recognised those payments against contracts that do not qualify as lease item under IFRS 16 as rental expense in 2022 which is presented in *note 28* of the financial statements for the year ended 31 December 2022. These are short term and low value contracts for ATM booths, godown premises that do not meet the materiality threshold for recognition of lease assets.

				Amount in BDT
Notes	Consolidated		Bank	
	2022	2021	2022	2021
Details of Fixed Assets at Cost (revalued amount in case of lands)				
Freehold lands and land development	4,060,365,301	4,060,205,301	4,060,365,301	4,060,205,301
Buildings and floor spaces	1,407,955,522	1,407,955,522	1,407,955,522	1,407,955,522
Capital-work-in-progress*	87,317,957	127,218,237	87,317,957	127,218,237
General machineries and equipments	765,814,455	699,691,494	753,299,256	686,808,307
Computer and network equipments	1,146,676,644	1,078,011,559	1,126,811,111	1,062,262,600
Digital banking equipments	315,212,920	271,103,920	315,212,920	271,103,920
Electromechanical equipments	345,278,517	343,783,516	345,278,517	343,783,516
Furniture and fixtures	743,909,005	714,069,946	706,575,683	681,361,609
Vehicles	232,000,872	231,297,494	206,251,139	206,251,139
Right of use assets (Lease assets)	8.01	2,592,971,706	1,736,408,856	2,514,374,390
Softwares		943,462,304	770,963,709	938,627,850
Total cost		12,640,965,203	11,440,709,555	12,462,069,646
Accumulated depreciation and amortization		(4,057,479,698)	(3,772,698,804)	(3,961,270,904)
Written down value at 31 December		8,583,485,506	7,668,010,751	8,500,798,743

Capital-work-in-progress*

Initial payment made for automation or upgradation of bank's different software is recognised as capital-work-in-progress as per IAS 16, until the project/development work is completed and/or the asset is ready for intended use. These assets are stated at cost and depreciation of these assets will be charged from the date of intended use.

Details of the fixed assets are presented in 'Annexure-A'.

8.01 Right-of-use assets (lease assets)

Right-of-Use (RoU) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive, plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset, and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank, are recognised as RoU assets as per IFRS 16 'Leases'.

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
8.a Consolidated fixed assets of group entities					
Eastern Bank Limited (Parent)		8,500,798,743	7,632,189,734		
EBL Securities Limited		51,390,914	26,651,188		
EBL Investments Limited		12,406,984	5,227,364		
EBL Finance (HK) Limited		8,277,950	2,558,146		
EBL Asset Management Limited		10,610,915	1,384,319		
		8,583,485,506	7,668,010,752		
Less: Inter company elimination		-	-		
Total		8,583,485,506	7,668,010,752		

9 Other assets

Accounting policy:

As per BRPD circular no. 14 dated 25 June 2003, other assets have been presented separately in the balance sheet and categorized as 'income generating' and 'non-income generating' in notes to the financial statements. These assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the entity and costs are reliably measured. Other assets include investment in subsidiaries, Trading Right Entitlement Certificate (TREC) of DSE & CSE, advance for revenue and capital expenditure, stocks of stationary and stamps, security deposits to government agencies, other receivables etc, as per BRPD circular no. 14/2003.

Investment in subsidiaries

Investment in subsidiaries is accounted for under the cost method of accounting in accordance with IAS 27 *Consolidated And Separate Financial Statements*, IFRS 3 *Business Combination* and IFRS 10 *Consolidated Financial Statements*. Impairment of investment in subsidiaries is made as per the provision of IAS 36 *Impairment of Assets*.

In 2022, the bank has done impairment assessment of its investment in the largest subsidiary company 'EBL Securities Limited' following guideline of IAS 36 *Impairment of Assets*. As value in use (using discounted cash flow method) is higher than carrying value of investment, no impairment is required to be recognised as on balance sheet date.

Impairment of assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 *Impairment of assets*. At the end of each reporting period, the Bank and its subsidiaries review the carrying value of financial and non-financial assets (other than investment in subsidiaries) and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank and the subsidiaries make an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant Bangladesh Bank circulars/instructions and IFRS 9.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 *Income taxes* and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled. Any unrecognised deferred tax assets or liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Deferred tax asset has not been recognised on the implication of IFRS 16 *Leases* due to the fact that interest cost on lease liabilities and depreciation expense on RoU assets have been considered as admissible expense while calculating current tax liability. The Bank placed Income Tax Return to NBR (National Board of Revenue) for earlier periods since implementation of IFRS 16 showing interest cost on lease liabilities and depreciation on RoU assets as admissible business expense as per section 29 of the ITO 1984. However, assessment of these years are yet to be completed by NBR. Deferred tax asset on provision against diminution of value of quoted securities has not been recognised as adjustment of loss (for set off against gain under the same head) u/s 37 and u/s 40 of ITO 1984 is uncertain due to market volatility.

Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 9.10 in the financial statements.

Details of other assets

Income generating:

Investment in subsidiary-EBL Securities Limited	9.1	-	-	1,967,400,000	1,967,400,000
Investment in subsidiary-EBL Investments Limited	9.2	-	-	399,999,900	299,999,900
Investment in subsidiary-EBL Finance (HK) Limited	9.3	-	-	14,779,352	14,779,352
Investment in subsidiary-EBL Asset Management Limited	9.4	-	-	249,999,900	249,999,900
Fair value of TREC to EBLSL and Shares of DSE	9.5.a	595,337,112	595,337,112	-	-
Fair value of TREC to EBLSL and Shares of CSE	9.5.b	245,379,755	245,379,755	-	-

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Non- Income generating:				
Receivable from subsidiaries	9.6	-	4,043	76,556,929
Stock of stationeries		16,965,387	16,965,387	14,951,628
Stamps on hand		4,657,487	4,648,337	5,355,437
Advance to staff for expenses	9.7	683,483	683,483	820,689
Security deposits with govt./non govt. agencies		24,243,874	9,024,224	9,024,224
Interest, fees and dividend receivables	9.8	1,709,239,390	1,832,856,670	1,935,455,355
Sundry receivables	9.9	1,492,076,216	1,491,849,209	1,337,696,283
Advance rent		55,446,991	55,027,291	60,137,688
Prepayments and advance to vendors		349,504,083	340,600,550	341,696,309
Deferred tax assets (net of liabilities)	9.10	2,423,604,499	2,332,586,280	2,310,033,677
Other assets of subsidiaries	9.11	55,912,726	-	-
		6,973,051,006	8,716,424,628	8,623,907,370

9.a Consolidated other assets of group entities

Eastern Bank Limited (Parent)	8,716,424,628	8,623,907,370
EBL Securities Limited	999,719,079	1,178,730,710
EBL Investments Limited	17,070,756	48,385,421
EBL Finance (HK) Limited	2,383,359	1,590,906
EBL Asset Management Limited	8,819,178	26,479,116
	9,744,416,999	9,879,093,523
Less: Inter company elimination	(2,771,365,993)	(2,989,910,772)
Total	6,973,051,006	6,889,182,751

9.1 Investment in subsidiary-EBL Securities Limited

EBL acquired its securities brokerage subsidiary in two phases (2010 and 2011) at a total cost of BDT 479.90 million and injected afterwards BDT 1,487.50 million as fresh capital.

9.2 Investment in subsidiary-EBL Investments Limited

This fully owned subsidiary of EBL was incorporated on 30 December 2009 with an initial authorized capital of BDT 1,000 million and paid up capital of BDT 400 million. It was awarded merchant banking license by BSEC on January 2013 and started its full fledged merchant banking operations since then.

9.3 Investment in subsidiary-EBL Finance (HK) Limited

EBL Finance (HK) Limited, the fully owned foreign subsidiary of EBL, was incorporated on 28 November 2011 with an initial authorized capital of HKD 1.41 million (equivalent to BDT 14.78 million). Afterwards, in 2019 HKD 10.00 million was transferred to capital account from retained earnings. This subsidiary commenced its full fledged operations in Hongkong from early 2013.

9.4 Investment in subsidiary-EBL Asset Management Limited

Another fully owned subsidiary of EBL was incorporated on 9 January 2011 with an initial authorized capital of BDT 250 million. It has fully subscribed paid up capital of BDT 250 million and has been registered under BSEC on 25 May 2017. It started full fledged operations on asset management, capital market, equity investment etc since then.

9.5 Fair value measurement of TREC and Shares of both DSE and CSE (held by EBLSL)

As per Exchange Demutualization Act 2013, EBLSL was awarded Trading Right Entitlement Certificate (TREC) as well as ordinary shares of both the bourses i.e. DSE and CSE in exchange of membership licenses under Demutualization Scheme ('the Scheme'). Subsequently, under a purchase agreement between demutualized DSE and strategic partner China Consortium, EBLSL sold out 25% of its holding to China Consortium at a negotiated price of BDT 21 per share (Face value: BDT 10 each). As of 31-12-2022, Share composition of DSE and CSE held by EBLSL was as follows:

Particulars	No of Shares held	Face Value (BDT)
Dhaka Stock Exchange Limited	5,411,329	10.00
Chittagong Stock Exchange PLC	4,287,330	10.00
Total	9,698,659	10.00

Earlier, EBLSL carried out a valuation by ACNABIN, chartered accountants, to determine the fair value of TREC and Shares of both the bourses i.e. DSE and CSE. The value of TREC was determined applying varying weights to the results of three valuation approaches i.e. Cost approach, Market approach and Income approach. Fair value of DSE shares was determined on the basis of recent transaction price made between DSE and China Consortium but face value of CSE shares was taken as fair value as there was no offer price from any third party. However, EBL management expects the fair value of TREC and Shares of DSE and CSE altogether is to be similar to net realizable value in line with present growth pattern of business and outlook of EBLSL. The valuation result of TREC and Shares held by EBLSL under the above methodologies are as follows:

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
9.5.a Fair value of DSE-TREC and Shares (held by EBLSL)				
Value of TREC (Trading Right Entitlement Certificate) held by EBLSL	481,427,540	481,427,540		
Value of Shares (5,411,329 Nos @BDT 21.05, face value is BDT 10 each)	113,909,572	113,909,572		
	595,337,112	595,337,112		
9.5.b Fair value of CSE-TREC and Shares (held by EBLSL)				
Value of TREC (Trading Right Entitlement Certificate) held by EBLSL	201,500,000	201,500,000		
Value of Shares (4,287,330 Nos @BDT 10.23, face value is BDT 10 each)	43,879,755	43,879,755		
	245,379,755	245,379,755		
9.6 Receivable from Subsidiaries				
Receivable from:				
EBL Securities Limited (in trading account)			-	76,556,929
EBL Finance (HK) Ltd.			4,043	-
			4,043	76,556,929
9.7 Advance to staff for expenses				
<i>Due for</i>				
Less than three months	683,483	820,689	683,483	820,689
More than three months but less than six months	-	-	-	-
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	683,483	820,689	683,483	820,689
9.8 Interest, fees and dividend receivables				
Interest receivable on placement/margin loans*	74,630,789	59,196,631	74,337,891	59,196,631
Income receivable on government securities	870,256,654	697,838,303	870,256,654	697,838,303
Interest receivable on non-government securities	149,521,947	196,891,958	149,521,947	196,891,958
Interest receivable under stimulus package (subsidized by BB)	251,698,713	384,060,263	251,698,713	384,060,263
Fees, commission and charges receivable	59,765,967	116,624,078	53,304,967	114,584,161
Dividend receivable	438,363,783	496,771,296	433,736,498	482,884,040
	1,844,237,853	1,951,382,528	1,832,856,670	1,935,455,355
Less: Inter unit/company elimination	(134,998,463)	(335,518,720)	-	-
	1,709,239,390	1,615,863,808	1,832,856,670	1,935,455,355
* Margin loans by subsidiaries.				
9.9 Sundry receivables				
Excise duty receivable from customers	49,307,889	75,581,523	49,307,889	75,581,523
Protested Bills to be recovered	106,226,598	106,185,947	106,226,598	106,185,947
AIT recoverable from customers	76,500,000	76,500,000	76,500,000	76,500,000
Cards and ATM transactional/settlement account	861,381,441	412,024,155	861,381,441	412,024,155
Receivable (net off) from Bangladesh Bank for SP, WEDB, DIB, DPB etc.	182,502,094	473,857,066	182,502,094	473,857,066
Other receivables (Margin, remittance, Bidding Money, IPO Subscription etc)	216,158,195	195,173,408	215,931,188	193,547,592
	1,492,076,216	1,339,322,099	1,491,849,209	1,337,696,283

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
9.9.a Receivable (net off) from Bangladesh Bank for SP, WEDB, DIB, DPB etc.					
Receivable from Bangladesh Bank for SP, WEDB, DIB, DPB etc.					
For sale of Sanchaypatra		175,094,833	451,509,794	175,094,833	451,509,794
For sale of WEDB, DIB, DPB etc.		16,907,261	36,613,272	16,907,261	36,613,272
		192,002,094	488,123,066	192,002,094	488,123,066
Payable to Bangladesh Bank					
For encashment of Sanchaypatra		9,500,000	1,500,000	9,500,000	1,500,000
For encashment of WEDB, DIB & DPB		-	12,766,000	-	12,766,000
		9,500,000	14,266,000	9,500,000	14,266,000
Closing balance		182,502,094	473,857,066	182,502,094	473,857,066
9.10 Deferred tax asset (net of liability)					
Deferred tax asset	9.10.b	2,801,109,992	2,681,816,620	2,710,090,884	2,595,976,978
Deferred tax liability	9.10.c	377,505,492	286,004,929	377,504,603	285,943,301
		2,423,604,499	2,395,811,691	2,332,586,280	2,310,033,677
9.a Consolidated deferred tax asset (net of liability)					
Eastern Bank Limited (Parent)		2,332,586,280	2,310,033,677		
EBL Securities Limited		83,635,885	82,940,940		
EBL Investments Limited		5,478,675	2,742,712		
EBL Asset Management Limited		1,903,659	94,362		
Total		2,423,604,499	2,395,811,691		
9.10.b Deferred tax asset (Bank only)					
On specific provision maintained against B/L loans	9.10.b.1			2,470,732,959	2,352,347,541
On lease contracts-IFRS 16	9.10.b.2			18,603,487	-
On actuarial re-measurement loss on defined benefit plans	18			220,754,438	243,629,438
				2,710,090,884	2,595,976,978
9.10.b.1 On specific provision maintained against B/L loans					
Cumulative provision made against Bad/Loss loans				8,880,420,346	6,376,784,113
Adjustment of corresponding provision on write off				2,291,799,121	103,857,338
Deductible temporary difference				6,588,621,225	6,272,926,775
Tax rate				37.50%	37.50%
Deferred tax asset				2,470,732,959	2,352,347,541
Opening deferred tax asset				2,352,347,541	2,058,496,352
Deferred tax (income)	38			(118,385,418)	(293,851,189)
9.10.b.2 On lease contracts-IFRS 16:					
Lease obligation					
Accounting base				1,259,216,399	
Tax base				-	
Taxable temporary difference				1,259,216,399	
Tax rate				37.50%	
Deferred tax asset on lease obligation				472,206,150	
Right of Use (ROU) Assets					
Accounting base				1,670,520,975	
Tax Base				460,913,874	
Taxable temporary difference				1,209,607,101	
Tax rate				37.50%	
Deferred tax liability on ROU Assets				453,602,663	
Net deferred tax asset on lease contracts				18,603,487	
Opening deferred tax asset				-	
Deferred tax (income)	38			(18,603,487)	

Deferred tax on the implication of IFRS 16 *Leases* was not recognised for earlier period due to the fact that interest cost on lease liabilities and depreciation expense on RoU asset was considered as admissible expense as per u/s 29 of the ITO 1984 while calculating tax liability of the bank. However, the bank has applied deferred tax on lease contracts following IAS 12 with prospective effect in 2022.

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
9.10.c Deferred tax liability (Bank only)					
On fixed assets (excluding land) between tax base and carrying value	9.10.c.1			160,316,569	123,535,089
On land properties due to revaluation surplus	9.10.c.2			162,408,212	162,408,212
On employee benefits (IAS 19)	9.10.c.3			54,779,822	-
				377,504,603	285,943,301
9.10.c.1 On fixed assets (except land) in WDV between tax base and carrying value					
Carrying amount of fixed assets				2,671,963,740	2,520,358,832
Tax base				2,244,452,889	2,190,931,927
Taxable temporary difference				427,510,851	329,426,905
Tax rate				37.50%	37.50%
Deferred tax liability				160,316,569	123,535,089
Opening deferred tax liability				123,535,089	130,882,791
Deferred tax expense/(income)	38			36,781,480	(7,347,702)
9.10.c.2 On land properties due to revaluation surplus					
Cost of land				1,510,582,428	1,510,582,428
Revaluation surplus				2,549,622,873	2,549,622,873
Total value of land				4,060,205,301	4,060,205,301
Tax rate (on transfer value as per section 53H of the ITO-1984)				4.00%	4.00%
Deferred tax liability				162,408,212	162,408,212
9.10.c.3 On employee benefits-IAS 19:					
On gratuity fund					
Current service cost				185,744,599	
Net interest cost				70,700,000	
Contribution paid to the fund				(379,544,116)	
Taxable temporary difference				123,099,517	
Tax rate				37.50%	
Deferred tax liability on gratuity fund				46,162,319	
On superannuation fund					
Current service cost				5,300,000	
Net interest cost				7,100,000	
Contribution paid to the fund				(35,380,008)	
Taxable temporary difference				22,980,008	
Tax rate				37.50%	
Deferred tax liability on superannuation fund				8,617,503	
Deferred tax liability on employee benefits				54,779,822	
Opening deferred tax liability				-	
Deferred tax expense	38			54,779,822	

Deferred tax on the implication of IAS 19 *Employee Benefits* was not recognised for earlier period due to the fact that current service cost and net interest cost was considered as admissible expense while calculating tax liability of the bank. However, the bank has applied deferred tax on employee benefits following IAS 12 with prospective effect in 2022.

Deferred tax assets/(liabilities) have been recognised and measured as per IAS-12: *Income Taxes* and BRPD circular # 11 dated 12 December 2011.

Deferred tax asset on provision against diminution of value of quoted securities has not been recognised as adjustment of loss (for set off against gain under the same head) u/s 37 and u/s 40 of ITO 1984 is uncertain due to market volatility.

There is no other material temporary timing difference in classified assets/liabilities for which deferred tax asset/liability is required to be accounted for in the year.

9.11 Other assets of subsidiaries	55,564,199	229,817,250
Trade receivable from DSE & CSE	4,532,862	272,699
Other receivables (trade account etc.)	60,097,061	230,089,949
	(4,184,335)	(41,970,135)
Less: Inter company elimination (with deposit account)	55,912,726	188,119,814

10 Non-banking assets**Accounting policy:**

Non-banking asset (NBA) is acquired due to failure of borrower to repay the loan in time taken against mortgaged properties. NBA is recognised in the financial statements on the basis of third party valuation and in compliance with the NBA Policy guided by Bangladesh Bank (BRPD circular no. 22 dated 20 September 2021).

As on the reporting date, the Bank has been awarded absolute ownership on few mortgaged properties (mostly land) through the verdict of the honorable court under section 33 (7) of the Artharin Adalat Act 2003 but those are yet to be recognized in the financial statements as non-earning assets in compliance with the said BB circular.

Non earning assets

Opening Balance	-	105,576,495	-	105,576,495
Adjustment/write-off made during the year				
-with corresponding reserve against NBA	-	(93,231,165)	-	(93,231,165)
-with corresponding provision against NBA	-	(12,345,330)	-	(12,345,330)
Balance at the end of the year	-	-	-	-

Details of NBAs awarded to the Bank are given in 'Annexure- D1'.

11 Borrowing from banks, financial institutions and agents**Accounting policy:**

Borrowing from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal outstanding. Interest payable on such borrowings are reported under other liabilities.

Debt securities (Non-Convertible Subordinated Bond)

The Bank issued 03 (three) 7-year non-convertible floating rate subordinated bonds mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Principal outstanding against the debt is reported under long term borrowing and interest payable of which is reported under other liabilities.

Details of Borrowing:

Inside Bangladesh (including subordinated bond)	11.1	46,247,488,181	34,214,351,306	43,646,417,069	32,104,494,480
Outside Bangladesh	11.2	32,349,940,242	31,082,021,370	32,349,940,243	31,082,021,371
		78,597,428,423	65,296,372,676	75,996,357,312	63,186,515,851

11.a Consolidated borrowings from Banks, FIs by group entities

Bank-solo	75,996,357,312	63,186,515,851
EBL Securities Limited	3,886,662,623	3,797,510,684
EBL Finance (HK) Limited	5,639,799,087	5,286,132,332
	85,522,819,022	72,270,158,867
Less: Inter company elimination	(6,925,390,599)	(6,973,786,191)
Total	78,597,428,423	65,296,372,676

11.1 Borrowing from - Inside Bangladesh**Demand Borrowing:**

Banks	10,757,087,155	10,423,037,628	6,870,424,532	6,625,526,943
NBFIs	-	-	-	-
	10,757,087,155	10,423,037,628	6,870,424,532	6,625,526,943
Less: Inter unit/company elimination	(8,156,016,043)	(8,313,180,802)	(6,870,424,532)	(6,625,526,943)
	2,601,071,112	2,109,856,826	-	-

Term Borrowing:

Banks	14,925,812,817	6,573,132,332	9,286,013,730	1,287,000,000
NBFIs	-	-	-	-
	14,925,812,817	6,573,132,332	9,286,013,730	1,287,000,000
Less: Inter unit/company elimination	(5,639,799,087)	(5,286,132,332)	-	-
	9,286,013,730	1,287,000,000	9,286,013,730	1,287,000,000

Subordinated bond & other borrowings under schemes:**From Bangladesh Bank & others**

Investment promotion & financing facility (IPFF)	249,096,628	257,662,903	249,096,628	257,662,903
Export development fund (EDF)	22,104,430,432	19,524,184,927	22,104,430,432	19,524,184,927
Refinance scheme under BADP	-	129,445,400	-	129,445,400
Refinance scheme under SMESPD	2,059,585,845	890,553,047	2,059,585,845	890,553,047
Second crop diversification project	560,652,950	662,589,850	560,652,950	662,589,850

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Sme foundation pre-finance	6,825,000	13,650,000	6,825,000	13,650,000
Long term financing facility (LTFF)	626,512,121	872,748,872	626,512,121	872,748,872
Stimulus fund - wages & salaries	152,782,617	1,069,478,321	152,782,617	1,069,478,321
Refinance scheme-others	2,562,824,633	1,847,749,000	2,562,824,633	1,847,749,000
Green transformation fund	87,693,114	49,432,160	87,693,114	49,432,160
Non-convertible subordinated bond	5,950,000,000	5,500,000,000	5,950,000,000	5,500,000,000
	34,360,403,339	30,817,494,480	34,360,403,339	30,817,494,480
	46,247,488,181	34,214,351,306	43,646,417,069	32,104,494,480

11.1.a Non-convertible subordinated bond

The Bank with due approval from Bangladesh Bank and BSEC issued 03 (three) 7-year unsecured and non-convertible subordinated bonds through private placement to enhance Tier-II capital: 1st Subordinated Bond of BDT 2,500 million in 2015, 2nd Subordinated Bond of BDT 5,000 million in 2019 and 3rd Subordinated Bond of BDT 5,000 million (BDT 1,950 million subscribed till 31-12-2022) in 2022. Among these bonds, 1st Subordinated bond was fully redeemed and rest two bonds are redeemable at the end of 3rd to 7th year of maturity at 20% per year. Coupon rates of both the live instruments (2nd and 3rd) are variable with a floor and ceiling rate. These two instruments have been rated AA2 and AA in the long term by CRAB and CRISL respectively. Although these are recognized component of Tier -II capital, the outstanding amount of these Bonds is shown as borrowing as per BB guidelines/instruction. Following is the category of subscribers to these Bonds on current outstanding basis:

EBL 1st subordinated bond

Bank & NBFI	-	500,000,000	-	500,000,000
Other than Bank & NBFI	-	-	-	-
	-	500,000,000	-	500,000,000

EBL 2nd subordinated bond

Bank & NBFI	4,000,000,000	5,000,000,000	4,000,000,000	5,000,000,000
Other than Bank & NBFI	-	-	-	-
	4,000,000,000	5,000,000,000	4,000,000,000	5,000,000,000

EBL 3rd subordinated bond

Bank & NBFI	700,000,000	-	700,000,000	-
Other than Bank & NBFI	1,250,000,000	-	1,250,000,000	-
	1,950,000,000	-	1,950,000,000	-
	5,950,000,000	5,500,000,000	5,950,000,000	5,500,000,000

11.2 Borrowing from - Outside Bangladesh**Non-interest bearing:**

Citibank NA, USA	440,939,185	-	440,939,185	-
Commerz Bank, Germany	-	22,613,196	-	22,613,196
JP Morgan AG, Germany	-	1,517,217	-	1,517,217
Standard Chartered Bank, USA	-	665,228,599	-	665,228,599
Standard Chartered Bank, Germany	159,954	365,040	159,954	365,040
Wells Fargo Bank, NA, USA	-	17,347,262	-	17,347,262
	441,099,139	707,071,314	441,099,139	707,071,314

Interest bearing:

Abu Dhabi Commercial Bank, UAE	2,582,317,500	1,958,833,322	2,582,317,500	1,958,833,322
Asian Development Bank (ADB), Philippines	121,520,821	504,705,881	121,520,821	504,705,881
Bank Al-Falah Ltd., UAE	-	429,000,000	-	429,000,000
Bank Muscat, Muscat	723,048,900	643,500,000	723,048,900	643,500,000
CaixaBank, S.A., Spain	5,267,927,700	5,642,902,176	5,267,927,700	5,642,902,176
Citibank NA, USA	-	772,200,000	-	772,200,000
Citibank NA, Singapore	2,065,854,000	-	2,065,854,000	-
Commercial Bank of Dubai	1,136,219,700	-	1,136,219,700	-
Commercial Bank of Qatar	516,463,500	-	516,463,500	-
Deutsche Investitions-und Entwicklungsgesellschaft MBH (DEG)	2,582,317,500	3,689,400,000	2,582,317,500	3,689,400,000
Doha Bank, Qatar	-	858,000,000	-	858,000,000
HDFC Bank, India	1,549,390,500	429,000,000	1,549,390,500	429,000,000
ICICI Bank, India	-	1,978,247,821	-	1,978,247,821
JP Morgan Chase, Singapore	2,949,144,107	806,520,000	2,949,144,107	806,520,000
Korea Development Bank, Singapore	-	1,016,358,326	-	1,016,358,326
KfW IPEX-Bank GmbH, Frankfurt, Germany	2,534,497,939	-	2,534,497,939	-

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Mashreq Bank, Dubai	2,582,317,500	-	2,582,317,500	-
Nabil Bank, Nepal	-	858,000,000	-	858,000,000
National Bank of Ras Al-Khaimah, UAE	1,342,805,100	1,622,570,307	1,342,805,100	1,622,570,307
OEEB, Development Bank, Austria	1,652,683,200	1,716,000,000	1,652,683,200	1,716,000,000
PROPARCO, France	-	156,000,005	-	156,000,005
Standard Chartered Bank, Singapore	1,048,613,087	871,029,636	1,048,613,087	871,029,636
Standard Chartered Bank, Thailand	-	858,000,000	-	858,000,000
Shiddhartha Bank Limited, Nepal	-	386,100,000	-	386,100,000
Standard Chartered Bank, Hongkong	-	1,115,400,000	-	1,115,400,000
State Bank of India, Hongkong	206,585,400	1,287,000,000	206,585,400	1,287,000,000
United Bank Limited, UAE	877,987,950	429,000,000	877,987,950	429,000,000
Wells Fargo, USA	2,169,146,700	2,347,182,583	2,169,146,700	2,347,182,583
	31,908,841,103	30,374,950,056	31,908,841,104	30,374,950,057
	32,349,940,242	31,082,021,370	32,349,940,243	31,082,021,371

11.a.1 Remaining maturity grouping of Borrowings**Payable**

On demand	2,911,446,219	2,248,357,466	310,375,107	138,500,640
In not more than one month	15,662,181,836	7,043,950,003	17,222,824,504	8,309,864,099
In more than one month but not more than three months	19,418,585,916	17,529,960,281	17,857,943,250	16,264,046,186
In more than three months but not more than one year	31,733,602,676	28,644,502,443	31,733,602,676	28,644,502,443
In more than one year but not more than five years	8,677,092,066	9,487,365,662	8,677,092,066	9,487,365,662
In more than five years	194,519,709	342,236,821	194,519,709	342,236,821
	78,597,428,423	65,296,372,676	75,996,357,312	63,186,515,851

12 Deposits and other accounts**Accounting policy:**

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

Current deposits and other accounts etc.	12.1	48,977,808,908	32,298,170,288	49,608,497,830	32,747,951,058
Bills payable	12.2	1,073,551,209	1,155,851,680	1,073,551,209	1,155,851,680
Savings bank deposits	12.3	75,127,325,490	70,403,378,712	75,127,325,490	70,403,378,712
Fixed deposits	12.4	130,692,541,410	101,607,706,168	130,692,541,410	101,607,706,168
Special notice deposit (SND) account		60,455,307,927	61,982,493,378	60,595,389,174	62,103,962,762
		316,326,534,944	267,447,600,226	317,097,305,113	268,018,850,380

As on the reporting date, the bank had no Bearer certificates of deposits.

12.a Group entity- wise consolidated deposits and other accounts

Eastern Bank Limited (Parent)	317,097,305,113	268,018,850,380
Subsidiary companies	-	-
	317,097,305,113	268,018,850,380
Less: Inter company elimination	(770,770,169)	(571,250,154)
Total	316,326,534,944	267,447,600,226

12.1 Current deposits and other accounts

Current deposits	22,610,554,589	22,118,235,931	23,241,243,511	22,568,016,701
Margin on facilities (LC, LG, Acceptance etc.)	24,316,690,931	9,047,252,831	24,316,690,931	9,047,252,831
Interest accrued on deposits	2,050,563,389	1,132,681,525	2,050,563,389	1,132,681,525
	48,977,808,908	32,298,170,288	49,608,497,830	32,747,951,058

12.2 Bills payable

Payment order issued	1,068,630,233	1,150,930,705	1,068,630,233	1,150,930,705
Demand draft issued	4,920,976	4,920,976	4,920,976	4,920,976
	1,073,551,209	1,155,851,680	1,073,551,209	1,155,851,680

12.3 Savings bank deposits

Transactional deposit accounts	64,043,087,243	58,623,764,655	64,043,087,243	58,623,764,655
Scheme deposit accounts	11,084,238,246	11,779,614,057	11,084,238,246	11,779,614,057
	75,127,325,490	70,403,378,712	75,127,325,490	70,403,378,712

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
12.3.a Scheme deposit accounts				
EBL confidence account	4,886,068,609	5,589,096,386	4,886,068,609	5,589,096,386
EBL child future plan account	899,385,345	952,488,350	899,385,345	952,488,350
EBL millionaire scheme account	2,597,131,436	2,943,879,648	2,597,131,436	2,943,879,648
EBL millionaire scheme women account	802,201,765	527,005,070	802,201,765	527,005,070
EBL aspire account	62,742,392	63,185,805	62,742,392	63,185,805
EBL kotipoti account	804,144,610	775,199,394	804,144,610	775,199,394
EBL multiplier account	899,055,764	788,023,790	899,055,764	788,023,790
Retail equity builder account	133,508,326	140,735,613	133,508,326	140,735,613
	11,084,238,246	11,779,614,057	11,084,238,246	11,779,614,057
12.4 Fixed deposits				
Term deposit account	130,646,364,324	101,545,143,189	130,646,364,324	101,545,143,189
RFCD account	5,097,661	4,757,209	5,097,661	4,757,209
NFCD account	41,079,425	57,805,770	41,079,425	57,805,770
	130,692,541,410	101,607,706,168	130,692,541,410	101,607,706,168
12.b Deposit concentration				
Deposit from banks	727,173,450	508,463,295	727,173,450	508,463,295
Deposit from other than banks	315,599,361,494	266,939,136,931	316,370,131,663	267,510,387,085
	316,326,534,944	267,447,600,226	317,097,305,113	268,018,850,380
12.b.1 Deposit from banks				
Bank Asia Limited	116,793,213	-	116,793,213	-
Bangladesh Development Bank Limited	130	130	130	130
Community Bank Bangladesh Limited	24,668,871	13,516,163	24,668,871	13,516,163
First Security Islami Bank Limited	24,466,525	15,382,357	24,466,525	15,382,357
Janata Bank Limited	-	38,180	-	38,180
Meghna Bank Limited	440,923	379,529	440,923	379,529
Midland Bank Limited	2,338	3,110,039	2,338	3,110,039
Modhumoti Bank Limited	25,518	233,071,918	25,518	233,071,918
National Bank Limited	165,996,075	155,969	165,996,075	155,969
NCC Bank Limited	528,800	527,715	528,800	527,715
NRB Bank Limited	98,202,567	50,608,479	98,202,567	50,608,479
NRB Commercial Bank Limited	38,397,013	11,498,356	38,397,013	11,498,356
One Bank Limited	-	556,830	-	556,830
Shimanto Bank Limited	5,883,132	158,267,459	5,883,132	158,267,459
Southeast Bank Limited	151,494,190	-	151,494,190	-
SBAC Bank Limited	23,313,695	21,350,036	23,313,695	21,350,036
Standard Bank Limited	-	135	-	135
Trust Bank Limited	76,960,459	-	76,960,459	-
	727,173,450	508,463,295	727,173,450	508,463,295
12.c Deposits on the basis of significant concentration				
12.c.1 Sector-wise concentration of Deposits and other accounts				
Government sector	4,323,623,845	3,279,579,774	4,323,623,845	3,279,579,774
Other public sector	25,288,641,255	17,710,022,389	25,288,641,255	17,710,022,389
Private sector	286,714,269,844	246,457,998,063	287,485,040,013	247,029,248,217
	316,326,534,944	267,447,600,226	317,097,305,113	268,018,850,380
12.c.2 Business segment-wise concentration of Deposits and other accounts				
Corporate banking	101,086,444,843	84,897,746,957	101,857,215,012	85,468,997,111
Offshore banking	293,331,634	129,058,956	293,331,634	129,058,956
Retail and SME (S) banking	213,873,207,257	181,264,942,633	213,873,207,257	181,264,942,633
Others- Bills Payables	1,073,551,209	1,155,851,680	1,073,551,209	1,155,851,680
	316,326,534,944	267,447,600,226	317,097,305,113	268,018,850,380

Notes	Consolidated		Bank	
	2022	2021	2022	2021
12.d Residual maturity grouping of Deposits				
From banks				
Payable:				
On demand	117,456,835	82,129,634	117,456,835	82,129,634
Within one month	51,844	36,251	51,844	36,251
In more than one month but less than six months	1,353,017	946,073	1,353,017	946,073
In more than six months but less than one year	1,271,431	889,026	1,271,431	889,026
In more than one year but within five years	607,040,323	424,462,310	607,040,323	424,462,310
In more than five years but within ten years	-	-	-	-
	727,173,450	508,463,293	727,173,450	508,463,293
From other than banks				
Payable:				
On demand	19,449,942,184	16,989,785,511	19,449,942,184	16,989,785,511
Within one month	16,939,409,326	14,192,374,364	17,247,717,393	14,420,874,426
In more than one month but less than three months	57,262,962,721	42,292,653,536	57,725,424,822	42,635,403,628
In more than three months but less than one year	61,527,166,896	49,633,621,556	61,527,166,896	49,633,621,556
In more than one year but within five years	158,997,280,475	142,301,950,939	158,997,280,475	142,301,950,939
In more than five years but within ten years	1,422,599,892	1,528,751,026	1,422,599,892	1,528,751,026
	315,599,361,494	266,939,136,933	316,370,131,663	267,510,387,087
Total	316,326,534,944	267,447,600,226	317,097,305,113	268,018,850,380
Unclaimed deposit aging 10 years or more	72,127,902	139,548,020	72,127,902	139,548,020

13 Other liabilities**Accounting policy:**

Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognised as per the applicable guidelines of Bangladesh Bank and International Financial Reporting Standards.

Provision for current tax expense

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.

Provision for current income tax of the Bank has been made on taxable income @ 37.5 % considering major disallowances of expenses and concessional rates on certain incomes (15% on gain from govt. securities, 10% on capital gain of shares & mutual funds and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated. Details of provisioning are stated in note 13.3 of these financial statements.

Assessment for uncertainty over income tax treatments (under IFRIC 23):

At each reporting period, the Bank assesses uncertain tax treatment (if any) separately or together in line with Income Tax Ordinance 1984. The Bank applies its own judgment and past records of tax assessment and demand in identifying uncertainties over income tax treatments. Since the Bank is being operated as complex financial intermediary to provide comprehensive financial solutions, it assesses whether the interpretation of IFRIC 23 *Uncertainty Over Income Tax Treatments* has any impact particularly on those relating to transfer pricing, payment under credit facilities etc., in its consolidated financial statements. The Bank believes that its tax treatments (including those for the subsidiaries) is more likely to be accepted by the tax authority. Therefore, this interpretation does not have any impact on the consolidated financial statements of the Bank.

Provision for loans and advances

Provision for loans and advances is made on the basis of quarter-end review by the management and in compliance with BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021, BRPD circular no. 14/2022 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Details of provisioning are stated in note 13.4 of these financial statements.

Provision for off-balance sheet exposures

In compliance with BRPD circular no. 14 dated 23 September 2012 and related earlier circulars, the Bank has been maintaining provision up to 1% against off-balance sheet exposures (mainly contingent assets/liabilities).

Provision against investment in capital market

Provision for diminution of value of quoted shares and mutual funds (closed-end) has been made on 'portfolio basis' netting off gain as per DOS circular No. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 12 March 2015 and placed under other liabilities. For unquoted shares, provision has been made on the basis of available net assets value (NAV) or recoverable value (whichever is lower) of shares. Details are stated in note 13.8 of these financial statements.

Provision for other assets

Provision for other assets is made following BRPD circular No. 4 dated 12 April 2022. Full provision is maintained on other assets which are outstanding for one year or more or classified as Bad/Loss. Details of provisioning are stated in note 13.6 of these financial statements.

Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPD circular no. FEPD (FEMO)/01/2005-677 dated 13 September 2005 and subsequent BRPD circular no. 04/2022 of Bangladesh Bank. As on the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

Provision for liabilities and accrued expenses

In compliance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event and is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Retirement/post-employment benefits

The Bank contributes to a defined contribution plan (provident fund) and two defined benefit plans (gratuity fund and superannuation fund) in compliance with the provisions of IAS 19 *Employee Benefits*. Three local subsidiaries i.e. EBLSL, EBLIL & EBLAML of the Bank have also been maintaining provident fund and gratuity fund under separate trustee boards.

Defined contribution plans

Post-employment benefit plans under which rate of contributions into the plan is fixed. Any payment out of the plan to eligible outgoing members is based on the size of the 'fund' that comprises cumulative contributions made into the scheme and investment returns on scheme assets. The Group maintains defined contribution plan i.e. provident fund for its employees under separate trustee board.

Provident fund

The Bank operates a contributory provident fund (recognised by National Board of Revenue or NBR on 31 July 1997) for its permanent employees funded by the employees (10% of basic salary) and the Bank equally. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. 'EBL Employees Provident Fund Trust' and any investment decision out of this fund is made separately by that independent Board of Trustees. Subsidiaries of the Bank also operate separate contributory provident funds for its permanent employees funded by both the employees and organisation equally.

Amount charged in profit and loss account as expense on defined contribution plan of the group is detailed in note 27 of these financial statements.

Defined benefit plans

Post-employment benefit plans those define the amount that outgoing members will receive from the plans on separation on the bases of length of service and salary levels.

Contributions are made by the Bank into the scheme based on actuarial valuation. The Bank has an obligation to make up any shortfall in the plan, thereby bearing the risk of the plan under performing. The Bank maintains two defined benefit plans i.e. gratuity fund and superannuation fund for its employees under two separate trustee boards. Three local subsidiaries (EBLSL, EBLIL & EBLAML) also maintain defined benefit plan i.e. 'Gratuity fund' under separate trustee boards.

Gratuity fund

The Bank operates a funded gratuity scheme recognised by NBR with effect from 1 January 1997. This fund is managed separately by 'EBL Employees Gratuity Fund Trust' and any investment decision out of this fund is also made by this Board of Trustees. The benefit is paid on separation to the eligible employees i.e. who have completed at least 5 (five) years of continuous service. As per the Bank's policy, eligible employees are provided with the benefit equal to the latest monthly basic salary multiplied by applicable rates that varies as per service length.

Contribution to gratuity fund is made monthly on the basis of actuarial valuation made each year, or immediately after any major change in the salary structure that could impact the periodic amount of contributions. The last actuarial valuation was carried out on 31 December 2022 by Air Consulting Limited and as per their recommendation the Bank charged BDT 185.74 million to the Profit & Loss Account in 2022 as current service cost. The bank also continued to contribute at 21.04% (BDT 379.54 million) of basic salary to the gratuity fund in 2022 as per actuarial recommendation.

Superannuation fund

The Bank operates a recognised superannuation fund effective from 20 November 1999 which is governed by the trust deed of 'EBL Employees Superannuation Fund Trust'. As per the trust deed, benefit is payable to the eligible employees of the Bank as per their grade, length of service etc. As per the last valuation by Air Consulting Limited carried out on 31 December 2022, the Bank charged current service cost of BDT 5.3 million to the Profit & Loss Account in 2022. The bank also continued to contribute BDT 35.40 million to the superannuation fund in 2022 as per actuarial recommendation.

Details i.e. actuarial liability, valuation method, service cost, required contribution etc. of defined benefit plans and amount recognized in profit & loss account are stated in note 13.12 of these financial statements.

Workers Profit Participation Fund

Consistent with widely accepted industry practice and in line with section 11(1) of the Bank Company Act 1991 (as amendment up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the bank in the reporting period against Workers Profit Participation Fund (WPPF).

Other long-term benefits

The Bank's obligation in respect of long term benefit other than gratuity fund and superannuation fund is the amount of future benefits that employees have earned i.e. earned leave encashment in return for their service in the current and prior periods. The nature of this benefit to the eligible employees is encashment of earned leave up to maximum 90 days which is calculated based on last basic salary, house rent and medical allowance and is paid at the time of paying end service benefit. The Bank has kept required provision against liability for earned leave encashment as per actuarial valuation.

The Group does not have any other long term employee benefit plans.

Short term benefits

Short term employee benefits i.e. group insurance policy, hospitalisation facilities etc. are expensed as the related service is provided to the eligible employees as per EBL people management policy. Liability is recognised only for the amount expected to be paid if the Group has a present legal or constructive obligation to pay any amount as a result of past service provided by the employees and the obligation can be estimated reliably.

Dividend payments

Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2022 has not been recognised as a liability in the balance sheet in accordance with IAS 10 'Events after the reporting period'. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
Privileged creditors	13.1	1,084,389,883	809,991,826	1,084,389,883	809,991,826
Acquirer liabilities	13.2	1,311,132,405	1,286,229,244	1,311,132,405	1,286,229,244
Sundry creditors		168,331,491	210,513,976	168,331,491	210,513,976
Security deposit		11,648,999	5,797,180	11,648,999	5,797,180
Current tax liability/(assets)	13.3	2,242,395,712	3,368,573,510	2,198,190,233	3,335,858,484
Provision for loans, advances and OBS exposures (other than OBO)	13.4	12,085,878,904	12,310,907,331	11,784,321,945	12,012,295,651
Provision for loans, advances and OBS exposures (for OBO)	13.4.a	2,125,480,485	1,332,329,766	2,125,480,485	1,332,329,766
Special general provision- COVID-19 (for DBO and OBO)	13.4.b	542,245,936	756,003,206	542,245,936	756,003,206
Interest suspense account	13.5	2,925,099,761	2,939,008,519	2,750,271,719	2,750,794,589
Provision for protested bill and others	13.6	263,739,323	219,304,150	263,739,323	219,304,150
Provision for start-up fund	13.7	138,891,631	87,805,631	138,891,631	87,805,631
Provision for rebate to good borrowers		46,100,257	46,100,257	46,100,257	46,100,257
Provision for loss on revaluation of shares (net)	13.8	991,718,520	408,519,732	593,294,880	256,437,323
Advance interest/commission received		24,654,179	47,469,311	23,925,705	44,036,445
Expenses payable		794,868,915	847,300,190	758,713,442	801,786,369
Interest payable on borrowing	13.9	540,661,488	266,192,477	539,487,075	266,192,477
Miscellaneous liabilities/payables	13.10	1,809,998,964	982,488,812	1,806,961,781	976,920,826
Lease liabilities (present value of lease payments)	13.11	1,314,531,028	752,382,202	1,259,216,399	743,558,930
Net benefit obligation	13.12	443,692,007	650,816,131	443,692,007	650,816,131
Other liabilities of subsidiaries	13.13	317,395,329	476,632,211	-	-
		29,182,855,215	27,804,365,660	27,850,035,594	26,592,772,458

13.a Group entity-wise consolidated other liabilities

Eastern Bank Limited (Parent)	27,850,035,594	26,592,772,458
EBL Securities Limited	1,327,679,831	1,553,955,519
EBL Investments Limited	67,907,480	59,850,049
EBL Finance (HK) Limited	135,918,643	82,054,861
EBL Asset Management Limited	24,194,254	2,237,337
	29,405,735,802	28,290,870,222
Less: Inter company elimination	(222,880,587)	(486,504,562)
Total	29,182,855,215	27,804,365,660

13.1 Privileged creditors (payable to government)

Tax deducted at source (TDS)	466,014,130	276,643,462	466,014,130	276,643,462
VAT deducted at source (VDS)	82,450,132	63,940,651	82,450,132	63,940,651
Excise duty deducted from customer accounts	535,925,620	469,407,713	535,925,620	469,407,713
	1,084,389,883	809,991,826	1,084,389,883	809,991,826

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
13.2 Acquirer liabilities				
These liabilities are temporary in nature arisen from prepaid, debit and credit card transactions. Transactions are settled next day with relevant parties and reconciled monthly. Major balance includes 'Acquirer Cash' which is a liability to relevant parties arisen due to withdrawal of cash by EBL cardholders from Q-Cash/VISA ATMs (Not owned by EBL):				
Prepaid (Lifestyle, travel etc) card liability	1,010,591,794	892,625,992	1,010,591,794	892,625,992
Credit card liability	40,615,578	36,047,195	40,615,578	36,047,195
Debit card liability	64,981,260	179,537,155	64,981,260	179,537,155
Acquirer cash and other liabilities	194,943,773	178,018,902	194,943,773	178,018,902
	1,311,132,405	1,286,229,244	1,311,132,405	1,286,229,244

13.3 Current tax liability / (assets)**Provision for tax**

Opening balance	5,172,364,687	3,661,662,395	4,847,617,920	3,410,562,765
Settlement/adjustments for previous years	(3,792,151,316)	(2,510,326,516)	(3,661,713,218)	(2,417,959,518)
Provision for tax made during the year	3,178,751,532	4,021,028,809	3,033,354,808	3,855,014,674
	4,558,964,903	5,172,364,687	4,219,259,510	4,847,617,920

Balance of income tax paid

Opening balance	1,803,791,177	1,867,040,369	1,511,759,437	1,639,028,107
Settlement/adjustment for previous years	(3,750,228,675)	(2,483,295,950)	(3,661,713,218)	(2,417,959,518)
Paid during the year	4,263,006,688	2,420,046,758	4,171,023,059	2,290,690,848
	2,316,569,191	1,803,791,177	2,021,069,277	1,511,759,437
	2,242,395,712	3,368,573,510	2,198,190,233	3,335,858,484

13.3.1 Income tax expenses/Provision for tax**Current tax expenses**

Current year	3,153,729,787	4,028,567,446	3,008,333,063	3,855,014,674
Adjustment for prior years	25,021,746	(7,538,637)	25,021,746	-
Total income tax expenses	3,178,751,532	4,021,028,809	3,033,354,808	3,855,014,674

13.3.2 Income tax paid during the year

Withholding tax deducted at source	660,355,604	517,250,285	568,371,974	419,434,469
Advance tax paid in cash	3,602,651,085	1,902,796,473	3,602,651,085	1,871,256,379
Advance income tax paid	4,263,006,688	2,420,046,758	4,171,023,059	2,290,690,848

13.3.a Reconciliation of effective tax rate (Bank)

	Bank-Solo			
	2022	2021	2022	2021
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		8,095,384,869		8,207,680,511
Income tax as per applicable tax rate	37.5%	3,035,769,326	37.5%	3,077,880,192
Factors affecting the tax charged in current year				
On non deductible expenses	2.72%	220,202,948	13.11%	1,075,651,270
Tax loss/(savings) on Govt. treasury securities	0.30%	24,122,835	-1.18%	(96,459,368)
Tax (savings) from reduced tax rates (on dividend income)	-2.80%	(226,761,998)	-1.32%	(108,183,008)
Tax (savings) from reduced tax rates (on sale of quoted securities)	-0.25%	(19,978,303)	-1.14%	(93,874,412)
Deferred tax income (net)	-0.56%	(45,427,604)	-3.67%	(301,198,890)
Total income tax expenses	36.91%	2,987,927,205	43.30%	3,553,815,784

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
13.4 Provision for loans, advances and OBS exposures (other than OBO)				
A) Specific provision movement				
Opening balance	7,908,397,581	7,739,757,059	7,609,785,899	7,499,439,356
On fully provided debt written off during the year	(2,291,799,121)	(123,973,646)	(2,291,799,121)	(103,857,339)
On recovery from loans written off earlier	793,358,712	363,274,439	793,358,712	363,274,439
Additional provision moved to GP	-	(859,700,000)	-	(859,700,000)
Specific provision charged (net of recovery) for the year	834,349,252	789,039,729	831,403,975	710,629,442
Provision held at the end of the year	7,244,306,424	7,908,397,581	6,942,749,465	7,609,785,899

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
B) General provision movement on loans and advances				
Opening balance	3,152,833,796	1,933,422,077	3,152,833,797	1,933,422,077
Provision made during the year	319,944,276	359,711,720	319,944,276	359,711,720
Additional provision moved from SP	-	859,700,000	-	859,700,000
Provision held at the end of the year	3,472,778,072	3,152,833,796	3,472,778,073	3,152,833,797
C) General provision movement on off-balance sheet exposures				
Opening balance	1,249,675,955	887,809,454	1,249,675,955	887,809,454
Provision made during the year	119,118,452	361,866,501	119,118,452	361,866,501
Provision held at the end of the year	1,368,794,407	1,249,675,955	1,368,794,407	1,249,675,955
Provision for loans, advances and OBS exposures (other than OBO)	12,085,878,904	12,310,907,331	11,784,321,945	12,012,295,651
13.4.a Provision for loans, advances and OBS exposures (for OBO)				
General provision on loans and advances	473,136,156	370,047,685	473,136,156	370,047,685
General provision on off-balance sheet exposures	12,049,953	9,685,980	12,049,953	9,685,980
Specific provision on loans and advances	1,640,294,377	952,596,101	1,640,294,377	952,596,101
	2,125,480,485	1,332,329,766	2,125,480,485	1,332,329,766
13.4.b Special general provision: COVID-19				
Special general provision: COVID-19 (for DBO)	491,415,756	683,737,969	491,415,756	683,737,969
Special general provision: COVID-19 (for OBO)	50,830,180	72,265,237	50,830,180	72,265,237
	542,245,936	756,003,206	542,245,936	756,003,206

As per BRPD circular no. 19/2021 and subsequent circular letter nos. 50/2021, 51/2021, 52/2021, 53/2021; and BRPD circular no. 14/2022 and subsequent circular letter nos. 51/2022 and 53/2022 loan status of certain eligible borrowers has been kept "Unclassified" upon receiving 15% and 50% payment against total dues for the year 2021 and 2022 respectively. Special general provision (GP) for COVID-19 (@1.5% for CMSME accounts and 2% for other than CMSME accounts in 2021 and 1% for CMSME accounts and 2% for other than CMSME accounts in 2022) has been maintained in addition to the general provision routinely required. Besides, Special GP for COVID-19 @ 1% had been maintained in 2020 for those accounts which enjoyed payment by deferral (PBD) facilities as per BRPD circular letter no. 56/2020 and subsequent BB clarification letter ref. BRPD(P-1) 661/13/2021-117 dated 05 January 2021. However, the bank released Special GP for COVID-19 of BDT 300 million in 2022 (BDT 187.98 million in 2021) upon adjustment of outstanding amount which enjoyed deferral facilities in 2020 and 2021.

Total provision (SP,GP & Special GP) for loans, advances and OBS exposures (Note: 13.4+13.4.a+13.4.b)	14,753,605,326	14,399,240,303	14,452,048,366	14,100,628,622
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13.4.a.1 Provision for loans, advances and OBS exposures (including OBO):				
General provision on loans and advances	3,945,914,228	3,522,881,482	3,945,914,228	3,522,881,482
Special general provision- COVID-19	542,245,936	756,003,206	542,245,936	756,003,206
General provision on off-balance sheet exposures	1,380,844,359	1,259,361,934	1,380,844,359	1,259,361,934
Specific provision on loans and advances	8,884,600,801	8,860,993,682	8,583,043,843	8,562,382,000
	14,753,605,325	14,399,240,303	14,452,048,366	14,100,628,622

	Bank- Solo		2022	2021
	DBO	OBO	Total	Total
13.4.1 Provision for loans and advances charged during the year				
General provision on loans and advances	319,944,276	25,041,895	344,986,171	475,235,139
Special general provision- COVID-19	(192,322,213)	(32,763,812)	(225,086,025)	152,926,606
General provision on off-balance sheet exposures	119,118,452	352,581	119,471,033	368,073,261
General provision charged during the year	246,740,515	(7,369,336)	239,371,179	996,235,006
Specific provision charged during the year	1,624,762,687	447,033,680	2,071,796,367	2,018,656,053
Recovery from loans written off earlier	(793,358,712)	-	(793,358,712)	(363,274,439)
Specific provision (net of recovery) for the year *	831,403,975	447,033,680	1,278,437,655	1,655,381,613
Total provision for loans and advances charged during the year	1,078,144,490	439,664,344	1,517,808,834	2,651,616,619

* Specific provision charged during the year has been presented after netting of recovery from written off loans as per BRPD circular no. 14, dated 25 June 2003.

13.4.2 Maintenance of provision on loans and advances including OBS exposures (Solo):	2022	2021
Required provision on loans & advances and OBS exposures:		
General provision on unclassified accounts (including SMA)	3,031,079,131	2,633,616,000
Special general provision: COVID-19	542,245,936	756,003,206
Specific provision on classified accounts	4,666,559,710	6,493,582,193
Specific provision on stay order accounts	1,924,702,321	67,521,807
Specific provision on rescheduled accounts	1,991,781,812	2,001,278,000
General provision on off-balance sheet exposures	1,380,844,359	1,259,361,932
Total required provision on loans and advances including OBS exposures	13,537,213,269	13,211,363,138
Total maintained provision on loans and advances and OBS exposures	14,452,048,366	14,100,628,622
Surplus provision *	914,835,097	889,265,484

* General provision maintained on qualitative ground for some loan accounts in addition to the requirement to strengthen the provision base of the bank.

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
13.5 Interest suspense account				
Opening balance	2,939,008,519	2,425,163,343	2,750,794,589	2,233,375,188
Amount transferred during the year	3,080,772,731	2,271,924,361	3,094,158,619	2,265,433,813
Amount recovered during the year *	(2,885,860,558)	(1,744,292,526)	(2,885,860,558)	(1,735,748,720)
Amount written off during the year	(236,622,454)	(13,786,659)	(236,622,454)	(12,265,692)
Foreign currency adjustment	27,801,522	-	27,801,522	-
Balance at the end of the year	2,925,099,761	2,939,008,519	2,750,271,719	2,750,794,589
* Interest receivable on margin loan having negative equity (extended by subsidiaries) is included in the consolidated interest suspense account.				
13.6 Provision for protested bill and others				
Opening balance	219,304,150	191,142,995	219,304,150	191,142,995
Provision made during the year	44,435,173	28,161,155	44,435,173	28,161,155
Balance at the end of the year	263,739,323	219,304,150	263,739,323	219,304,150
13.7 Provision for start-up fund				
Opening balance	87,805,631	76,922,811	87,805,631	76,922,811
Provision made during the year	51,086,000	10,882,820	51,086,000	10,882,820
Balance at the end of the year	138,891,631	87,805,631	138,891,631	87,805,631
As per BB SMESPD circular no. 04 dated 29 March 2021 and subsequent SMESPD circular letter no. 05 dated 26 April 2021, the bank has been maintaining a provision for startup fund @ 1% of profit after tax each year since 2020.				
13.8 Provision for diminution of value of equity securities				
Opening balance	408,519,732	843,471,723	256,437,323	686,959,533
Provision charged/ (released) during the year	583,198,788	(434,951,991)	336,857,556	(430,522,210)
Balance at the end of the year	991,718,520	408,519,732	593,294,880	256,437,323
Provision for diminution (gain net off) of value of quoted shares has been made as per DOS circular no. 4, dated 24 November 2011 and for mutual funds (closed-end) as per DOS circular letter no. 03 dated 12 March 2015 of Bangladesh Bank.				
13.9 Interest payable on borrowing				
Interest payable on borrowing (including subordinated bond)	260,382,165	165,793,681	175,514,006	165,793,681
Interest payable on borrowing-Offshore	363,973,069	129,171,737	363,973,069	100,398,795
	624,355,234	294,965,419	539,487,075	266,192,477
Less: Inter unit/company elimination (with interest receivable account)	(83,693,746)	(28,772,942)	-	-
	540,661,488	266,192,477	539,487,075	266,192,477
13.10 Miscellaneous liabilities/payables				
Received under compromise settlement of classified & w/off loans	266,621,709	231,900,474	266,621,709	231,900,474
NRB remittance payable	384,230,975	478,308,977	384,230,975	478,308,977
Interest suspense for term placement	1,860,000	1,860,000	1,860,000	1,860,000
Unclaimed dividend account	35,810,491	31,594,794	35,810,491	31,594,794
Other liabilities (FDD payable, unclaimed instrument, etc.)	1,121,475,789	238,824,567	1,118,438,606	233,256,581
	1,809,998,964	982,488,812	1,806,961,781	976,920,826

13.10.a Unclaimed dividend account

Unclaimed dividend is the residual amount of declared dividend which is yet to be claimed by the shareholders. The bank has been maintaining year-wise separate bank accounts for unclaimed cash and stock dividends. As per the directive of BSEC (ref: SEC/SRMIC/165-2020/part-1/166 dated 06 July 2021) the bank has deposited unclaimed/undistributed/unsettled dividend amount of BDT 62,472,595.57 till the year 2017. However unclaimed dividend amount of BDT 7,723,596.22 for the year 2018 is yet to be deposited to the Capital Market Stabilization Fund (CMSF).

13.11 Lease liabilities (present value of lease payments)

The bank, as per IFRS 16, recognized lease liabilities which is the present value of lease payments to be made over the lease term from the date of commencement or 01 January 2019 (date of initial application), whichever is later. The lease payments include fixed and variable lease payments (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease. The lease payments have been discounted using Treasury bond rate of similar tenors i.e. 3 -10 years as implicit borrowing rate on applicable point of time. For example, 5 years T-bond rate ranging from 5.81% to 7.91% have been used at the time of execution of those contracts having weighted average lease tenor of 5 years or more.

13.12 Net defined benefit obligation

Net defined benefit obligation is the net result of post employment benefit plans which is measured as per actuarial valuation under IAS 19 *Employee Benefits*. Valuation is carried out on 'Projected unit credit method' as recommended by International Accounting Standard (IAS) 19. Under this method, the valuation is done considering both 'future service cost' which an employee shall obtain in normal course of service and 'past service cost' which is the difference between assets built up from past contributions and accrued liabilities (i.e. benefits earned by members as a result of service as of valuation date).

		Bank-Solo			
		Gratuity Fund	Superannuation Fund	2022	2021
Defined benefit obligation	13.12.a	2,338,384,043	145,635,713	2,484,019,756	2,397,119,756
Less: Fair value of plan assets	13.12.b	1,904,846,537	135,481,211	2,040,327,749	1,746,303,625
		433,537,505	10,154,502	443,692,007	650,816,131

13.12.a Defined benefit obligation

The amount of obligation for gratuity fund is determined considering present value of last basic salary multiplied by applicable rates as per service length which is discounted on actuarial financial and demographical assumptions/factors such as interest rate, salary growth rate, mortality rate, probable length of service etc.

The amount of obligation for superannuation fund is determined on the occurrence of certain pre-defined events which is related with employee rank (not salary) and certain threshold level of service being reached i.e. survival or withdrawal probabilities.

Opening balance (as per audited FS)	2,246,984,043	150,135,713	2,397,119,756	1,921,219,756
Interest cost	200,000,000	13,400,000	213,400,000	120,000,000
Current service cost	185,744,599	5,300,000	191,044,599	190,651,628
Paid to outgoing employees	(216,500,000)	(31,800,000)	(248,300,000)	(148,300,000)
Adjustment for opening balance	(8,044,599)	(200,000)	(8,244,599)	(151,628)
Remeasurement loss	(69,800,000)	8,800,000	(61,000,000)	313,700,000
	2,338,384,043	145,635,713	2,484,019,756	2,397,119,756

13.12.b Fair value of plan assets

IAS 19 prescribes a fair valuation of fund assets and where market price is not available, fair value of the fund assets is estimated. Here, fair value of plan assets is not readily available, hence historical book value (audited) of fund assets is considered as fair value of plan assets of the funds.

Opening balance (as per audited FS)	1,620,502,421	125,801,203	1,746,303,625	1,498,438,624
Interest income	129,300,000	6,300,000	135,600,000	113,200,000
Contribution to the fund	379,544,116	35,380,008	414,924,124	283,100,000
Adjustment for opening balance	(8,000,000)	(200,000)	(8,200,000)	(135,000)
Paid to outgoing employees	(216,500,000)	(31,800,000)	(248,300,000)	(148,300,000)
	1,904,846,537	135,481,211	2,040,327,749	1,746,303,625

13.12.a.1 Remeasurement loss (as per actuarial report)

Opening balance	582,326,750	67,351,750	649,678,500	335,978,500
Remeasurement loss on defined benefit obligation	(69,800,000)	8,800,000	(61,000,000)	313,700,000
	512,526,750	76,151,750	588,678,500	649,678,500

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
13.13 Other liabilities of subsidiaries					
Accounts payable (trading)		315,413,359	593,092,582		
Sundry creditors		6,168,732	5,752,529		
Dividend payable		135,000,079	335,518,720		
		456,582,170	934,363,831		
Less: Intra group outstanding balances					
Share trading account		(4,188,378)	(118,527,064)		
Dividend & other accounts		(134,998,463)	(339,204,556)		
		(139,186,841)	(457,731,620)		
Net other liabilities		317,395,329	476,632,211		

13.b Nostro Reconciliation

Following BRPD circular no. 04, dated 12 April 2022, the Bank is not required to maintain provision on the unreconciled debit balance as at balance sheet date as there was no unreconciled debit entry aging more than six months.

14 Share Capital**Authorized and issued capital**

The authorized capital of the Bank is the maximum limit of share capital that the Bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. Part of the authorized capital usually remains unissued. The part of the authorized capital already issued to shareholders is referred to as the issued share capital of the Bank.

Paid-up capital

The paid-up capital represents the amount of Bank's capital that has been contributed by ordinary shareholders. The ordinary shareholders are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

Share premium

The share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilised as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

A) Authorized capital

2,500,000,000 ordinary shares of BDT 10 each

25,000,000,000	12,000,000,000	25,000,000,000	12,000,000,000
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B) Issued, subscribed and fully paid up capital

	2022	2021				
Issued against cash	129,345,000	129,345,000	1,293,450,000	1,293,450,000	1,293,450,000	1,293,450,000
Issued as bonus share	943,752,525	824,519,467	9,437,525,250	8,245,194,670	9,437,525,250	8,245,194,670
Total	1,073,097,525	953,864,467	10,730,975,250	9,538,644,670	10,730,975,250	9,538,644,670

14.1 Slab wise list as on 31 December

Pursuant to clause (cha) of the Memorandum of Association and Article 4 of the Articles of Association of the Bank and clause 4 of BCCI Reconstruction Scheme 1992 and subsequent amendments, the authorized capital of the Bank is BDT 25,000,000,000 and issued/subscribed/fully paid up capital is BDT 10,730,975,250 denominated by BDT 10 per share. Detailed break up of paid up capital of BDT 10,730,975,250 as on 31 December 2022 is as follows:

Percentage of group wise shareholding:

Shareholders group	2022			2021		
	No. of shares	% of shareholding	Taka	No of Shares	% of shareholding	Taka
Directors	329,082,425	30.67%	3,290,824,250	287,911,286	30.18%	2,879,112,860
General Public	604,717,737	56.35%	6,047,177,370	539,089,564	56.52%	5,390,895,640
Financial Institutions	139,297,363	12.98%	1,392,973,630	126,863,617	13.30%	1,268,636,170
Total	1,073,097,525	100.00%	10,730,975,250	953,864,467	100.00%	9,538,644,670

Range-wise distribution of the subscribed share as of 31-12-2022:

Range	No. of shareholders	No. of shares	(%) of shareholding
001-500	3,311	563,725	0.05%
501-5000	2,933	5,055,323	0.47%
5001-10000	428	3,070,637	0.29%
10001-20000	337	4,702,839	0.44%
20001-30000	124	3,064,863	0.29%
30001-40000	62	2,174,916	0.20%
40001-50000	38	1,734,608	0.16%
50001-100000	110	7,795,210	0.73%
100001-1000000	213	73,430,994	6.84%
1000001 and above	102	971,504,410	90.53%
Total	7,658	1,073,097,525	100.00%

Status of shareholding (shares of EBL) as on 31 December 2022 by CEO, CS, CFO, Head of Internal Control and Compliance and top five salaried executives is shown in the following table:

Name	Designation	No. of shares (EBL) held
CEO, CS, CFO & HoICC and their spouses & minor children:		
Ali Reza Iftekhar	Managing Director & CEO	300,000
Md. Mustafa Haikal Hashmi	DMD, Head of ICC & CAMLCO	-
Masudul Hoque Sardar	Chief Financial Officer	-
Md. Abdullah Al Mamun	Company Secretary	-
Executives (Top five salaried executives other than CEO, CS, CFO & HoICC)		
Ahmed Shaheen	AMD, Head of Corporate Banking	-
Riad Mahmud Chowdhury	DMD, Head of Corporate Business, Dhaka	11,302
Mehdi Zaman	DMD, Head of Treasury, FIs & Offshore Banking	-
M. Khorshed Anowar	DMD, Head of Retail & SME Banking	-
Mahdiar Rahman	SEVP, Head of Relationship Unit 04, Corporate Banking	3,767

Shares held by any shareholder to the extent of 10% or more

Nil

14.2 Capital to risk weighted assets ratio (CRAR):

As per the 'Revised Guidelines on Risk Based Capital Adequacy (RBCA)' issued by Bangladesh Bank in December 2014, all scheduled banks are required to calculate Capital to Risk Weighted Assets Ratio based on 'Solo' as well as 'Consolidated' basis since early 2015. Here, regulatory capital base is quite different from accounting capital. Regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. EBL has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) and occasional issue of subordinated debt and right shares to support incremental growth of Risk Weighted Assets (RWA). Besides regulatory capital requirement, the Bank maintains surplus capital which will act as buffer for absorbing all material risks and to support foreseen business growth activities.

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Common Equity Tier -1 Capital				
Paid up capital	10,730,975,250	9,538,644,670	10,730,975,250	9,538,644,670
Statutory reserve	10,730,975,250	9,538,644,670	10,730,975,250	9,538,644,670
General reserve	603,493,370	603,493,370	603,493,370	603,493,370
Dividend equalization reserve	356,040,000	356,040,000	356,040,000	356,040,000
Retained earnings	11,047,500,739	9,504,261,953	10,505,742,233	8,975,293,909
Regulatory adjustments:	33,468,984,609	29,541,084,663	32,927,226,103	29,012,116,619
Goodwill and all other intangible assets (WDV of Software)	(366,163,417)	(269,704,015)	(365,483,278)	(268,713,120)
Reciprocal crossholdings in the CET 1 capital	(299,565,246)	(479,615,523)	(260,502,007)	(356,836,600)
Investment in own CET1 capital (mutual fund)	(12,465,000)	(16,132,580)	(12,465,000)	(16,132,580)
Deferred tax asset (95% as per BB Circular)	(2,347,196,311)	(2,234,730,164)	(2,347,196,311)	(2,234,730,164)
	30,443,594,634	26,540,902,381	29,941,579,507	26,135,704,155
Tier -2 capital				
General provision	5,869,004,524	5,538,246,622	5,869,004,524	5,538,246,622
Subordinated debt	4,950,000,000	4,000,000,000	4,950,000,000	4,000,000,000
	10,819,004,524	9,538,246,622	10,819,004,524	9,538,246,622
Regulatory adjustment:	-	-	-	-
	10,819,004,524	9,538,246,622	10,819,004,524	9,538,246,622
A. Total regulatory capital	41,262,599,158	36,079,149,003	40,760,584,030	35,673,950,777
B. Total risk weighted assets (RWA)	285,992,736,517	260,049,340,559	279,015,847,153	253,387,602,954
C. Minimum capital requirement (MCR) (10% on B)	28,599,273,652	26,004,934,056	27,901,584,715	25,338,760,295
D. Surplus capital (A - C)	12,663,325,506	10,074,214,947	12,858,999,315	10,335,190,481

Capital to risk weighted assets ratio (CRAR)

	Minimum requirement		Consolidated		Solo	
	2022	2021	2022	2021	2022	2021
On Tier-1 capital to RWA	6.00%		10.64%	10.21%	10.73%	10.31%
Capital to RWA ratio (CRAR)	Against standard of minimum 10% with capital conservation buffer of 2.50%		14.43%	13.87%	14.61%	14.08%

Amount in BDT

15 Statutory reserve

In compliance with the provision of section 24 of the Bank Company Act 1991 (as amended up to date), the Bank is to transfer at least 20% of its profit before tax (PBT) to statutory reserve each year until the sum of statutory reserve and share premium (if any) equal the paid-up capital of the Bank. In 2022, the bank has transferred BDT 1,192.33 million to statutory reserve account in compliance with the said provision.

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Opening balance	9,538,644,670	8,117,995,470	9,538,644,670	8,117,995,470
Transferred from profit during the year	1,192,330,580	1,420,649,200	1,192,330,580	1,420,649,200
Closing balance	10,730,975,250	9,538,644,670	10,730,975,250	9,538,644,670

16 Dividend equalization reserve

As per BRPD Circular No. 18 dated 20 October 2002, Banks had to transfer an equal amount of net profit (amount by which cash dividend exceeds 20%) to Dividend Equalization Account while paying cash dividend in excess of 20%. This is treated as 'Core Capital' of the Bank. However, bank's current dividend decision is made in compliance with DOS Circular no. 01 dated 07 February 2021 wherein banks' dividend payment capacity is tagged and capped in relation to CRAR of the respective banks.

17 Assets revaluation reserve (land and other assets)

Reserve for revaluation of land	17.01	2,387,214,661	2,387,214,661	2,387,214,661	2,387,214,661
Reserve for revaluation of treasury securities (HFT)	17.02	180,117,148	-	180,117,148	-
Reserve for amortization of treasury securities (HTM)	17.03	83,093,607	29,260,251	83,093,607	29,260,251
Reserve for fair value of TRECs to EBLSL and Shares of DSE and CSE	17.04	85,418,367	85,418,367	-	-
		2,735,843,783	2,501,893,279	2,650,425,416	2,416,474,912

17.01 Reserve for revaluation of land

When carrying amount of same class of assets is increased as a result of revaluation, the increased amount of the entire class of same assets netting off deferred tax liability (as per IAS 12 *Income Tax*), is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 *Property, Plant and Equipment*. Apart from financial assets, the Bank revalues its lands following relevant circulars of Bangladesh Bank and Bangladesh Securities & Exchange Commission.

Opening balance of reserve		2,549,622,873	2,476,074,358	2,549,622,873	2,476,074,358
Reserve made during the year		-	73,548,515	-	73,548,515
		2,549,622,873	2,549,622,873	2,549,622,873	2,549,622,873
Less: Deferred tax liability	9.10.c.2	162,408,212	162,408,212	162,408,212	162,408,212
Net of deferred tax liability		2,387,214,661	2,387,214,661	2,387,214,661	2,387,214,661

17.01.a Details of land and revaluation result as of 31-12-2022:

Particulars of land	Year of acquisition	Purpose for holding of land	Cost of Land (incl. development cost)	Revalued amount	Revaluation surplus/(deficit)
33 CA, Agrabad, Chottagram (Size: 13.43 Katha or 22.17 Decimal)	Feb 1983	Regional Head Office	Acquired as BCCI property	443,400,000	443,400,000
New 100 Gulshan Avenue, Dhaka (Size: 26.24 Katha or 43.312 Decimal)	Nov 2002	Corporate Head Office	95,624,950	2,099,975,757	2,004,350,807
Plot-832/B, Block-I, Bashundhara R/A, Dhaka (Size: 100 Katha or 165 Decimal)	July 2008	Proposed country sales center, Retail banking, Cards sales, Call center, Collection/recovery unit, warehouse etc.	326,732,201	800,000,000	473,267,799
Plot-19, Block-A, Bashundhara R/A, Dhaka (Size: 5 Katha or 8.25 Decimal)	Nov 2008	Proposed branch, Cards center and others.	52,418,163	52,000,000	(418,163)
Rupayan Point, Plot # 1/11 Lalmatia Housing, Dhaka (Size: 7.75 Katha or 12.787 Decimal)	Jun 2013	Proposed branch, Zonal office for SME & Corporate business, operations etc.	533,986,690	251,875,000	(282,111,690)
Purbachal, Kaligonj, Gazipur, Dhaka (Size: 85.15 Katha or 140.50 Decimal)	Aug 2007	Proposed Central Warehouse	35,319,289	61,734,847	26,415,558
Polash Bari, Ashulia, Savar, Dhaka (Size: 379.69 Katha or 626.50 Decimal)	Nov 2011	Proposed Residential Training Academy	466,501,135	351,219,697	(115,281,438)
Total			1,510,582,428	4,060,205,301	2,549,622,873

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
17.02 Reserve for revaluation of treasury securities (HFT)				
Reserve for revaluation of HFT securities is recognised as per the instruction/circular of Bangladesh Bank vide DOS circular Letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Any increase in the value of such securities categorised as HFT as a result of mark-to-market is booked under equity as revaluation reserve but any decrease is directly charged to profit and loss account.				
Opening balance	-	817,134,941	-	817,134,941
Addition during the year	452,498,093	744,876,128	452,498,093	744,876,128
Adjustment made during the year	(272,380,945)	(1,562,011,070)	(272,380,945)	(1,562,011,070)
Closing balance	180,117,148	-	180,117,148	-

17.03 Reserve for amortization of treasury securities (HTM)

Reserve for amortization of HTM securities is recognised as per the instruction/circular of Bangladesh Bank vide DOS circular Letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. When the value of a government treasury security categorised as HTM increases as a result of amortization, the amount thus increased is recognised directly to equity as reserve for amortization.

Opening balance	29,260,251	20,221,049	29,260,251	20,221,049
Addition during the year	55,421,940	15,451,834	55,421,940	15,451,834
Adjustment made during the year	(1,588,584)	(6,412,632)	(1,588,584)	(6,412,632)
Closing balance	83,093,607	29,260,251	83,093,607	29,260,251

17.04 Reserve for fair value of TRECs to EBLSL and Shares of DSE and CSE (held by EBLSL under Demutualization Scheme)

Fair value of DSE-TREC held by EBLSL	481,427,540	481,427,540
Fair value of CSE-TREC held by EBLSL	201,500,000	201,500,000
Fair value of Shares of DSE (5,411,329 shares @ BDT 10)	113,909,572	113,909,572
Fair value of Shares of CSE (4,287,330 shares @ BDT 10)	43,879,755	43,879,755
	840,716,867	840,716,867

Less:

Value of DSE Membership booked earlier	553,798,500	553,798,500
Value of CSE Membership booked earlier	201,500,000	201,500,000
	755,298,500	755,298,500
Revaluation reserve	85,418,367	85,418,367

18 Actuarial re-measurement gain/(loss) on defined benefit plans

Actuarial re-measurement gain/(loss) results from increase in the present value of the defined benefit obligation (Gratuity Fund and Superannuation Fund) due to changes in actuarial assumptions and experience adjustment which has been shown as equity component as element of OCI as per IAS 19 *Employee Benefits*.

Opening balance	(649,678,500)	(335,978,500)	(649,678,500)	(335,978,500)
Re-measurement gain/(loss) on defined benefit obligation (current year)	61,000,000	(313,700,000)	61,000,000	(313,700,000)
	(588,678,500)	(649,678,500)	(588,678,500)	(649,678,500)
Less: Adjustment with deferred tax assets	220,754,438	243,629,438	220,754,438	243,629,438
Closing balance	(367,924,063)	(406,049,063)	(367,924,063)	(406,049,063)

19 Foreign currency translation difference (gain/loss)

Assets and liabilities of EBL Offshore Banking Operation and EBL Finance (HK) Ltd (on consolidation) have been presented into Taka (which is the functional currency of the Bank) using year-end standard mid rate of exchange of the Bank @ USD 1 = BDT 103.2927 and HKD 1 = BDT 13.2534. Yearly incomes and expenses are translated using monthly average exchange rate (USD 1 = 93.5698 BDT & HKD 1 = BDT 12.0255). The net cumulative result of the exchange rate difference has been presented separately as equity component as per IAS 21 (para 39).

20 Surplus in profit and loss account

Opening balance	9,504,261,953	8,969,072,019	8,975,293,909	8,583,707,111
Profit for the year	5,120,586,680	4,800,224,393	5,107,457,664	4,653,864,727
Transfer to statutory reserve	(1,192,330,580)	(1,420,649,200)	(1,192,330,580)	(1,420,649,200)
Bonus share issued	(1,192,330,580)	(1,420,649,200)	(1,192,330,580)	(1,420,649,200)
Cash dividend paid	(1,192,330,580)	(1,420,649,200)	(1,192,330,580)	(1,420,649,200)
Foreign currency adjustment for offshore	(356,155)	(3,086,859)	(17,600)	(330,329)
Closing balance	11,047,500,739	9,504,261,953	10,505,742,233	8,975,293,909

21 Contingent liabilities**Accounting policy:**

Contingent liabilities which include certain guarantees and letters of credit pledged as collateral are possible obligations that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are recognised in the financial statements and disclosed in the face of balance sheet under off-balance sheet items as per the guidelines of BRPD circular No. 14 dated 25 June 2003.

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
Details of contingent liabilities:					
Acceptance and endorsements	21.1	61,495,322,122	53,047,505,500	61,495,322,122	53,047,505,500
Letters of guarantee	21.2	44,488,068,707	31,749,649,918	44,488,068,707	31,749,649,918
Irrevocable letters of credit	21.3	41,911,963,642	46,268,850,715	41,911,963,642	46,268,850,715
Bills for collection	21.4	15,298,846,071	10,647,181,021	15,298,846,071	10,647,181,021
Forward assets purchased and forward deposits placed (against FCY)	21.5	501,704,953	118,101,190	501,704,953	118,101,190
Undrawn formal standby facilities, credit lines and other commitments	21.6	1,400,000,000	-	1,400,000,000	-
		165,095,905,495	141,831,288,344	165,095,905,495	141,831,288,344

21.1 Acceptance and endorsements

Acceptances (back to back)	14,371,493,855	12,614,362,231	14,371,493,855	12,614,362,231
Acceptances (ULC-cash)	85,896,166,916	58,867,554,746	85,896,166,916	58,867,554,746
	100,267,660,771	71,481,916,977	100,267,660,771	71,481,916,977
Acceptances (ULC-Cash)- offshore banking operation	699,451,062	519,235,246	699,451,062	519,235,246
	100,967,111,833	72,001,152,223	100,967,111,833	72,001,152,223
Less: Bills financed on own acceptance	(39,471,789,711)	(18,953,646,722)	(39,471,789,711)	(18,953,646,722)
	61,495,322,122	53,047,505,500	61,495,322,122	53,047,505,500

As per BRPD circular letter no 09 dated 27 May 2019, bill financed on own acceptance worth BDT 39,471.79 million has been reported as funded outstanding; hence the same has been excluded from non-funded exposures and thus no provision has been maintained.

21.2 Letters of guarantees

Directors	192,900	192,900	192,900	192,900
Government	624,752,527	519,796,327	624,752,527	519,796,327
Banks and other financial institutions	21,838,858,255	14,020,549,353	21,838,858,255	14,020,549,353
Others (Customers etc.)	22,024,265,024	17,209,111,338	22,024,265,024	17,209,111,338
	44,488,068,707	31,749,649,918	44,488,068,707	31,749,649,918
Letters of guarantee-Offshore Banking Operation	-	-	-	-
	44,488,068,707	31,749,649,918	44,488,068,707	31,749,649,918

As per BRPD circular no 13 dated 18 October 2018, 1% General provision has been maintained against Letter of Guarantee except those against which counter guarantee has been issued by Multilateral Development Banks/International Banks having BB rating grade equivalent 1 to 4 for which a provision up to 1% is required to be maintained.

21.3 Irrevocable letters of credit

Letters of credit - Cash sight	7,279,257,198	9,720,154,911	7,279,257,198	9,720,154,911
Letters of credit - Cash usance	22,237,967,645	22,802,192,908	22,237,967,645	22,802,192,908
Letters of credit - Back to back	11,889,194,593	13,297,140,187	11,889,194,593	13,297,140,187
	41,406,419,436	45,819,488,006	41,406,419,436	45,819,488,006
Letters of credit (Cash sight)-Offshore Banking Operation	123,889,206	89,284,660	123,889,206	89,284,660
Letters of credit (Cash usance)-Offshore Banking Operation	381,655,000	360,078,049	381,655,000	360,078,049
	41,911,963,642	46,268,850,715	41,911,963,642	46,268,850,715

21.4 Bills for collection

Foreign documentary bills collection	2,802,361,433	3,902,700,420	2,802,361,433	3,902,700,420
Local documentary bills collection	11,909,297,617	6,446,288,527	11,909,297,617	6,446,288,527
	14,711,659,050	10,348,988,947	14,711,659,050	10,348,988,947
Bills for collection- offshore banking operation	587,187,021	298,192,074	587,187,021	298,192,074
	15,298,846,071	10,647,181,021	15,298,846,071	10,647,181,021

As per BRPD circular no 07 dated 21 June 2018, 1% general provision on Bills for Collection has been waived. As such, no general provision on outstanding Bills for Collection worth BDT 15,298.85 million has been maintained on the reporting date.

21.5 Forward assets purchased and forward deposits placed (against FCY)

Forward assets purchased	501,704,953	118,101,190	501,704,953	118,101,190
Forward deposits placed	-	-	-	-
	501,704,953	118,101,190	501,704,953	118,101,190

As per BRPD instruction, 1% general provision on outstanding Forward Assets Purchased worth BDT 501.70 million has been maintained.

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
21.6 Undrawn formal standby facilities, credit lines and other commitments					
Under one year		1,400,000,000	-	1,400,000,000	-
One year and over		-	-	-	-
		1,400,000,000	-	1,400,000,000	-

As per BRPD instruction, 1% general provision on outstanding undrawn commitment worth BDT 1,400 million has been maintained.

22 Interest income

Recognition policy:

Interest on unclassified loans and advances (except those of rescheduled and stay order accounts), money at call, placements and foreign currency balances is recognised as income on accrual basis. Interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest therefrom credited to income as and when received as per BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021, BRPD circular no. 14/2022 and subsequent BRPD circulars and circular letters issued by Bangladesh Bank time to time.

Interest on loans and advances	19,375,638,907	16,119,625,648	18,754,873,394	15,566,233,842
Interest on money at call and short notice	123,922,874	12,853,266	123,922,874	12,853,266
Interest on placement with banks and Financial Institutions	882,528,986	712,561,002	870,453,139	696,959,046
Interest on foreign currency balances	13,204,870	80,804,436	13,204,870	80,804,436
	20,395,295,637	16,925,844,351	19,762,454,277	16,356,850,589
Less: Inter unit/company elimination	(508,420,417)	(390,074,937)	(193,786,913)	(150,641,286)
	19,886,875,220	16,535,769,415	19,568,667,364	16,206,209,303

23 Interest paid on deposits, borrowings and others

Recognition policy:

Interest paid on borrowings and deposits are calculated on actual days basis by dividing 360 days in a year and recognised on accrual basis. Interest on lease liabilities are accounted for as per IFRS 16 *Leases*. Interest cost netting off interest income on defined benefit plans are accounted for as per IAS 19 and latest actuarial reports.

Interest on deposits	23.01	10,186,638,445	7,079,137,413	10,186,638,445	7,079,137,413
Interest on borrowings from Banks & FIs	23.02	2,735,546,003	1,597,990,130	2,266,438,321	1,203,210,470
Interest on borrowings from BB & others	23.03	459,088,188	250,825,450	459,088,188	250,825,450
Interest on lease liabilities		76,002,896	55,772,411	72,771,911	54,968,264
Interest on Margin		434,416	676,183	434,416	676,183
Net interest cost (on gratuity fund)	23.04	70,700,000	22,899,999	70,700,000	22,899,999
Net interest cost (on superannuation fund)	23.05	7,100,000	(16,100,000)	7,100,000	(16,100,000)
		13,535,509,948	8,991,201,586	13,063,171,281	8,595,617,779
Less: Inter unit/company elimination		(508,420,417)	(390,074,937)	(193,786,913)	(150,641,286)
		13,027,089,532	8,601,126,650	12,869,384,368	8,444,976,493

23.01 Interest on deposits

Interest on savings and current deposits	1,887,430,350	1,959,622,297	1,887,430,350	1,959,622,297
Interest on special notice deposits (SND)	2,335,350,083	1,434,345,227	2,335,350,083	1,434,345,227
Interest on term deposits	5,963,858,011	3,685,169,889	5,963,858,011	3,685,169,889
	10,186,638,445	7,079,137,413	10,186,638,445	7,079,137,413

23.02 Interest on borrowings from Banks & FIs

Interest on demand borrowing (including overnight borrowing)	716,351,149	289,008,019	443,608,778	180,369,778
Interest on term borrowing	1,642,667,848	862,765,994	1,446,302,537	576,624,575
Interest on Subordinated Bond	349,567,510	444,823,582	349,567,510	444,823,582
Inter-bank Repo (Repurchase agreement)	26,959,497	1,392,535	26,959,497	1,392,535
	2,735,546,003	1,597,990,130	2,266,438,321	1,203,210,470

23.03 Interest on borrowings from BB & others

Borrowing under IPFF	1,001,173	1,003,709	1,001,173	1,003,709
Borrowing under EDF	267,316,652	184,335,755	267,316,652	184,335,755
Borrowing under LTFF	46,806,777	7,268,618	46,806,777	7,268,618
Borrowing under BADP (refinance scheme)	1,434,687	6,028,200	1,434,687	6,028,200
Borrowing under SMESPD (refinance scheme)	28,220,429	26,414,511	28,220,429	26,414,511
Second Crop Diversification Project	17,966,379	21,024,486	17,966,379	21,024,486
Borrowing from SME Foundation	-	106,340	-	106,340

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Borrowing under Pre-shipment Credit Refinancing Scheme	96,037,042	4,550,124	96,037,042	4,550,124
Borrowing under Green Transformation Fund (GTF)	305,051	93,706	305,051	93,706
	459,088,188	250,825,450	459,088,188	250,825,450
23.04 Net interest cost (on gratuity fund)				
Interest expense on defined benefit obligation (for gratuity fund)	200,000,000	132,200,000	200,000,000	132,200,000
Less: Interest income on plan assets (for gratuity fund)	129,300,000	109,300,000	129,300,000	109,300,000
	70,700,000	22,899,999	70,700,000	22,899,999
23.05 Net interest cost (on superannuation fund)				
Interest expense/(income) on defined benefit obligation (for Superannuation Fund)	13,400,000	(12,200,000)	13,400,000	(12,200,000)
Less: Interest income on plan assets (for superannuation fund)	6,300,000	3,900,000	6,300,000	3,900,000
	7,100,000	(16,100,000)	7,100,000	(16,100,000)

24 Investment income**Recognition policy:**

Income on investments in government and other securities, debentures and bonds are accounted for on accrual basis as per the provisions of IFRS 15 *Revenue from Contracts with Customers* and relevant Bangladesh Bank guidelines.

Dividend income from investment in equity instruments and from subsidiaries is recognised at the time when it is declared, can be reliably measured and right to receive the payment is established. Income on perpetual bond is recognised upon receiving the rate confirmation from the trustees so as the dividend amount is reliably measured and is probable that the economic benefit will flow to the bank.

Non-interest investment income i.e. gain/loss arising from trading in government securities (HFT), quoted and unquoted shares & mutual funds is recognised in profit and loss account at the time of effecting the transactions except those which are restricted by Bangladesh Bank.

Dividend income	24.1	1,115,352,258	347,532,429	1,295,782,848	618,188,619
Interest on reverse REPO		680,447,250	792,688	680,447,250	792,688
Interest on govt. treasury bonds		3,811,728,174	3,800,353,995	3,811,728,174	3,800,353,995
Interest on non-govt. treasury bonds		909,182,750	1,070,717,588	909,182,750	1,070,717,588
Gain/(loss) from government securities*	24.2	(64,327,561)	257,224,982	(64,327,561)	257,224,982
Net gain/(loss) on sale of quoted securities		273,893,247	520,220,651	72,648,373	341,361,494
		6,726,276,119	5,996,842,333	6,705,461,835	6,088,639,366

*As per instruction/circular of Bangladesh Bank vide DOS circular letter no 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.

24.1 Dividend Income

Bank-solo	24.1.a	1,295,782,848	618,188,619
EBL Securities Limited		44,063,773	56,682,047
EBL Investments Limited		9,854,482	1,416,536
EBL Asset Management Limited		3,337,936	6,763,947
		1,353,039,039	683,051,149
Less: Elimination-dividend from subsidiaries			
EBL Securities Limited		149,998,224	300,000,000
EBL Asset Management Limited		40,000,000	-
EBL Finance (HK) Limited		47,688,557	35,518,720
Less: Dividend from Subsidiaries		237,686,781	335,518,720
		1,115,352,258	347,532,429

24.1.a Dividend Income- Bank (solo)

Dividend from investment in quoted/unquoted shares and bonds	1,058,096,067	280,527,176
Dividend from subsidiaries	237,686,781	337,661,444
	1,295,782,848	618,188,619

Though the issuer of the perpetual bonds has a right to cancel any coupon payments to bondholders on a condition of non-payment of dividend to equity holders, the track record of our investee entities in terms of consistent dividend payments backed by good asset quality, strong capital base, good profitability and efficient liquidity management does not necessitate us to expect that they will cancel the coupon payments. Therefore, at the reporting date, the bank recognized dividend income of BDT 72,470,102 on accrual basis out of which BDT 33,888,889 has been realized on 06 March 2023. The rest is expected to be realized semi-annually on coupon payment date as per contract.

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
24.2 Gain/(loss) from government securities				
Gain from trading in govt. treasury bills/bonds	424,873,518	1,108,925,498	424,873,518	1,108,925,498
Loss on marked to market of HFT securities	(609,867,209)	(857,986,510)	(609,867,209)	(857,986,510)
Gain from amortization in govt. treasury bills	120,666,130	6,285,994	120,666,130	6,285,994
	(64,327,561)	257,224,982	(64,327,561)	257,224,982

*As per instruction/circular of Bangladesh Bank vide DOS circular letter no 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.

25 Commission, exchange and brokerage

Recognition policy:

Fees and commission income arising from services provided by the Bank are recognised as income on accrual basis as per IFRS 15 'Revenue from contracts with customers'. Fees and commission charged to customers on trade finance i.e. L/C, L/G, acceptance and other general banking services i.e. card services, management fees, arrangement fees, locker charges etc. are recognised as income when a performance obligation is satisfied by transferring a promised service to customer by the bank, and at the time of effecting the transactions except those which are received in advance.

Exchange gain includes all gains and losses from foreign currency day-to-day transactions, conversions and revaluation of non monetary items.

Fees, commission and charges	25.1	2,856,104,626	2,403,973,448	2,778,174,073	2,341,863,721
Exchange gain (net of exchange loss)	25.2	1,326,823,595	701,502,695	1,314,700,998	698,615,533
Brokerage commission	25.3	389,638,253	518,265,580	-	-
		4,572,566,473	3,623,741,723	4,092,875,070	3,040,479,254

25.1 Fees, commission and charges

Loan processing fees		290,122,761	193,733,396	290,122,761	193,733,395
Service charges (Periodic & Ad-hoc)		459,583,639	369,530,421	397,104,076	324,096,239
Early settlement fees		13,994,353	44,143,279	13,994,353	44,143,279
Cards fees & charges (net of cards direct expenses)	25.1.a	819,187,106	690,281,572	819,187,106	690,281,572
Commission on general banking (PO, FDD, remittance, etc)		69,907,491	102,423,661	69,907,491	102,608,572
Commission on trade business (LG, LC, Acceptance)		1,203,309,277	1,003,861,119	1,187,858,287	987,000,664
		2,856,104,626	2,403,973,448	2,778,174,073	2,341,863,721

25.1.a Cards fees and charges (net of cards direct expenses)

Fees and charges:

Debit, prepaid cards, etc.		327,234,297	241,344,008	327,234,297	241,344,008
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Credit cards:

Annual and transactional fees		285,716,781	285,623,463	285,716,781	285,623,463
Late payment and overlimit fees		308,962,529	183,026,830	308,962,529	183,026,830
Cash advance fees		2,930,090	2,221,292	2,930,090	2,221,292
Interchange reimbursement (IRF) and acquiring fees		286,465,620	215,529,750	286,465,620	215,529,750
Risk assurance premium		117,109,643	108,919,316	117,109,643	108,919,316
Merchant service commission		507,901,265	372,414,199	507,901,265	372,414,199
Replacement fees and others		316,908	312,820	316,908	312,820
		1,836,637,134	1,409,391,678	1,836,637,134	1,409,391,678

Cards direct expenses

Membership and priority pass		553,408,211	385,809,681	553,408,211	385,809,681
Acquiring and IRF charges		381,358,114	276,551,231	381,358,114	276,551,231
Insurance expense		15,046,623	12,466,756	15,046,623	12,466,756
Other service charges (ATM card usage, cash back, reward etc)		67,637,080	44,282,438	67,637,080	44,282,438
		1,017,450,027	719,110,106	1,017,450,027	719,110,106

Total cards fees and charges (net of direct expenses)

		819,187,106	690,281,572	819,187,106	690,281,572
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Notes	Consolidated		Bank	
	2022	2021	2022	2021
25.2 Exchange gain (net of exchange loss)				
Gain on exchanges (other than cards business)	18,060,453,922	2,369,080,646	17,892,481,904	2,353,535,526
Less: Exchange loss	16,820,316,329	1,721,307,516	16,664,466,908	1,708,649,558
	1,240,137,593	647,773,130	1,228,014,996	644,885,968
Exchange gain from cards business	285,704,716	94,437,809	285,704,716	94,437,809
Less: Exchange loss	199,018,714	40,708,244	199,018,714	40,708,244
	86,686,002	53,729,565	86,686,002	53,729,565
Total	1,326,823,595	701,502,695	1,314,700,998	698,615,533
25.3 Brokerage commission				
Brokerage commission (DSE and CSE)	405,972,545	547,803,199		
Brokerage commission (Dealer)	7,470,383	7,611,986		
Settlement fees & commission	16,246,029	30,497,426		
Management & trustee fees	17,502,530	7,613,495		
	447,191,487	593,526,106		
Less: Direct expenses				
Laga and Howla charges	34,869,532	45,866,090		
CDBL charges	22,683,702	29,394,436		
	57,553,234	75,260,526		
	389,638,253	518,265,580		

26 Other operating income

Recognition policy:

Other operating incomes are recognised on accrual basis as per the provisions of IFRS 15 *Revenue from Contracts with Customers* and relevant Bangladesh Bank guidelines.

Rebate earnings	147,975,460	136,974,725	147,975,460	136,974,725
Postage charges recovered	12,958,078	21,006,530	12,958,078	9,896,631
Swift charges recovered	71,082,891	71,563,723	71,082,891	71,563,723
Service charges (others)	8,993,117	6,577,659	8,993,117	6,577,659
Locker rent	22,906,373	22,956,424	22,906,373	22,956,424
Gain on disposal of fixed assets	4,298,696	5,685,639	4,298,696	5,685,639
Other fees and income	25,793,368	22,441,731	23,583,473	14,144,468
	294,007,985	287,206,430	291,798,090	267,799,268

Lapse and forfeiture account of EBL Employees Provident Fund of BDT 10.75 million (BDT 5.85 million in 2021) has been reverted to the bank and recognised as 'other income' as per the notification no. 179/FRC/FRM/ Notification /2020/2 dated 07 July 2020 issued by Financial Reporting Council (FRC). Lapse & forfeiture amount of BDT 1.37 million of subsidiaries are also included in consolidated 'other income'.

Commission, fees and charges received against export and export related services are VAT exempted as per service code S056 of SRO 189-AIN/2019/46-MUSHAK, dated 13 June 2019.

Management and other expenses

Recognition policy:

Expenses incurred by the group are recognised on accrual basis when a performance obligation is satisfied by receiving a promised service by the bank as per IFRS 15 *Revenue from Contracts with Customers*, IAS 19 *Employee Benefits*, IFRS 16 *Leases* and relevant local laws.

Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per VAT and Supplementary Duty Act 2012 and rules 2016.

27 Salary & allowances (excluding those of MD)

Basic salary	1,880,402,328	1,484,670,065	1,784,125,350	1,412,154,336
Other salary & allowances	1,884,678,607	1,697,501,128	1,835,785,655	1,631,680,430
Festival bonus	362,966,235	280,661,765	347,286,685	273,562,025
Incentive bonus	523,679,112	469,272,166	514,000,000	455,072,166
Contribution to provident fund	176,780,810	140,792,418	171,867,765	137,419,220
Current service cost - gratuity fund	185,744,599	181,396,632	185,744,599	181,396,632
Current service cost - superannuation fund	5,300,000	9,254,996	5,300,000	9,254,996
	5,019,551,691	4,263,549,170	4,844,110,054	4,100,539,805

*The number of regular employees engaged for the whole year or part thereof who received a minimum total remuneration of BDT 36,000 p.a. was 2,333 at the end of December 2022 and 2,101 at the end of December 2021.

27.1 Current service cost - gratuity fund (bank only)

The current service costs of the defined benefit plans are determined as per the actuarial valuation report which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, future pension increase, etc. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty, hence the bank carries actuarial valuation each year.

The last valuation was carried out on 31 December 2022 by Air Consulting Limited and as per their recommendation the Bank charged BDT 185.74 million to the Profit & Loss Account in 2022 as current service cost. The bank also continued to contribute 21.04% of basic salary to the gratuity fund in 2022 as per actuarial recommendation.

27.2 Current service cost - superannuation fund (bank only)

Contribution to superannuation fund is made as per actuarial valuation of the fund. Valuation is carried out on 'Projected unit credit method' as per International Accounting Standard (IAS) 19 *Employee Benefits* to determine the present value of obligations and the related current service cost and, where applicable past service cost. The amount of obligation is determined on the occurrence of certain pre-defined events which is related with employee rank (not salary) and certain threshold level of service being reached i.e. survival or withdrawal probabilities.

As per the latest valuation by Air Consulting Limited carried out on 31 December 2022, the Bank charged current service cost of BDT 5.3 million to the Profit & Loss Account in 2022. The bank also continued to contribute BDT 35.4 million to the superannuation fund in 2022 as per actuarial recommendation.

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
28 Rent, taxes, insurance, utilities etc.				
Rents, rates and taxes - premises & equipments *	206,158,963	167,900,297	202,696,895	163,859,014
Insurance premium**	165,478,737	146,206,893	163,609,414	145,226,382
Utilities (except telecommunication)	123,887,733	113,135,828	117,598,588	106,268,007
	495,525,433	427,243,019	483,904,897	415,353,404
* As per IFRS 16 <i>Leases</i> , the Bank recorded interest expense on lease liabilities (note 23) and depreciation on RoU assets (note 35) instead of charging rental expense (excluding VAT) of BDT 477.46 million in 2022 (BDT 402.23 million in 2021) against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 35.				
** The major portion of insurance premium (BDT 154.27 million in 2022 and BDT 133.94 million in 2021) was paid to Bangladesh Bank as per DOS circular letter no 1 dated 10 January 2007 and circular no. DID-02/2012 dated 02 October 2012 in exchange of coverage of deposits up to certain threshold in case the bank goes bankrupt. The rest of the premium covers property, cash security etc.				
29 Legal & professional expenses				
Professional fees (consultancy, advisory, certification, CPV, etc.)	19,417,139	16,492,900	18,745,180	15,944,741
Lawyers' professional fees	25,389,681	19,017,410	24,828,348	18,544,140
Other legal expenses (court expense, auction notice, etc.)	86,208,455	51,997,436	86,206,651	51,994,684
	131,015,275	87,507,746	129,780,179	86,483,565
30 Postage, stamp, telecommunication etc.				
Telephone - office (including SMS service)	84,055,876	68,023,117	83,779,365	67,779,308
Network link, Internet, swift and DR maintenance cost	62,515,226	61,600,136	60,229,176	59,075,571
Postage and courier charges	27,712,788	25,352,993	22,594,300	20,954,679
Stamp and court fees	632,288	498,919	632,288	498,919
	174,916,178	155,475,165	167,235,129	148,308,477
31 Stationery, printing, advertisement, business promotion etc.				
Printing and stationery	70,442,429	57,724,740	68,642,528	55,599,990
Advertisement (print & electronic media, POC materials etc.)	53,253,210	36,960,067	53,198,875	36,801,813
Business promotional expenses for Skylounge	113,150,261	131,861,006	113,150,261	131,861,006
Business promotional expenses for Priority and others	58,135,302	48,454,649	55,162,722	46,897,436
	294,981,202	275,000,463	290,154,386	271,160,246
32 Managing Director's salary and allowances (Bank only)				
Basic salary	20,003,524	18,428,371	20,003,524	18,428,371
Allowances	4,200,000	4,200,000	4,200,000	4,200,000
Bonus (festival and incentive)	4,267,000	3,970,000	4,267,000	3,970,000
Bank's contribution to provident fund	2,000,352	1,842,837	2,000,352	1,842,837
	30,470,876	28,441,208	30,470,876	28,441,208

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
33 Directors' fees and expenses				
Meeting attendance fees	2,816,900	2,854,050	2,314,400	2,252,800
Other expenses (refreshment, conveyance etc.)	1,280,410	518,754	1,280,410	518,754
	4,097,310	3,372,804	3,594,810	2,771,554
Each director of the Bank was paid BDT 8,000 (including VAT) per board or board committee meeting attended in 2022 as per BRPD circular letter no. 11 dated 4 October 2015.				
34 Audit Fees				
Statutory and corporate governance audit fees	2,356,069	2,212,803	1,159,156	1,047,812
VAT on audit fees (i.e. 15%)	193,272	317,249	149,022	142,500
	2,549,341	2,530,051	1,308,178	1,190,312
Audit fees include BDT 165,678 incurred for EBL Representative Offices located at Yangon, Myanmar and Guangzhou, China.				
35 Repairs, maintenance and depreciation				
Depreciation: (Annexure 'A')				
Building and floor spaces	35,198,888	35,198,888	35,198,888	35,198,888
Machinery and equipments	55,525,423	46,924,465	54,347,421	46,081,420
Computer and network equipments	117,605,857	97,620,560	116,806,837	95,892,100
Digital banking equipments	21,489,311	15,972,470	21,489,311	15,972,470
Electromechanical equipments	17,192,049	17,184,810	17,192,049	17,184,810
Vehicles	30,540,797	33,743,839	28,795,677	29,571,409
Furniture and fixtures	48,794,736	51,720,861	45,290,599	48,353,809
Software	76,925,506	60,651,392	75,778,598	60,339,595
Right-of-use (ROU) assets (Lease assets)	446,594,093	381,937,471	420,623,356	357,063,727
	849,866,662	740,954,755	815,522,738	705,658,227
Repairs, maintenance and spare parts				
Machinery and equipments	45,119,340	53,457,828	44,821,298	53,014,363
Vehicles	10,938,411	10,141,557	9,533,072	9,068,675
Furniture and fixtures	18,605,484	10,298,371	18,605,484	10,296,940
Rented premises- general	72,274,368	48,885,189	69,004,469	46,302,642
Rented premises-electricity & lighting	23,395,515	8,773,545	23,395,515	8,773,545
Computer and network equipments	11,672,817	8,919,423	10,739,959	5,917,557
Software maintenance	199,474,227	163,564,097	198,657,452	162,801,111
	381,480,163	304,040,008	374,757,250	296,174,831
Total	1,231,346,824	1,044,994,764	1,190,279,987	1,001,833,059
36 Other expenses				
Business travelling and conveyance	54,922,337	44,902,346	53,400,981	40,742,468
Bank charges	57,952,722	39,812,049	56,645,428	38,788,647
Cards production & POS acquiring cost	11,987,249	30,985,590	11,987,249	30,985,590
CSR expenses (including donation)	143,548,250	188,163,257	143,548,250	188,163,257
Fees and subscriptions	4,843,963	6,598,303	4,333,404	5,921,404
Recruitment and training expenses	12,339,296	11,939,490	11,205,590	8,506,329
Entertainment and recreation	42,918,948	26,756,853	38,481,254	23,522,760
Office securities (cash carrying, office premises etc.)	177,835,575	151,019,804	176,885,175	150,227,803
Business and internal events	19,242,282	2,745,600	19,242,282	2,745,600
Reward and recognition	15,641,820	29,416,024	15,641,820	29,416,024
Sales and collection commission (DST, Agency, Dealers)	38,246,484	77,802,495	38,246,484	77,802,495
Expense for EBL Sub-ordinated bond	4,199,822	7,179,463	4,199,822	7,179,463
Other operating expenses (uniform, freight, books, shares etc)	29,234,575	32,675,189	29,189,322	30,248,330
Other expenses of subsidiaries	36.1 7,124,339	38,801,201	-	-
	620,037,663	688,797,665	603,007,062	634,250,171
36.1 Other expenses of subsidiaries				
Registration, renewal & IPO expense	1,348,925	919,742		
Guarantee premium	4,658,100	4,074,814		
Other expense and regulatory charges	1,117,314	33,806,645		
	7,124,339	38,801,201		

36.a Disclosures on Bank's cost savings initiatives as per BRPD circular letters 28, 30 and 35 dated 26 July 2022, 27 July 2022 and 05 September 2022 respectively:

Having maintained one of the lowest Cost to Income Ratio (CTIR) among peer banks for years, EBL has been extremely vigilant about costs. Our CTIR has been hovering around 40% in recent years with 43.53% in 2022 despite facing rising inflation due to our persistent cost rationalization drive. Following Bangladesh Bank circulars, EBL further intensified its effort to rationalize costs and took several initiatives in 2022:

Expenses on electricity and fuel incurred by the bank during the period:

	Bank-Solo		
	Jan-Jun 2022	Jul-Dec 2022	2022
Electricity bills	50,773,209	50,339,117	101,112,326
Fuel for generators	1,690,830	7,378,799	9,069,629
Fuel for office vehicles	7,153,361	8,095,691	15,249,051
Total	59,617,399	65,813,607	125,431,007

Energy (electricity & fuel) consumption in 2022: Nationwide energy crisis coupled with weak business and economic outlook forced EBL to adopt various austerity measures in 2022 to contain usage and cost of energy used in the bank. In compliance with BB directives we have taken multipronged measures as noted below. Despite taking suitable measures overall costs in the second half (H2) of 2022 increased mainly due to following reasons:

Electricity expenses: Increased demand for electricity due to routine channel expansion activities (EBL opened 18 sub-branches & 28 ATMs and CRMs in 2022).

Fuel for generators: Frequent load shedding and increase of fuel price by 46% plus.

Fuel for vehicles: Increased no. of business trips (mostly avoided during 2020 to 2021) and 46.07% price hike from August 29, 2022.

Energy (electricity & fuel) cost saving initiatives: EBL took following initiatives to ensure economic energy consumption in 2022:

- Ensured maximum utilization of day light savings and execution of reduced office timing as per Bangladesh Bank instruction.
- Installed separate circuit breakers for each branches/sub-branches to ensure central control and prevent misuse of AC.
- Shut down EBL neon signs of branches/sub-branches/ATMs after 7.00 pm.
- Maintained AC temperate in the office premises not below 24 degree Celsius.
- Fuel consumption of pool vehicles was monitored rigorously on daily basis.
- Curtailed monthly allocated fuel for pool cars assigned for the senior officials of the bank.

Expenses incurred by the bank on account of entertainment, travel, stationeries during the period:

Particulars	Bank-Solo		
	Jan-Jun 2022	Jul-Dec 2022	2022
Printing & stationeries expenses	32,466,542	36,175,986	68,642,528
Entertainment & recreation	21,608,727	16,872,527	38,481,254
Business traveling expenses	15,237,611	20,321,143	35,558,754
Total	69,312,881	73,369,656	142,682,536

Entertainment, travel, stationeries expenses in 2022: Sizeable price hike of most of these items mainly due to imported inflation through significant devaluation of Taka and pent-up demand carried over from COVID-19 period (2020 & 2021) caused higher level of spending for items like stationeries, entertainment and business travel etc.

Printing & Stationeries expenses: Post COVID-19 normalization of business needs and impact of higher price of raw materials and scarcity of products in local market due to import restrictions.

Entertainment & Recreation: Increased business calls, overdue customer interactions and regular office refreshments.

Business Traveling Expenses: Higher number of business trips and pent-up need of training programs (held up in 2020 and 2021) for existing and newly recruited staffs (i.e. accommodation, travel, food expenses of outstation staffs).

Following cost savings initiatives were taken:

- Curtailed purchase of 50% of budgeted number of laptop and desktop computers for official uses.
- Use of digital communication more and printing on both sides of paper.
- Encouraged sharing and recycling of table stationeries and cleaning materials.
- Avoiding any business meeting in premium restaurants or hotels.
- Curtailed own staff refreshments bank-wide.
- Extended use of existing assets and putting restriction on avoidable expenditure as much as possible.

Amount in BDT

	Notes	Consolidated		Bank	
		2022	2021	2022	2021
37 Other provisions					
Provision charged for protested bill & others	13.6	44,435,173	28,161,155	44,435,173	28,161,155
Provision for start-up fund	13.7	51,086,000	10,882,820	51,086,000	10,882,820
Provision charged/(released) on revaluation of equity securities	13.8	583,198,788	(434,951,991)	336,857,556	(430,522,210)
		678,719,960	(395,908,014)	432,378,729	(391,478,235)

38 Deferred tax expense/(income)- net

Deferred tax (income)	9.10.b	(142,229,114)	(282,900,616)	(136,988,905)	(293,851,189)
Deferred tax expense/(income)	9.10.c	91,561,302	(6,950,284)	91,561,302	(7,347,702)
		(50,667,813)	(289,850,900)	(45,427,604)	(301,198,890)

39 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2022 as per IAS- 33 *Earnings per share*. Diluted EPS was not required to calculate as there was no dilution possibilities during the year.

	Consolidated		Bank	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Number of shares before bonus share issued	953,864,467	953,864,467	953,864,467	953,864,467
Bonus shares issued	119,233,058	119,233,058	119,233,058	119,233,058
A. Weighted average number of ordinary shares outstanding	1,073,097,525	1,073,097,525	1,073,097,525	1,073,097,525
B. Earnings per share (EPS)				
Net profit attributable to the shareholders of EBL	5,120,586,680	4,800,224,394	5,107,457,664	4,653,864,728
Number of ordinary shares outstanding	1,073,097,525	1,073,097,525	1,073,097,525	1,073,097,525
Earnings per share (EPS)- restated (2021)	4.77	4.47	4.76	4.34

Calculation of EPS = $\frac{\text{Profit after tax}}{\text{Number of shares outstanding}}$

40 Changes in other assets (Cash flow item)**Opening balance:**

TREC of DSE (in exchange of membership license)	595,337,112	595,337,112	-	-
TREC of CSE (in exchange of membership license)	245,379,755	245,379,755	-	-
Receivable from subsidiaries	-	-	76,556,929	3,205,113
Stock of stationeries	14,951,628	12,191,604	14,951,628	12,191,604
Stamps on hand	5,364,587	4,791,068	5,355,437	4,781,918
Advance to staff for expenses	820,689	40,000	820,689	40,000
Security deposits-govt. agencies	19,926,181	15,992,392	9,024,224	7,524,224
Interest and dividend receivables	1,615,863,808	1,343,478,795	1,935,455,355	1,364,453,355
Sundry receivables	1,339,322,099	1,254,018,166	1,337,696,283	1,238,042,671
Advance rent	62,717,244	44,416,462	60,137,688	44,179,987
Prepayments and advance to vendors	405,568,145	207,308,251	341,696,309	203,703,188
Deferred tax assets (net of liabilities)	2,395,811,691	2,150,731,502	2,310,033,677	2,053,605,499
Other assets of subsidiaries	188,119,814	42,831,627	-	-
	6,889,182,751	5,916,516,734	6,091,728,218	4,931,727,560

Closing Balance:

Investment in DSE (TREC and Shares of DSE)	595,337,112	595,337,112	-	-
Investment in CSE (TREC and Shares of CSE)	245,379,755	245,379,755	-	-
Receivable from subsidiaries	-	-	4,043	76,556,929
Stock of stationeries	16,965,387	14,951,628	16,965,387	14,951,628
Stamps on hand	4,657,487	5,364,587	4,648,337	5,355,437
Advance to staff for expenses	683,483	820,689	683,483	820,689

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Security deposits-govt. agencies	24,243,874	19,926,181	9,024,224	9,024,224
Interest and dividend receivables	1,709,239,390	1,615,863,808	1,832,856,670	1,935,455,355
Sundry receivables	1,492,076,216	1,339,322,099	1,491,849,209	1,337,696,283
Advance rent	55,446,991	62,717,244	55,027,291	60,137,688
Prepayments and advance to vendors	349,504,083	405,568,145	340,600,550	341,696,309
Deferred tax assets (net of liabilities)	2,423,604,499	2,395,811,691	2,332,586,280	2,310,033,677
Other assets of subsidiaries	55,912,726	188,119,814	-	-
	6,973,051,004	6,889,182,751	6,084,245,475	6,091,728,218
Adjustment for other non-cash items	(46,553,374)	143,442,458	(52,668,535)	145,208,604
Net cash changes in other assets	(130,421,630)	(829,223,559)	(45,185,793)	(1,014,792,055)

41 Changes in other liabilities (cash flow items)

Opening balances

Privileged creditors	809,991,826	696,520,198	809,991,826	696,520,198
Acquirer liabilities	1,286,229,244	1,308,342,901	1,286,229,244	1,308,342,901
Sundry creditors	210,513,976	114,465,841	210,513,976	114,465,841
Security deposit	5,797,180	6,727,979	5,797,180	6,727,979
Current tax liability/(assets)	3,368,573,510	1,794,622,024	3,335,858,484	1,771,534,659
Provision for loans, advances and OBS exposures (excluding OBO)	12,310,907,332	10,560,988,589	12,012,295,650	10,320,670,886
Provision for loans, advances and OBS exposures (OBO)	1,332,329,766	253,985,199	1,332,329,766	253,985,199
Special general provision- COVID-19	756,003,206	602,352,869	756,003,206	602,352,869
Start-up fund	87,805,631	76,922,811	87,805,631	76,922,811
Interest suspense account	2,939,008,519	2,425,163,343	2,750,794,589	2,233,375,188
Provision for protested bill & others	219,304,150	191,142,995	219,304,150	191,142,995
Provision for non-banking assets	-	12,345,330	-	12,345,330
Provision for rebate to good borrowers	46,100,257	46,100,257	46,100,257	46,100,257
Provision for loss on revaluation of shares (net)	408,519,732	843,471,722	256,437,323	686,959,533
Advance interest/commission received	47,469,311	59,169,628	44,036,445	55,768,640
Expenses payable	846,890,274	533,270,894	801,786,369	501,654,571
Interest payable on borrowing	266,192,477	296,900,882	266,192,477	296,863,401
Miscellaneous liabilities	982,488,812	990,877,633	976,920,826	850,648,682
Lease liabilities (present value of lease payments)	752,382,202	893,842,167	743,558,930	866,681,805
Net benefit obligation	650,816,131	422,781,132	650,816,131	422,781,132
Other liabilities of subsidiaries	477,042,127	352,816,687	-	-
	27,804,365,660	22,482,811,081	26,592,772,458	21,315,844,877

Closing balances

Privileged creditors	1,084,389,883	809,991,826	1,084,389,883	809,991,826
Acquirer liabilities	1,311,132,405	1,286,229,244	1,311,132,405	1,286,229,244
Sundry creditors	168,331,491	210,513,976	168,331,491	210,513,976
Security deposit	11,648,999	5,797,180	11,648,999	5,797,180
Current tax liability/(assets)	2,242,395,712	3,368,573,510	2,198,190,233	3,335,858,484
Provision for loans, advances and OBS exposures (excluding OBO)	12,085,878,904	12,310,907,332	11,784,321,945	12,012,295,650
Provision for loans, advances and OBS exposures (OBO)	2,125,480,485	1,332,329,766	2,125,480,485	1,332,329,766
Special general provision- COVID-19	542,245,936	756,003,206	542,245,936	756,003,206
Start-up fund	138,891,631	87,805,631	138,891,631	87,805,631
Interest suspense account	2,925,099,761	2,939,008,519	2,750,271,719	2,750,794,589
Provision for protested bill & others	263,739,323	219,304,150	263,739,323	219,304,150
Provision for rebate to good borrowers	46,100,257	46,100,257	46,100,257	46,100,257

Amount in BDT

Notes	Consolidated		Bank	
	2022	2021	2022	2021
Provision for loss on revaluation of shares (net)	991,718,520	408,519,732	593,294,880	256,437,323
Advance interest/commission received	24,654,179	47,469,311	23,925,705	44,036,445
Expenses payable	794,868,915	846,890,274	758,713,442	801,786,369
Interest payable on borrowing	540,661,488	266,192,477	539,487,075	266,192,477
Miscellaneous liabilities	1,809,998,964	982,488,812	1,806,961,781	976,920,826
Lease liabilities (present value of lease payments)	1,314,531,028	752,382,202	1,259,216,399	743,558,930
Net benefit obligation	443,692,007	650,816,131	443,692,007	650,816,131
Other liabilities of subsidiaries	317,395,329	477,042,127	-	-
	29,182,855,215	27,804,365,660	27,850,035,594	26,592,772,458
Adjustment for other non cash items	(236,198,671)	(289,893,705)	(237,847,059)	(280,795,325)
Net cash changes in other liabilities	1,142,290,887	5,031,660,875	1,019,416,076	4,996,132,255

42 Events after the reporting period

The Board of Directors of Eastern Bank Limited recommended 25 % dividend (12.5 % cash and 12.5 % bonus share) in the board meeting held on 05 April 2023 for the year 2022. Eligible shareholders (who hold EBL shares on the record date i. e. 03 May 2023) will be eligible to receive this dividend subject to shareholders' approval in AGM. The amount of recommended dividend amount is BDT 2,682,743,813.

43 Disclosures on calculation of NAV per share and NOCF per share as per BSEC directive:

	Consolidated		Bank	
	2022	2021	2022	2021
Net Assets Value (NAV)	35,761,628,008	31,638,925,150	35,045,444,496	31,016,575,398
Net assets value per share in BDT (restated 2021)	33.33	29.48	32.66	28.90
Net Operating Cash Flow (NOCF)	(416,668,841)	13,453,399,308	37,011,382	13,338,732,922
Net operating cash flow per share (NOCFPS) in BDT (restated 2021)	(0.39)	12.54	0.03	12.43

Calculation of NAVPS:

Net assets value
No of shares outstanding

Calculation of NOCFPS:

Net operating cash flow
No of shares outstanding

Eastern Bank Limited

Schedule of Fixed Assets

as at 31 December 2022

Annexure-A

Amount in BDT

Particulars	Cost			Accumulated depreciation & amortization					Net book value at 31 December 2022	
	Balance on 01 January 2022	Revaluation reserve	Additions during the year	Disposals during the year	Balance at 31 December 2022	Balance on 01 January 2022	Charge for the year	On disposals/ adjustment during the year		Balance at 31 December 2022
Tangible assets:										
Land	4,060,205,301		160,000	-	4,060,365,301	-	-	-	-	4,060,365,301
Building and floor spaces	1,407,955,522	-	-	-	1,407,955,522	226,232,320	35,198,888	-	261,431,208	1,146,524,314
Capital work in progress	127,218,238	-	185,274,844	(225,175,124)	87,317,957	-	-	-	-	87,317,957
Machinery and equipments	686,808,308	-	97,650,429	(31,159,480)	753,299,256	618,368,638	54,347,422	(31,159,011)	641,557,049	111,742,207
Digital banking equipment	271,103,920	-	116,890,000	(72,781,000)	315,212,920	203,503,001	21,489,311	(69,932,009)	155,060,303	160,152,617
Electromechanical equipments	343,783,516	-	1,495,000	-	345,278,517	55,777,158	17,192,050	-	72,969,208	272,309,310
Computer and network equipments	1,062,262,600	-	111,079,430	(46,530,919)	1,126,811,111	736,331,959	116,806,837	(46,530,447)	806,608,349	320,202,762
Vehicles	206,251,138	-	-	-	206,251,139	132,668,633	28,795,677	-	161,464,311	44,786,828
Furniture and fixtures	681,361,608	-	43,386,052	(18,171,978)	706,575,683	417,681,642	45,290,599	(17,789,749)	445,182,491	261,393,192
Right of use assets (Lease assets)	1,709,622,345	-	1,226,423,285	(421,671,240)	2,514,374,390	802,532,533	420,623,356	(379,302,475)	843,853,414	1,670,520,975
Intangible assets:										
Software	766,231,454	-	172,396,396	-	938,627,850	497,518,334	75,778,598	(152,359)	573,144,572	365,483,278
At 31 December 2022	11,322,803,951	-	1,954,755,436	(815,489,741)	12,462,069,646	3,690,614,219	815,522,738	(544,866,050)	3,961,270,904	8,500,798,743
At 31 December 2021	10,796,929,664	73,548,515	801,564,032	(349,238,261)	11,322,803,951	3,086,031,648	706,172,178	(101,589,607)	3,690,614,219	7,632,189,735

Eastern Bank Limited

Annexure-A1

Schedule of Fixed Assets Disposals

for the year 2022

Amount in BDT

Date	Particulars	Cost	Accumulated depreciation	Net book value	Sales Value	Tax & VAT	Gain/(Loss)	Mode of Disposal	Buyer/ Highest bidder
31.03.2022	Machinery & equipment	12,913,285	12,913,038	247	300,000				
31.03.2022	Computer & network equipment	41,136,314	41,135,896	418	2,530,000	460,698	2,368,637	Open Tender	Aznin Enterprise
11.04.2022	Digital banking equipment	72,781,000	69,932,009	2,848,991	3,240,000	-	391,009	Buy Back	NetWorld Technology Ltd.
22.12.2022	Machinery & equipment	17,729,095	17,728,880	215					
22.12.2022	Furniture & fixtures	7,943,543	7,937,847	5,696	1,795,116	214,238	1,574,964	Open Tender	M/S Brothers Enterprise
22.12.2022	Computer & network equipment	48,900	48,897	3					
27.12.2022	Computer & network equipment	5,345,705	5,345,654	51	-	-	(51)	Written off	As per Board Memo # 894; date December 20, 2022
28.12.2022	Machinery & equipment	517,100	517,093	7	-	-	(7)	Written off	
28.12.2022	Furniture & fixtures	5,447,070	5,446,845	225	-	-	(225)	Written off	
29.12.2022	Furniture & fixtures	4,781,365	4,411,288	370,077	385,500	51,053	(35,630)	Open Tender	M/S Tutul Enterprise
Grand Total: Gain/(Loss)		168,643,377	165,417,447	3,225,930	8,250,616	725,989	4,298,696		

Eastern Bank Limited and its subsidiaries

Annexure-B

Balance with other Banks and Financial Institutions (Consolidated)

as at 31 December 2022

Outside Bangladesh - (note-4.2)

Name of Banks and FIs	Currency	2022			2021		
		Foreign Currency	Exchange rate	Amount in BDT	Foreign Currency	Exchange rate	Amount in BDT
In demand deposit account (non interest bearing) with :							
AB Bank Limited, India	USD	10,519	103.29	1,086,510	153,477	85.80	13,168,336
Al-Rajhi Bank, KSA	SAR	62,572	27.49	1,719,850	182,923	22.86	4,181,922
Bank of Bhutan, Bhutan	USD	8,567	103.29	884,947	4,932	85.80	423,129
Bank of China, China	CNY	239,075	14.80	3,539,239	230,826	13.47	3,110,063
Bank of Toykyo Mitshubishi, Japan	JPY	253,587,749	0.77	194,780,750	31,991,059	0.75	23,881,326
Citibank N. A., USA	USD	-	-	-	7,759,932	85.80	665,802,194
Commerz Bank AG, Germany	EURO	4,044,167	109.61	443,298,125	-	-	-
Habib American Bank, USA	USD	109,584	103.29	11,319,182	517,456	85.80	44,397,689
HDFC Bank Limited, Hongkong	USD	482,175	103.29	49,805,149	496,474	85.80	42,597,441
HDFC Bank Limited, Hongkong	HKD	70,046	13.25	928,346	71,986	11.10	799,010
ICICI Bank Limited, Hongkong	HKD	1,343,898	13.25	17,811,214	1,131,193	11.10	12,555,795
ICICI Bank Limited, Hongkong	USD	5,202,847	103.29	537,416,117	2,512,390	85.80	215,563,102
ICICI Bank, India	USD	1,798,831	103.29	185,806,076	397,769	85.80	34,128,555
JP Morgan Chase Bank N.A., London	GBP	189,782	124.13	23,556,970	151,918	115.74	17,583,575
JP Morgan Chase Bank N.A., USA	USD	30,018,243	103.29	3,100,665,347	1,998,721	85.80	171,490,303
JP Morgan Chase Bank NA, Australia	AUD	2,906	69.60	202,283	20,059	62.21	1,247,781
JP Morgan Chase Bank, Germany	EURO	41,239	109.61	4,520,398	-	-	-
Mashreq Bank, UAE	AED	87,157	28.13	2,451,517	80,022	23.36	1,869,487
Mashreqbank, USA	USD	638,935	103.29	65,997,299	155,569	85.80	13,347,825
Nepal Bangladesh Bank Ltd., Nepal	USD	99,910	103.29	10,319,970	68,675	85.80	5,892,312
MCB Bank Limited, Pakistan	USD	69,440	103.29	7,172,648	764,060.20	85.80	65,556,365
Nordea Bank, Norway	NOK	232,201	10.44	2,423,664	23,843	9.78	233,069
Standard Chartered Bank, India	USD	484,419	103.29	50,036,929	857,664	85.80	73,587,539
Standard Chartered Bank, Srilanka	USD	4,778	103.29	493,573	140,212	85.80	12,030,172
Standard Chartered Bank, Singapore	SGD	17,869	76.53	1,367,523	114,209	63.46	7,247,338
Standard Chartered Bank, USA	USD	28,013,066	103.29	2,893,545,237	1,112,118	85.80	95,419,763
Wells Fargo Bank, N.A	USD	3,621,501	103.29	374,074,617	-	-	-
Zurcher Kantonal Bank, Zurich, Switzerland	CHF	18,416	111.22	2,048,333	13,300	93.81	1,247,680
Total				7,987,271,812			1,527,361,770

Eastern Bank Limited and its subsidiaries

Annexure-B1

Borrowing from Banks and Financial Institutions (Consolidated)

as at 31 December 2022

Outside Bangladesh - (note-11.2)

Name of Banks and FIs	Currency	2022			2021		
		Foreign Currency	Exchange rate	Amount in BDT	Foreign Currency	Exchange rate	Amount in BDT
In demand deposit account (non interest bearing) with :							
Abu Dhabi Commercial Bank, Dubai	USD	25,000,000	103.29	2,582,317,500	22,830,225	85.80	1,958,833,322
Asian Development Bank (ADB), Philipine	USD	1,176,471	103.29	121,520,821	5,882,353	85.80	504,705,881
Bank Al-Falah Ltd., Dubai	USD	-	-	-	5,000,000	85.80	429,000,000
Bank Muscat, Muscat	USD	7,000,000	103.29	723,048,900	7,500,000	85.80	643,500,000
CaixaBank, S.A., Spain	USD	51,000,000	103.29	5,267,927,700	65,768,091	85.80	5,642,902,176
Citibank NA, Singapore	USD	20,000,000	103.29	2,065,854,000	-	-	-
Citibank NA, USA	USD	4,268,832	103.29	440,939,185	9,000,000	85.80	772,200,000
Commerz Bank, Germany	USD	-	-	-	263,557	85.80	22,613,196
Commercial Bank of Dubai, Dubai	USD	11,000,000	103.29	1,136,219,700	-	-	-
Commercial Bank of Qatar, Qatar	USD	5,000,000	103.29	516,463,500	-	-	-
Deutsche Investitions-und Entwicklungsgesellschaft MBH (DEG)	USD	25,000,000	103.29	2,582,317,500	43,000,000	85.80	3,689,400,000
Doha Bank, Qatar	USD	-	-	-	10,000,000	85.80	858,000,000
HDFC Bank, India	USD	15,000,000	103.29	1,549,390,500	5,000,000	85.80	429,000,000
ICICI Bank, India	USD	-	-	-	23,056,501	85.80	1,978,247,821
J.P. Morgan AG Germany	USD	-	-	-	17,683	85.80	1,517,217
JP Morgan Chase, Singapore	USD	28,551,331	103.29	2,949,144,107	9,400,000	85.80	806,520,000
KfW IPEX-Bank GmbH, Frankfurt, Germany	USD	24,537,048	103.29	2,534,497,939	-	-	-
Korea Development Bank, Singapore	USD	-	-	-	11,845,668	85.80	1,016,358,326
Mashreq Bank, Dubai	USD	25,000,000	103.29	2,582,317,500	-	-	-
Nabil Bank, Nepal	USD	-	-	-	10,000,000	85.80	858,000,000
National Bank of Ras Al-Khaimah, KSA	USD	13,000,000	103.29	1,342,805,100	18,911,076	85.80	1,622,570,307
OEEB Development Bank, Austria	USD	16,000,000	103.29	1,652,683,200	20,000,000	85.80	1,716,000,000
PROPARCO, France	USD	-	-	-	1,818,182	85.80	156,000,005
Standard Chartered Bank, Germany	USD	1,549	103.29	159,954	4,255	85.80	365,040
Standard Chartered Bank (NY), USA	USD	-	-	-	7,753,247	85.80	665,228,599
Standard Chartered Bank, Singapore	USD	10,151,861	103.29	1,048,613,087	10,151,861	85.80	871,029,636
Standard Chartered Bank, Thailand	USD	-	-	-	10,000,000	85.80	858,000,000
Shiddhartha Bank Limited, Nepal	USD	-	-	-	4,500,000	85.80	386,100,000
Standard Chartered Bank, Hongkong	USD	-	-	-	13,000,000	85.80	1,115,400,000
State Bank of India, Hongkong	USD	2,000,000	103.29	206,585,400	15,000,000	85.80	1,287,000,000
United Bank Limited,UAE	USD	8,500,000	103.29	877,987,950	5,000,000	85.80	429,000,000
Wells Fargo, USA	USD	21,000,000	103.29	2,169,146,700	27,558,623	85.80	2,364,529,845
Total		32,349,940,243			31,082,021,371		

Related party disclosures

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party informations are given below.

I) Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Md. Showkat Ali Chowdhury	Chairman	Need Fashion Wear & Textile Ltd.	Chairman	35.00%
		Chittagong Properties Holding Ltd.	Chairman	50.00%
		Finlay (International) Ltd.	Chairman	81.00%
		KAPS Bangladesh Ltd.	Chairman	12.50%
		JF (Bangladesh) Ltd.	Chairman	81.00%
		Port Link Housing Ltd.	Chairman	50.00%
		Finlay Properties Ltd.	Chairman	55.00%
		Z & Z Holdings Ltd.	Managing Director	0.01%
		Legend Property Development Ltd.	Managing Director	50.00%
		Z.N. Enterprise Ltd.	Managing Director	50.00%
		Zaran Off Dock Ltd.	Managing Director	30.00%
		Namreen Enterprise Ltd	Managing Director	50.00%
		ABC Steel Enterprise Ltd.	Managing Director	80.00%
		S.L. Steels Ltd.	Managing Director	50.00%
		Unique Refineries Ltd.	Managing Director	55.00%
		Port Link Logistics Centre Ltd.	Managing Director	25.00%
		Peninsula Housing & Development Ltd.	Director	36.00%
		South Asia Securities Ltd.	Director	7.10%
		Peninsular Shipping Services Ltd.	Director	25.00%
		Consolidated Tea & Plantation Ltd.	Director	6.25%
		The Consolidated Tea & Lands Company (Bangladesh) Limited	Director	6.25%
		Baraora (Sylhet) Tea Co. (BD) Ltd.	Director	6.25%
		Eastern Industries Ltd.	Director	25.00%
		Bay Hill Hotel and Ressorts Ltd.	Director	40.00%
		S.N. Corporation	Partner	50.00%
M. Ghaziul Haque	Director	Portlink Logistics Centre Ltd.	Chairman	0.02%
		MGH Infotech Ltd.	Chairman	10.00%
		Last Mile Deliveries Limited	Chairman	5.00%
		Haytrans Bangladesh Limited	Chairman	10.00%
Mir Nasir Hossain	Director	Mir Akther Hossain Ltd.	Managing Director	14.90%
		Mir Ceramic Ltd.	Managing Director	88.00%
		Mir Telecom Ltd.	Managing Director	32.50%
		Mir Holdings Ltd.	Managing Director	50.00%
		Mir Pharmaceuticals Ltd.	Managing Director	50.00%
		Bangla Telecom Ltd.	Managing Director	40.00%
		Coloasia Limited	Managing Director	50.00%
		BTS Communications (BD) Limited	Managing Director	40.00%
		MIR LPG limited	Managing Director	40.00%
		Mir Communications Ltd.	Chairman	40.00%
		Mir Energy Ltd.	Chairman	40.00%
		Mir Denim Limited	Chairman	50.00%
		Mir Tex Limited	Managing Director	40.00%
		Chaldal Limited	Representative	11.20%
			Director	
		Mir Securities Ltd.	Director	0.03%
		Agrani Insurance Co. Ltd.	Shareholder	3.72%
		Fair Trading	Proprietorship	100.00%
		M.N Poultry	Proprietorship	100.00%
		Jupiter Technology	Proprietorship	100.00%

Name of Directors	Status with the Bank	Name of the firms/companies in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Salina Ali	Director	Unique Group of Companies Ltd.	Chairperson	12.25%
		Unique Hotel & Resorts PLC	Chairperson	5.71%
		Borak Real Estate Ltd.	Chairperson	12.00%
		Unique Ceramic Industries (Pvt.) Ltd.	Chairperson	12.25%
		Borak Travels (Pvt.) Ltd.	Chairperson	50.00%
		Hansa Creative Solutions PLC	Chairperson	20.00%
		Unique Vocational Training Center Ltd.	Chairperson	12.00%
		Unique Property Development Ltd.	Chairperson	12.00%
		Tribeni International Ltd.	Chairperson	20.00%
		Arial Dairy and Agro Industries Ltd.	Chairperson	13.00%
		Hansa Management Ltd.	Chairperson	12.50%
		Sonargaon Economic Zone Ltd.	Chairperson	5.00%
		Unique Share Management Ltd.	Managing Director	12.00%
		Crescent Commercial Center Ltd.	Managing Director	20.00%
		Purnima Construction (Pvt) Ltd.	Managing Director	0.20%
		Gulshan Clinic Ltd.	Director	25.00%
		Borak Zahir Company Ltd.	Director	20.00%
		Unique tours & travels	Proprietorship	50.00%
Anis Ahmed	Director	MGH Logistics Private Limited	Managing Director	95.00%
		MGH Holdings Limited	Managing Director	98.00%
		Bangladesh Port Management Services Limited	Managing Director	3.09%
		Peninsular Shipping Services Limited	Managing Director	39.87%
		MGH Restaurants PVT. Limited	Managing Director	97.00%
		Galileo Bangladesh Limited	Managing Director	80.00%
		One World Aviation Ltd.	Managing Director	41.68%
		RAS Holidays Limited	Managing Director	95.00%
		MGH Global Forwarding Limited	Managing Director	96.66%
		Transmarine Logistics Ltd.	Managing Director	74.99%
		Total Transportation Ltd.	Managing Director	99.98%
		Tricon Global Logistics Ltd.	Managing Director	79.98%
		Global Freight Limited	Managing Director	96.86%
		International Brands Limited	Managing Director	99.53%
		Integrated Transportation Services Ltd.	Managing Director	99.50%
		Emirates Shipping Lines Bangladesh Ltd.	Managing Director	78.05%
		Radio Furti Limited	Managing Director	95.00%
		Portlink Housing Limited	Managing Director	50.00%
		Port Link Logistics Center Limited	Managing Director	49.98%
		Last Mile Deliveries Limited	Managing Director	95.00%
		MGX.Com Ltd.	Managing Director	95.00%
		Jatra.Com Ltd.	Managing Director	30.00%
		GTM Xpress Limited	Managing Director	90.00%
		DC Bypass	Managing Director	90.00%
		Obhai Solutions Limited	Managing Director	30.00%
		Bangladesh Express Company Ltd.	Managing Director	20.00%
		Waadaa Limited	Managing Director	51.21%
		MGH Aviation Services Limited	Managing Director	90.00%
		Renaissance Aviation Services Ltd.	Managing Director	60.00%
		Haytrans Bangladesh Limited	Managing Director	90.00%
		Consolidated Tea & Plantation Limited	Director	10.00%
		The Consolidated Tea & Lands Company (Bangladesh) Limited	Director	3.18%
		Baraooara (Sylhet) Tea Company Limited	Director	3.18%
Mufakkharul Islam Khasru	Director	Finlay Properties Ltd.	Managing Director	15.00%

Name of Directors	Status with the Bank	Name of the firms/companies in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Gazi Md. Shakhawat Hossain	Director	Bay Hill Hotel & Resorts Ltd. Unique Hotel & Resorts PLC Unique Meghnaghat Power Ltd. General Electric Company (BD) Ltd.	Representative Director Representative Director Representative Director Director	40.000% 8.14% 51.00% 0.00%
K.J.S. Banu	Director	Samorita Hospital Limited	Director	3.26%
Zara Namreen	Director	Namreen Power Ltd. Finlay Bazar Ltd.	Managing Director Chairman	50.00% 60.00%
Ruslan Nasir	Director	Mir Akhter Hossain Ltd. Mir Ceramic Ltd. Mir Telecom Ltd. Mir Holdings Ltd. Bangla Telecom Ltd. Coloasia Limited BTS Communications (BD) Limited MIR LPG limited Mir Communications Ltd. Mir Energy Ltd. Mir Denim Limited Mir Tex Limited Mir Pharmaceuticals Ltd. Mir Securities Ltd. Agrani Insurance securities Ltd. Orange Pie	Shareholder Deputy Managing Director Director Director Director Director Director Director Director Director Director Director Director Director Shareholder Partnership	7.45% 2.00% 22.50% 10.00% 20.00% 10.00% 20.00% 20.00% 15.00% 15.00% 20.00% 20.00% 0.03% 2.50% 50.00%
Dr. Toufic Ahmad Choudhury (Independent Director)	Director	Bangladesh Academy for Security Markets (BASM) Palli Karma Sahayak Foundation (PKSF) Institute of Inclusive Finance and Growth (InM) National Credit Rating Ltd. (NCRL) C & A Textile	Director General Director (PKSF nominated) Director Director Independent Director	No No No 1.00% No
Ashiq Imran (Independent Director)	Director	Fialka	CEO & Principal Architect	100.00%
Barrister K.M. Tanjib-ul Alam (Independent Director)	Director	Swarna Bhumi Limited Frame and Focus Limited	Director Director	50.00% 33.00%
Ali Reza Iftekhar	MD & CEO	EBL Investments Ltd. EBL Securities Ltd. EBL Finance (HK) Ltd.	Director Director Director	0.000025% 0.000067% -

ii) **Significant contracts where Bank is a party & wherein Directors have interest:** Nil

iii) **Shares issued to Directors and Executives without consideration or exercisable at discount :** Nil

iv) **Related Party Transactions :** Please see Annexure -C1

v) **Lending Policies to Related Parties :**
Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.

vi) **Business other than Banking business with any related concern of the Directors as per Section-18(2) of the Bank Companies Act 1991:** Nil

vii) **Investments in the Securities of Directors and their related concern :** Nil

Related party transactions

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in International Accounting Standards (IAS)-24 (Related party disclosures) and as defined in the BRPD circular no 14, dated 25 June 2003.

1 The significant related party transactions during the year were as follows:

1.a Non-funded facilities:

Amount in BDT

Name of the organization	Representing Directors	Nature of interest of the Directors with the borrowing firm/individual	Nature of facilities	Sanctioned amount	Outstanding as at 01-01-2022	Outstanding as at 31-12-2022	Amount overdue
Z. N. Enterprise Ltd. Customer ID-100397	Md. Showkat Ali Chowdhury Chairman	MD	LG- Performance Bond-SME (expired)	193,100	192,900	192,900	-

1.b Credit card facilities:

Amount in BDT

Representing Directors	Nature of interest with EBL	Approved limit	Outstanding as at 01-01-2022	Outstanding as at 31-12-2022
Md. Showkat Ali Chowdhury	Chairman	250,000	-	-
Mir Nasir Hossain	Director	500,000	-	-
Kishwar Jahan Sayeeda Banu	Director	500,000	-	387
Mufakkarul Islam Khasru	Director	500,000	41,445	-
Ruslan Nasir	Director	475,000	-	-
Mohd. Noor Ali	Spouse of Director	500,000	-	-
Arifa Ferdous	Spouse of Director	625,000	-	102
Anis Ahmed	Director	1,000,000	-	384,568
Salina Ali	Director	1,000,000	-	-
Nadiha Ali	Daughter of Director	1,000,000	-	-
Mahbuba Nasir	Spouse of Director	1,000,000	-	-
Mahreen Nasir	Daughter of Director	1,000,000	-	-

2) Transactions relating to procurement, service & rent:

Amount in BDT

Name of the Company/ Person	Related Directors of EBL	Nature of transactions	Transaction made in 2022	Outstanding as at 31-12-2022
Coloasia Limited	Mir Nasir Hossain & Ruslan Nasir	Monthly recurring charge for EBL Data Center at Jashore	2,478,658	-
BTS Communications (BD) Limited	Mir Nasir Hossain & Ruslan Nasir	Monthly internet connectivity services, AMC for Active Juniper and Cisco equipment for Router & Switch of Data Center	9,116,743	-
Bangladesh Express Co. Ltd.	Anis Ahmed	Monthly courier service payment	5,057,120	-
MGH Restaurants (Pvt.) Ltd.	Anis Ahmed	Purchase of birthday cakes for priority customers	2,669,013	-
MGX.Com Ltd.	Anis Ahmed	Monthly courier service payment	757,127	-
Unique Hotel & Resorts PLC	Salina Ali	Advance payment for rent, retainer fees for branding and service of SkyLounge at HSIA, Dhaka	-	58,061,664
Unique Hotel & Resorts PLC	Salina Ali	Payment for rent, retainer fees for branding and service, and customers' food bill of Skylounge at HSIA, Dhaka	237,075,973	-
Unique Hotel & Resorts PLC	Salina Ali	Security deposit against lease rental agreement for ATM booth at The Westin, Gulshan, Dhaka.	-	438,900
Unique Hotel & Resorts PLC	Salina Ali	Rental payment for ATM booth at The Westin, Gulshan, Dhaka	264,000	-
Unique Hotel & Resorts PLC	Salina Ali	Various customer proposition and clients entertainment from The Westin, Gulshan, Dhaka.	570,214	-

Amount in BDT

Name of the Company/ Person	Related Directors of EBL	Nature of transactions	Transaction made in 2022	Outstanding as at 31-12-2022
Unique Hotel & Resorts PLC	Salina Ali	Buy one, Get one offers for EBL customers against EBL Cards	275,775	-
Borak Real Estate Ltd.	Salina Ali	Advance rent for EBL ATM at Borak Mehenur, Banani, Dhaka	-	28,800
Borak Real Estate Ltd.	Salina Ali	Rental payment for EBL ATM at Borak Mehenur, Banani, Dhaka	572,000	-
The Consolidated Tea & Lands Company (Bangladesh) Limited	Md. Showkat Ali Chowdhury & Anis Ahmed	Supply of monthly refreshment items	163,296	-
Md. Showkat Ali Chowdhury	Md. Showkat Ali Chowdhury	Advance rent for EBL DST Sales office, ATM Booth, Godown, Generator and Garages at Dhanmondi, Dhaka	-	463,754
Md. Showkat Ali Chowdhury	Md. Showkat Ali Chowdhury	Rental payment for EBL DST Sales office, ATM Booth, Godown, Generator and Garages at Dhanmondi, Dhaka	7,484,363	-
Tashmia Ambarin	Md. Showkat Ali Chowdhury	Advance rent for EBL New Market Branch, ATM Booth and Godown at New Market, Chattogram.	-	4,448,700
Tashmia Ambarin	Md. Showkat Ali Chowdhury	Rental payment for EBL New Market Branch, ATM Booth and Godown at New Market, Chattogram	8,863,800	-
Namreen Enterprise Ltd.	Md. Showkat Ali Chowdhury	Advance rent for EBL office premisses (for CAD, SAMD, Branch, Digital Banking, Payroll & ATM Booth) at ZN Tower, Gulshan, Dhaka	-	237,308,139
Namreen Enterprise Ltd.	Md. Showkat Ali Chowdhury	Rental payment for EBL office premisses (for CAD, SAMD, Branch, Digital Banking, Payroll & ATM Booth) at ZN Tower, Gulshan, Dhaka	123,190,271	-

Discontinuation of transactions with “related parties”: Following Bangladesh Bank BRPD circular -12 dated 15 June 2022 (restricting banks from procuring goods or services from “related parties”), EBL discontinued procuring goods and services (i.e. courier, internet, refreshment items etc.) from respective related party entities except Unique Hotel & Resorts PLC and replaced all those by suitable alternatives by the end of 2022. However, service taken from Unique Hotel & Resorts PLC (UHRL) for EBL Skylounge situated at HSIA, Dhaka is yet to be replaced due to its unique nature of propositions and absence of ready and suitable alternative. Considering the business sensitivity (especially cards business) and unavailability of suitable alternative for replacing UHRL, EBL applied and got permission from Bangladesh Bank to continue with the UHRL till 30th June 2023 (Ref. BRPD letter no. LS-2/745(19)/2022-11762 dated 20th November, 2022).

3) Inter-company balances between EBL and subsidiaries:

Amount in BDT

Name of subsidiaries	Nature of account	Balance as at 31-12-2022
EBL Securities Limited	In special notice deposit (SND) account	11,452,510
	In current deposit (CD) account	272,726,402
	Short term finance (OD)	1,285,591,512
	Dividend receivable account	109,998,384
EBL Investments Limited	In special notice deposit (SND) account	72,879,024
EBL Finance (HK) Limited	In nostro account	357,962,520
	Short term finance (OD)	5,723,474,903
	Dividend receivable account	25,000,000
EBL Asset Management Limited	In special notice deposit (SND) account	55,749,713

4) Compensation of key management personnel:

Refer to note : 32

Disclosure regarding Repo and Reverse Repo

a Disclosure regarding outstanding REPO as on 31 December 2022

Amount in BDT

Sl	Counterparty name	Agreement date	Reversal date	Amount (Cash Con 1st Leg cash consideration)
NIL				

There is no outstanding REPO as on 31 December 2022

Disclosure regarding outstanding Reverse REPO as on 31 December 2022

Amount in BDT

Sl	Counterparty name	Agreement date	Reversal date	Amount (Cash Con 1st Leg cash consideration)
1	NRB Bank Limited	26-12-22	02-01-23	148,794,900.00
2	NRB Bank Limited	27-12-22	02-01-23	292,748,718.00
3	National Bank Ltd	26-12-22	02-01-23	4,106,717,679.07
4	National Bank Ltd	27-12-22	03-01-23	3,080,004,834.62
5	National Bank Ltd	28-12-22	04-01-23	3,042,426,812.14
6	National Bank Ltd	29-12-22	05-01-23	2,513,259,175.85

b. Disclosure regarding overall transaction of REPO and reverse REPO.

Particulars	Min Outstanding during the year	Max Outstanding during the year	Daily average outstanding during the year
Securities sold under REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	485,759,529.12	3,283,011,340.62	591,527,418.04
Securities purchased under Reverse REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	504,305,291.00	21,802,419,568.04	9,593,296,537.52

Details of NBA obtained u/s 33 (7) as of 31-12-2022:

SL	Name of the accounts	Status of NBA	Entitlement Date	Asset Details	Forced Sale Value (BDT Million)	Market Value (BDT Million)	Legal Status
1	Sabbir Ahmmmed, Dhaka	Not recognised	10-05-2007	Land Area: 06 decimal, Mouza- Digun, Mirpur, Dhaka.	6.16	7.25	Physical possession & mutation is yet to be completed.
2	Innovative Computer, Dhaka	Do	07-06-2007	Land Area: 11.25 decimal (Equiv. 7.50 katha in local Measurement) in 3 schedule at Mouza - West Durgapur, Demra, Dhaka.	2.20	2.73	Do
3	M/s Safa Garments, Dhaka	Do	18-01-2005	Land Area: 18 decimal Mouza - Vatara, Gulshan, Dhaka.	57.60	72.00	Do
4	Arshim & Com, Dhaka	Do	27-03-2007	Land Area: 19.8 decimal equivalent to 12 katha at Mouza- Lala Sarai, Cantonment, Dhaka.	33.60	42.00	Do
5	H. M. Younus, Dhaka	Do	10-01-2008	Land Area: 184 decimal Mouza- Shibrapur, Joydebpur, Gazipur.	132.48	165.60	Do
6	Tri Angle Trading Associate, Dhaka	Do	29-04-2007	Land Area: 33 decimal Mouza- Pathalia, Savar, Dhaka.	3.37	3.96	Do
7	Stec Fashion Ltd., Dhaka	Do	26-01-2009	Land Area: 25 decimal. Mouza- Dokkhin Khan, Dhaka. (5.03 decimal land of Goran Chat bari Mouza, Mirpur, Dhaka has been sold through auction)	4.90	6.06	Property partly sold. Physical possession of rest of property is yet to be completed.
8	North American Computing, Dhaka	Do	22-07-2007	Land Area: 6.5 decimal Mouza- Uttar Sona Tanggar, Mohammadpur, Dhaka.	4.68	5.85	The property was sold at Tk. 5 million out of which Tk. 4.7 million was received and rest of Tk. 0.3 million will be received at the time of execution & registration of Sale deed in favour of the highest bidder. NB : The property has already been recorded in BS Khatian of various people. As such, a Power of Attorney has given to the highest bidder for record correction. Accordingly, a Title suit No.338/19 filed in the Court of 3rd Joint District Judge, Dhaka for record correction which is pending.
9	M/s Unicorn Bangladesh Ltd, Dhaka	Do	22-11-2007	Land Area: 16.5 decimal Mouza- Bhola Samair, Gulshan, Dhaka.	476.15	560.18	Physical possession & mutation is yet to be completed.
10	Royel Paper Store, Dhaka	Do	21-05-2009	Land Area: 106.5 decimal Mouza- Shrikhondo, Dhanmondi, Dhaka.	18.04	22.55	Do
11	M/s Computer Bazar Network, Dhaka	Do	23-06-2009	Land Area: 14 decimal Mouza- Nandipara, Sabuzbag, Dhaka.	1.68	2.10	Do
12	M/s Sylcar Plaza, Sylhet	Do	27-05-2012	Land Area: 21 & 14 decimal, Mouza- Sylhet Sadar, Sylhet.	21.20	26.60	Property already sold at Tk. 11 million out of which received Tk. 1.1 million but mutation formalities in the name of EBL is in process. Upon completion of mutation formalities, the buyer will pay the rest amount to execute the sales accordingly.

Details of NBA obtained u/s 33 (7) as of 31-12-2022:

SL	Name of the accounts	Status of NBA	Entitlement Date	Asset Details	Forced Sale Value (BDT Million)	Market Value (BDT Million)	Legal Status
13	Orion Fishing Limited, Dhaka	Not recognised	13-05-2012	Land Area: 3.5 & 20.83 katha at Dhaka and Chattogram.	138.50	173.12	Physical possession & mutation is yet to be completed.
14	Al Karim Traders, Chattogram.	Do	19-01-2012	Land Area: 8 decimal Dokkhin Pahartoli, Double Mooring, Chattogram.	10.50	13.20	Do
15	Bhuiyan (Any & Amy) Corporation, Dhaka	Do	07-06-2007	Land Area: 4.95 decimal or equiv. 3 Katha, Bhola Samair, Gulshan, Dhaka.	8.40	10.50	Do
16	Ariful Karim, Chattogram	Do	05-11-2008	Land Area: 148 decimal with 4 storied building, West Nasirabad, Chattogram.	125.80	148.00	Do
17	Miner International, Dhaka	Do	15-03-2006	Land Area: 18 decimal, Jatrabari, Demra, Dhaka.	10.80	24.87	Title Suit No. 1479/08 filed by Md. Abdul Monnaf is pending in the 7th joint district judge court, Dhaka. Physical possession & mutation is also yet to be completed.
18	M/s Eastern Industries, Sylhet	Do	11-06-2012	Land Area: 1.5 decimal Mouza- Sylhet Sadar, Sylhet.	0.96	1.20	A Misc. Case is pending in the Artha Rin Adalat, Sylhet.
19	M/s M.A. Rob, Khulna	Do	23-11-2011	Land Area: 51 decimal at Puratan Kasba, Jashore [200 sq yards of land at Khulna has been sold at BDT 38.00 lac]	9.02	11.27	A title suit no. 105 of 2020 has been filed in the court of 1st Joint District Judge, Jashore for declaration of Title of 16.50 decimal of land situated at District- Jashore, P.S-Kotwali, Mouza- Old Kashba, S.A Khatian No.907, SA Dag No.1009, R.S Khatian No.2637, RS Dag No.1331 also for declaration that the Certificate under section 33(7) of ARA issued by Artha Rin Adalat, Khulna is not binding upon the Plaintiff. Plaintiff also filed application for injunction. EBL also appeared & filed written objection & application for rejection of Plaint which is pending for hearing. Execution Case No. 17/1999 pending in Artha Rin Adalat, Khulna which is pending for hearing. *Mutation formality has been completed of 200 sq yards in the name of EBL. Execution of registration is completed in favor of the highest bidder. Physical possession in favor of the highest bidder is in process.
20	Maruti Enterprise, Bagura	Do	03-10-2012	Land Area: 41.5 decimal & 0.37 decimal Mouza- Betgari, Bogura sadar.	51.95	64.94	Writ petition in court no. 8010/2016 has been vacated and discharged the rule on 12-11-2018 in favor of bank. Thereafter, auction purchaser filed Civil Petition for Leave to Appeal No.1560/2019 on the Appealate Division which is pending for hearing.
21	Calix International, Dhaka	Do	28-11-2004	Land Area: 0.0992 Ajutangso, Kotowali, Dhaka	12.00	15.00	Physical possession is yet to be completed. First Appeal No.116/2003 is pending for hearing.

Details of NBA obtained u/s 33 (7) as of 31-12-2022:

SL	Name of the accounts	Status of NBA	Entitlement Date	Asset Details	Forced Sale Value (BDT Million)	Market Value (BDT Million)	Legal Status
22	Save Power Manufacturing Industries Ltd.	Not recognised	18-11-2020	Land Area: 84.50 dec land at Sreenarayankandi, PS - Titas, Sub-Registry Office -Gouripur, Cumilla	12.15	15.21	Physical possession is yet to be completed. Mutation completed.
23	M/s Alif Traders	Do	18-01-2021	Land Area: 16 decimal, Mouza-Muzgunni, PS-Daulatpur, Dist- Khulna.	1.36	1.60	Physical possession & mutation is yet to be completed.
24	Liberty Fashion Wears Ltd.	Do	29-05-2019	Land Area: 1467.57 sft. apartment alongwith 1/2 katha land at Uttara Model Town, R#31,S-7,plot 5, Dhaka.	7.20	9.00	2nd Execution Case No.12/20 filed on 21-01-2020 for Tk.1,157.1 million. Upon considering our application learned court was pleased to pass order for issuance warrant of arrest. Next date was fixed on 15-10-2023 for return of warrant of arrest. SJIBL filed Artha Execution Case No.72/19 (Artha Rin Suit No. 196/16) is pending. Physical possession is yet to be completed. Mutation completed.
25	M/S Cosmetic Gallery	Do	14-02-2021	Land Area (1) 25 decimal land at Equria, Keranigonj, Dhaka (2) 0.878 katha or eqvlt 1.45 decimal land at Mirpur Housing (Joarshahara), Mirpur-14, PS Kafrul, Dhaka	15.41	19.27	ARA: Artha Rin Suit No.177/19 filed on 21.03.19 for Tk. 20.7 million as on 28-02-19. The said Artha Rin Suit decreed in favor of the Bank on 27-11-19. Subsequently, Execution Case No.91/20 filed on 06-02-20 for Tk. 23 million. We obtained Certificate u/s 33(7) of ARA. 2nd Execution case filed on 06-09-2021 for Tk. 14,163,265.15 as on 31-08-2021. Next date fixed on 01-02-2023 for return of warrant of arrest. Physical possession of both schedules are yet to be completed. Mutation of schedule (1) 25 decimal land at Equria, Keranigonj, Dhaka is completed. Mutation of schedule (2) 1.45 decimal land at Mirpur Housing Estate, Kafrul, Dhaka is yet to be completed.
Total NBA obtained u/s 33 (7)					1,166.11	1,424.06	

Note: Valuation of those properties have been made by professional valuation firm at different stages.

Eastern Bank Limited and its subsidiaries

Annexure - E

business segmental profit and loss account

for the year ended 31 December 2022

BDT million

Particulars	Bank (Solo)			Subsidiaries					Bank (Consol)
	DBO	OBO	Solo	EBLSL	EBLIL	EBLFHKL	EBLAML	Elimination	
Interest income	17,826	1,936	19,569	344	4	276	10	(315)	19,887
Interest expense	11,448	1,615	12,869	275	0.5	197	0.5	(315)	13,027
Net Interest Income	6,379	321	6,699	69	3	79	9	-	6,860
Investment income	6,705	-	6,705	225	26	-	7	(238)	6,726
Fees, exchange and brokerage commission	2,766	11	2,777	370	15	90	4	-	3,256
FX income	1,315	2	1,316	-	-	-	-	-	1,316
Other operating income	268	23	292	1.60	1	-	-	-	294
Total operating income	17,433	356	17,789	667	45	169	20	(238)	18,453
Salary and allowances	4,844	-	4,844	107	17	43	9	-	5,020
Rent, taxes, insurance, utilities etc.	484	-	484	8	1	2	1	-	496
Legal and professional expenses	130	-	130	0.3	0.6	0.4	0.01	-	131
Postage, stamp, telecommunication etc.	167	-	167	2	0.2	5	0.1	-	175
Stationery, printing, advertisement, etc.	290	-	290	4	0.3	0.5	0.12	-	295
Managing Director's salary and allowances	30	-	30	-	-	-	-	-	30
Directors' fees and expenses	4	-	4	0.2	0.1	-	0.17	-	4
Audit fees	1	-	1	0.2	0.1	1	0.1	-	3
Repairs, maintenance and depreciation	1,190	-	1,190	27	5	7	2.8	-	1,231
Other operating expenses	585	18	603	10	2	4	0.9	-	620
Total operating expense	7,725	18	7,744	159	26	62	14	-	8,004
Profit before provisions	9,708	338	10,046	508	19	107	7	(238)	10,448
Provisions:									
Provision for loans, advances & OBS exposures	1,078	440	1,518	-	3	-	-	-	1,521
Other provisions	432	-	432	226	7	-	14	-	679
Total provisions	1,511	440	1,950	226	10	-	14	-	2,199
Profit before tax	8,197	(102)	8,095	282	9	107	(7)	(238)	8,249
Tax provision	2,988	-	2,988	121	2	18	1	-	3,130
Profit after tax	5,209	(102)	5,107	162	7	89	(8)	(238)	5,119

Eastern Bank Limited and its subsidiaries

Annexure - E1

business segmental balance sheet

as at 31 December 2022

BDT million

Particulars	Bank (Solo)			Subsidiaries					Bank (Consol)
	DBO	OBO	Solo	EBLSL	EBLIL	EBLFHKL	EBLAML	Elimination	
Assets									
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	21,156	-	21,156	0.06	0.01	-	-	-	21,156
Balances with other banks and financial institutions	17,751	974	11,854	404	73	963	76	(771)	12,599
Money at call and short notice	6,440	-	6,440	-	-	-	-	-	6,440
Investments	90,407	-	90,407	2,102	345	-	179	-	93,032
Loans and advances	260,082	48,834	308,916	3,824	54	5,300	-	(7,009)	311,085
Fixed assets including land, building, furniture and fixtures	8,501	-	8,501	51	12	8	11	-	8,583
Other assets	8,686	30	8,716	1,000	17	2	9	(2,771)	6,973
Non-banking assets	-	-	-	-	-	-	-	-	-
Total assets	413,022	49,837	455,989	7,381	502	6,273	274	(10,551)	459,868
Liabilities									
Borrowing from other banks, financial institutions and agents	35,092	47,774	75,996	3,887	-	5,640	-	(6,925)	78,597
Deposits and other accounts	316,804	293	317,097	-	-	-	-	(771)	316,327
Provisions & other liabilities	25,095	2,755	27,850	1,328	68	136	24	(223)	29,183
Total liabilities	376,992	50,822	420,944	5,214	68	5,776	24	(7,919)	424,107
Total shareholders' equity	36,030	(985)	35,045	2,167	434	498	250	(2,632)	35,762
Total liabilities & shareholders' equity	413,022	49,837	455,989	7,381	502	6,273	274	(10,551)	459,868

Eastern Bank Limited

Highlights on the overall activities/performance

Annexure - F

Sl No	Particulars		2022	2021
1	Paid up capital	BDT	10,730,975,250	9,538,644,670
2	Total capital (Tier-1 & 2)	BDT	40,760,584,030	35,673,950,777
3	Surplus/(shortage) capital	BDT	12,858,999,315	10,335,190,481
4	Total assets	BDT	455,989,142,514	388,814,714,087
5	Total deposits	BDT	317,097,305,113	268,018,850,380
6	Total loans and advances	BDT	308,915,602,911	269,393,974,212
7	Total contingent liabilities and commitments	BDT	165,095,905,495	141,831,288,344
8	Loans to deposits ratio (total loans/total deposits)	%	97.42	100.51
9	% of classified loans against total loans and advances	%	2.78	3.70
10	Profit after tax and provisions	BDT	5,107,457,663	4,653,864,726
11	Loans classified during the year (Gross)	BDT	2,939,353,718	4,577,197,179
12	Provision held against classified loans	BDT	4,666,559,710	6,493,582,193
13	Surplus of provision	BDT	914,835,097	889,265,484
14	Cost of fund (interest expense/simple average borrowing and deposits)	%	3.55	2.73
15	Interest bearing assets	BDT	400,054,047,370	344,012,223,159
16	Non-interest bearing assets	BDT	55,935,095,144	44,802,490,928
18	Income from investments	BDT	6,705,461,835	6,088,639,366
17	Return on assets (ROA) (PAT/average assets)	%	1.21	1.28
19	Return on investment or ROI (PAT/average equity, long term borrowings and deposits)	%	2.01	2.20
20	Earnings per share (restated 2021)	BDT	4.76	4.34
21	Operating profit per share (Net Operating profit/ weighted average number of shares) (restated 2021)	BDT	9.36	9.75
22	Price earnings ratio (PE ratio)	Times	6.68	8.88

Eastern Bank Limited
Offshore Banking Operation, Bangladesh
Balance Sheet
as at 31 December 2022

Annexure - G

Particulars	Notes	2022		2021	
		USD	BDT	USD	BDT
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
With Bangladesh Bank (including foreign currencies)		-	-	-	-
		-	-	-	-
Balance with other Banks and FIs (on current and other accounts)	3				
In Bangladesh		-	-	12,500,000	1,072,500,000
Outside Bangladesh		9,429,053	973,952,377	1,112,118	95,419,763
		9,429,053	973,952,377	13,612,118	1,167,919,763
Money at call and short notice		-	-	-	-
Investment		-	-	-	-
Loans and advances	4				
Loans, cash credits, overdrafts etc.	4.1	126,160,248	13,031,432,630	146,979,738	12,610,861,507
Bills purchased and discounted	4.2	346,608,157	35,802,092,351	299,974,834	25,737,840,778
		472,768,405	48,833,524,981	446,954,572	38,348,702,284
Fixed assets		-	-	-	-
Other assets	5	290,000	29,954,893	555,271	47,642,280
Non banking assets		-	-	-	-
TOTAL ASSETS		482,487,458	49,837,432,251	461,121,961	39,564,264,328
CAPITAL AND LIABILITIES					
Borrowing from other banks, financial institutions and agents	6				
Bangladesh Bank		-	-	-	-
Other Banks and FIs					
Demand borrowing	6.1	66,515,683	6,870,584,486	77,224,848	6,625,891,983
Term borrowing	6.2	395,998,022	40,903,704,836	371,687,139	31,890,756,520
		462,513,704	47,774,289,323	448,911,987	38,516,648,503
		462,513,704	47,774,289,323	448,911,987	38,516,648,503
Deposits and other accounts	7				
Current deposits and other accounts	7.1	2,839,810	293,331,634	1,504,184	129,058,956
Term deposits	7.2	-	-	-	-
		2,839,810	293,331,634	1,504,184	129,058,956
Other liabilities	8	26,667,312	2,754,538,681	19,151,806	1,643,224,976
TOTAL LIABILITIES		492,020,826	50,822,159,638	469,567,977	40,288,932,436
CAPITAL/SHAREHOLDERS' EQUITY					
Paid up capital		-	-	-	-
Foreign currency translation gain/(loss)	9	-	(164,282,968)	-	(5,967,070)
Surplus in profit and loss account	16	(9,533,368)	(820,444,419)	(8,446,015)	(718,701,037)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		482,487,458	49,837,432,251	461,121,961	39,564,264,328
OFF BALANCE SHEET ITEMS:					
Contingent liabilities:					
Acceptance and endorsements		6,771,544	699,451,062	6,051,693	519,235,246
Letter of guarantee		-	-	-	-
Bills for collection		5,684,690	587,187,021	3,475,432	298,192,074
Irrevocable letters of credit		4,894,288	505,544,206	5,237,328	449,362,709
Other commitments		-	-	-	-
		17,350,521	1,792,182,289	14,764,452	1,266,790,029

The annexed notes 1 to 20 form an integral part of these financial statements.

Eastern Bank Limited
Offshore Banking Operation, Bangladesh
Profit and Loss Account
for the year ended 31 December 2022

Particulars	Notes	2022		2021	
		USD	BDT	USD	BDT
Interest income	10	20,691,193	1,936,070,812	12,322,256	1,048,543,886
Interest paid on deposits and borrowings	11	17,264,018	1,615,390,757	7,970,911	678,272,679
Net interest income		3,427,175	320,680,055	4,351,345	370,271,206
Commission, exchange and brokerage	12	129,651	12,131,442	79,254	6,744,041
Other operating income	13	250,835	23,470,540	171,439	14,588,303
Total operating income		3,807,661	356,282,037	4,602,038	391,603,550
Operating expenses	14	196,229	18,361,076	166,329	14,153,517
Profit before provision		3,611,432	337,920,962	4,435,709	377,450,034
Less :Provision for unclassified loans and advances (Including provision for off balance sheet items)	15	4,698,785	439,664,344	12,881,725	1,096,151,070
Profit before income tax		(1,087,353)	(101,743,382)	(8,446,016)	(718,701,037)
Less. Provision for income tax		-	-	-	-
Net profit/(loss) after tax		(1,087,353)	(101,743,382)	(8,446,016)	(718,701,037)
Balance of Profit brought forward from previous year		-	-	-	-
Retained earnings carried forward	16	(1,087,353)	(101,743,382)	(8,446,016)	(718,701,037)

The annexed notes 1 to 20 form an integral part of these financial statements.

Eastern Bank Limited

Offshore Banking Operation, Bangladesh

Notes to the financial statements

as at and for the year ended 31 December 2022

1 Nature of business

EBL has an Offshore Banking Unit ('OBU' or 'the Unit') operated as a separate desk under control and supervision of the Offshore Banking Division/Operation (OBO). The unit and all activities of the division are governed under the permission by Bangladesh Bank vide letter no. BRPD(P)744(89)/2004-303 dated 25 January 2004 and subsequent approvals for continuation by Bangladesh Bank vide letter no. BRPD(P)744(89)/2020-2254 & 2255 dated 25 February 2020 in line with the offshore banking policy issued by Bangladesh Bank vide BRPD circular no. 02 dated 25 February 2019 and amendments thereon. The activities of the unit is to provide both funded and non-funded facilities and to accept savings/current/term deposits in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned enterprises (Type 'A') in EPZs, PEPZs, EZs and Hi-Tech Parks, etc. Besides, OBU offers short term loan facility to the Type 'B' industrial enterprises in EPZs, PEPZs, EZs and Hi-Tech Parks. In addition, OBO discounts/purchases accepted usance/deferred bills against import from abroad (Bills Finance), and discounts/purchases accepted usance/deferred export bills against direct and deemed exports of products produced in Bangladesh, of persons resident in Bangladesh.

The unit commenced its operations on 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka-1212.

2 Significant accounting policies and basis of preparations

Basis of preparation

2.1 Statement of compliance

The financial statements of the operation / the Unit as at and for the year ended 31 December 2022 have been prepared in accordance with International Financial Reporting Standards (IFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991. The accounting policies set out in the financial statements of main operation of the Bank have been applied consistently in these financial statements except otherwise instructed by the Central Bank as prime regulator.

2.2 Loans and advances

- a) Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date when they are originated. The bank has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.
- b) Classification of loans into substandard/doubtful/bad-loss category and general provision (GP) on unclassified loans (0.25% to 2%), certain off balance-sheet exposures (0.5% to 1%); special GP for COVID-19 (1% to 2%) and specific provision (SP) on classified loans (5% to 100%) including rescheduled loans are made on the basis of quarter-end review and in compliance with BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021, BRPD circular no. 14/2022 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (as amendment up to date), instead of netting off with loans.

2.3 General

Allocation of common expenses

Operating expenses in the nature of rent, rates and taxes, salaries, management expenses, printing and stationery, electricity, postages, stamps, telecommunication and audit fees are accounted for in Account of the Main Operation of the Bank.

Fixed assets and depreciation

Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to profit and loss Account of the main operation of the Bank.

Certain corresponding figures in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

These financial statements of the unit cover one calendar year from 1 January 2022 to 31 December 2022.

		Notes	2022		2021	
			USD	BDT	USD	BDT
3	Balance with other Banks and Financial Institutions					
Inside Bangladesh						
In interest bearing account						
Commercial Bank of Ceylon plc			-	-	10,000,000	858,000,000
First Security Islami Bank Ltd			-	-	2,500,000	214,500,000
			-	-	12,500,000	1,072,500,000
In non-interest bearing account						
Standard Chartered Bank, USA			9,429,053	973,952,377	1,112,118	95,419,763
Standard Chartered Bank, Germany			-	-	-	-
			9,429,053	973,952,377	1,112,118	95,419,763
			9,429,053	973,952,377	13,612,118	1,167,919,763
4	Loans and advances					
i) Loans, cash credits, overdrafts, etc.		4.1	126,160,248	13,031,432,630	146,979,738	12,610,861,507
ii) Bills purchased and discounted		4.2	346,608,157	35,802,092,351	299,974,834	25,737,840,778
			472,768,405	48,833,524,981	446,954,572	38,348,702,284
4.1	Loans, cash credit, overdraft etc.					
Inside Bangladesh :						
Loans			68,878,345	7,114,630,245	83,452,395	7,160,215,513
Overdraft			1,871,647	193,327,481	1,593,455	136,718,441
			70,749,992	7,307,957,727	85,045,850	7,296,933,954
Outside Bangladesh :						
Overdraft			55,410,256	5,723,474,903	61,933,888	5,313,927,553
			55,410,256	5,723,474,903	61,933,888	5,313,927,553
			126,160,248	13,031,432,630	146,979,738	12,610,861,507
4.2	Bills purchased and discounted					
Inside Bangladesh :						
Bills discounted			-	-	-	-
Bills financed			346,608,157	35,802,092,351	299,974,834	25,737,840,778
			346,608,157	35,802,092,351	299,974,834	25,737,840,778
Outside Bangladesh :						
Bills discounted			-	-	-	-
Bills financed			-	-	-	-
			-	-	-	-
			346,608,157	35,802,092,351	299,974,834	25,737,840,778
5	Other assets					
Prepayments			290,000	29,954,894	390,000	33,462,005
Interest receivable on term placement			-	-	165,271	14,180,275
			290,000	29,954,894	555,271	47,642,280
6	Borrowings from other banks, financial institutions and agents					
Demand borrowings		6.1	66,515,683	6,870,584,486	77,224,848	6,625,891,983
Term borrowings		6.2	395,998,022	40,903,704,836	371,687,139	31,890,756,520
			462,513,704	47,774,289,323	448,911,987	38,516,648,503
6.1	Demand borrowings					
In non interest bearing account with						
Standard Chartered Bank, Germany			1,549	159,954	4,255	365,040
In interest bearing account with						
Eastern Bank Limited (DBO)			66,514,134	6,870,424,532	77,220,594	6,625,526,943
			66,515,683	6,870,584,486	77,224,848	6,625,891,983

6.2

Term borrowings

Borrowing inside Bangladesh

Notes	2022		2021	
	USD	BDT	USD	BDT
Bank Asia Limited	10,000,000	1,032,927,000	-	-
Brac Bank Limited	16,000,000	1,652,683,200	-	-
Commercial Bank of Ceylon PLC	20,000,000	2,065,854,000	-	-
HSBC	8,000,000	826,341,600	-	-
Jamuna Bank Limited	6,000,000	619,756,200	-	-
NCC Bank Limited	4,000,000	413,170,800	-	-
Prime Bank Limited	5,400,000	557,780,580	-	-
State Bank of India, Dhaka	10,500,000	1,084,573,350	10,000,000	858,000,000
The City Bank Limited	5,000,000	516,463,500	-	-
WOORI Bank, Dhaka	-	-	5,000,000	429,000,000
Investment Promotion & Financing Facility (IPFF)	2,181,311	225,313,503	2,666,742	228,806,464
	87,081,311	8,994,863,733	17,666,742	1,515,806,464

Borrowing outside Bangladesh

Abu Dhabi Commercial Bank, UAE	25,000,000	2,582,317,500	22,830,225	1,958,833,322
Asian Development Bank (ADB)	1,176,471	121,520,821	5,882,353	504,705,881
Bank Al-Falah Ltd., UAE	-	-	5,000,000	429,000,000
Bank Muscat, Muscat	7,000,000	723,048,900	7,500,000	643,500,000
CaixaBank, S.A., Spain	51,000,000	5,267,927,700	65,768,091	5,642,902,176
Citibank NA, Singapore	20,000,000	2,065,854,000	-	-
Citibank NA, USA	-	-	9,000,000	772,200,000
Commercial Bank of Dubai	11,000,000	1,136,219,700	-	-
Commercial Bank of Qatar	5,000,000	516,463,500	-	-
Deutsche Investitions-Und Entwicklungsgesellschaft Mbh	25,000,000	2,582,317,500	43,000,000	3,689,400,000
Doha Bank, Qatar	-	-	10,000,000	858,000,000
HDFC Bank, India	15,000,000	1,549,390,500	5,000,000	429,000,000
ICICI Bank, India	-	-	23,056,501	1,978,247,821
JP Morgan Chase, Singapore	28,551,331	2,949,144,107	9,400,000	806,520,000
KfW IPEX-Bank GmbH, Frankfurt, Germany	24,537,048	2,534,497,939	-	-
Korea Development Bank, Singapore	-	-	11,845,668	1,016,358,326
Mashreq Bank, Dubai	25,000,000	2,582,317,500	-	-
Nabil Bank, Nepal	-	-	10,000,000	858,000,000
National Bank of Ras Al-Khaimah, UAE	13,000,000	1,342,805,100	18,911,076	1,622,570,307
OEEB Development Bank, Austria	16,000,000	1,652,683,200	20,000,000	1,716,000,000
PROPARCO, France	-	-	1,818,182	156,000,005
Standard Chartered Bank, Singapore	10,151,861	1,048,613,087	10,151,861	871,029,636
Standard Chartered Bank, Thailand	-	-	10,000,000	858,000,000
Shiddhartha Bank Limited, Nepal	-	-	4,500,000	386,100,000
Standard Chartered Bank, Hongkong	-	-	13,000,000	1,115,400,000
State Bank of India, Hongkong	2,000,000	206,585,400	15,000,000	1,287,000,000
United Bank Limited, UAE	8,500,000	877,987,950	5,000,000	429,000,000
Wells Fargo, USA	21,000,000	2,169,146,700	27,356,440	2,347,182,583
	308,916,711	31,908,841,104	354,020,397	30,374,950,057
	395,998,022	40,903,704,836	371,687,139	31,890,756,520

6.1.a Classification based on type of security

Secured	-	-	-	-
Unsecured	462,513,704	47,774,289,323	448,911,987	38,516,648,503
	462,513,704	47,774,289,323	448,911,987	38,516,648,503

		Notes	2022		2021	
			USD	BDT	USD	BDT
7	Deposits and other accounts					
	Current deposits and other accounts	7.1	2,839,810	293,331,634	1,504,184	129,058,956
	Term deposits	7.2	-	-	-	-
			2,839,810	293,331,634	1,504,184	129,058,956
7.1	Current deposits and other accounts					
	Current account		2,580,048	266,500,169	1,214,799	104,229,793
	Other accounts	7.1.a	259,761	26,831,465	289,384	24,829,164
			2,839,810	293,331,634	1,504,184	129,058,956
7.1.a	Other accounts:					
	Interest payable on deposit		-	-	-	-
	Margin on facility		259,761	26,831,465	289,384	24,829,164
			259,761	26,831,465	289,384	24,829,164
8	Other liabilities					
	Provision for taxation	8.1	-	-	-	-
	General provision for loans and advances		4,580,538	473,136,156	4,312,910	370,047,685
	General provision for off balance sheet exposures		116,658	12,049,953	112,890	9,685,980
	Specific provision for loans and advances		15,880,061	1,640,294,377	11,102,519	952,596,101
	Special general provision for COVID-19		492,098	50,830,180	842,252	72,265,237
	Interest suspense account		2,011,302	207,752,856	1,589,319	136,363,571
	Interest payable on borrowing		3,523,706	363,973,069	1,170,149	100,398,795
	Privileged creditors		62,481	6,453,816	19,447	1,668,551
	Sundry creditors		467	48,275	2,320	199,056
			26,667,312	2,754,538,681	19,151,806	1,643,224,976
8.1	Provision for tax of the unit is accounted for in the book of Eastern Bank Limited.					
9	Foreign currency translation gain/(loss)					
	The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency. Assets and liabilities of OBO have been presented into Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank i.e. USD 1 = BDT 103.2927 (2021: BDT 85.80) and incomes and expenses are translated using monthly average of standard mid rate of exchange (USD 1 = BDT 93.5697).					
10	Interest income					
	Interest on advances		20,446,047	1,913,132,507	11,570,188	984,547,764
	Interest on placement with other banks		245,146	22,938,305	752,068	63,996,122
			20,691,193	1,936,070,812	12,322,256	1,048,543,886
11	Interest paid on deposits and borrowings					
	Interest on demand borrowings		2,000,076	187,146,697	1,770,297	150,640,766
	Interest on term borrowings		15,263,943	1,428,244,060	6,200,614	527,631,913
			17,264,018	1,615,390,757	7,970,911	678,272,679
12	Commission, exchange and brokerage					
	Fees & commission		139,468	13,050,015	94,838	8,070,077
	Exchange gain/(loss) net off exchange gains*		(9,817)	(918,573)	(15,583)	(1,326,036)
			129,651	12,131,442	79,254	6,744,041

*The net result of exchange differences arising from day to day transactions & revaluation of monetary items are recognized in profit and loss account as per IAS 21 *The Effect of changes in Foreign Exchange Rates*.

	Notes	2022		2021	
		USD	BDT	USD	BDT
13	Other operating income				
	Rebate of foreign correspondence charges	176,533	16,518,149	124,054	10,556,205
	Swift charges recovered	14,927	1,396,716	10,193	867,358
	Postage charges recovered	2,342	219,122	204	17,359
	Service charges (others)	57,033	5,336,552	36,987	3,147,381
		250,835	23,470,540	171,439	14,588,303
14	Operating expenses				
	Account maintenance & processing fees	196,229	18,361,076	166,329	14,153,517
	Other charges	-	-	-	-
		196,229	18,361,076	166,329	14,153,517
15	Provision for loans and advances				
	General provision for loans	267,628	25,041,895	1,357,606	115,523,419
	General provision for off-balance sheet exposures	3,768	352,581	72,940	6,206,760
	Special general provision for COVID-19	(350,154)	(32,763,812)	348,660	29,668,719
	Specific provision	4,777,542	447,033,680	11,102,519	944,752,172
		4,698,785	439,664,344	12,881,725	1,096,151,070
16	Surplus in profit and loss account				
	Opening balance	(8,446,015)	(718,701,037)	4,524,953	384,047,635
	Add: Profit/(loss) during the year	(1,087,353)	(101,743,382)	(8,446,015)	(718,701,037)
		(9,533,368)	(820,444,419)	(3,921,062)	(334,653,401)
	Less: Transferred to DBO during the year	-	-	(4,524,953)	(384,047,635)
		(9,533,368)	(820,444,419)	(8,446,015)	(718,701,037)
17	Cash received from commission, exchange and brokerage				
	Commission, exchange and brokerage	129,651	12,131,442	79,254	6,744,041
		129,651	12,131,442	79,254	6,744,041
18	Cash received from other operating activities				
	Service charges, SWIFT charges etc.	250,835	23,470,540	171,439	14,588,303
		250,835	23,470,540	171,439	14,588,303
19	Paid for operating expenses				
	Operating expenses	(196,229)	(18,361,076)	(166,329)	(14,153,517)
		(196,229)	(18,361,076)	(166,329)	(14,153,517)
20	Cash and cash equivalent				
	Balance with other banks & FIs	9,429,053	973,952,377	13,612,118	1,167,919,763
	Money at call and short notice	-	-	-	-
		9,429,053	973,952,377	13,612,118	1,167,919,763

Financial Statements of the Subsidiaries

Directors Report of EBL Securities Limited (EBLSL)

The Board of Directors of EBL Securities Limited (EBLSL) takes pleasure in presenting the Directors Report on the Company's operational and financial activities, along with the Audited Financial Statements for the year ended on December 31, 2022 for your kind consideration.

Market Scenario in 2022

The capital market of Bangladesh faced some challenges due to global economic adversities, including the Russia-Ukraine conflict and worldwide recessionary outlook. As a result, DSEX, the broad index of the Dhaka bourse, closed at 6,206.8 points, falling by 8.1% or 549.8 points.

Despite the downturn in the market, the listing of government securities had a positive impact on market capitalization, resulting in an increase of BDT 2,187.4 billion, or approximately 40%, during the period. However, if debt securities are excluded, the market capitalization has experienced a decline of 7.9%. The market started positively at the beginning of the year, as investors were optimistic about the economic rebounding in the post-COVID-19 period. However, the market has trended downward since February, as the macroeconomic scenario started worsening due to the Russia-Ukraine conflict that resulted in a rise in commodity and fuel prices. Consequently, the widening current account deficit and the depreciation of the local currency have put further strain on the country's economy. Meanwhile, the capital market also felt the heat as the core index plunged below the psychological threshold of 6,000-mark, propelling the stock market regulator to reinstate the floor price by the end of July 2022.

The floor price, however, could not entice investors for long, as economic fears were escalated by record-high inflation and rising fuel and energy prices. Furthermore, the government's austerity measures aimed at addressing the power and energy shortages in the country have put additional pressure on manufacturing companies that were already struggling, further exacerbating their financial performance. In addition to these challenges, the imposition of the floor price has reduced market liquidity, resulting in a 34.9% decrease in the daily average turnover to BDT 9.6 billion compared to the previous year. The market became concentrated on selective low-paid scrips, while other scrips remained stuck at the floor price without attracting potential buyers.

On August 2022, the Bangladesh Bank came up with the long-awaited resolution regarding the computation of the bank's capital market exposure based on cost price rather than market value, allowing them a time extension until December 2023 to adjust their excess exposure in the stock market.

However, despite continuous regulatory efforts, investors' participation was yet to recover across the bourse as the financial performance of companies failed to meet investor expectations. As a result, the capital market of Bangladesh could not perform up to expectations during 2022.

EBL Securities Limited

EBL Securities Limited (EBLSL) is one of the top-tier full-service brokerage houses in Bangladesh and ranks among the top ten

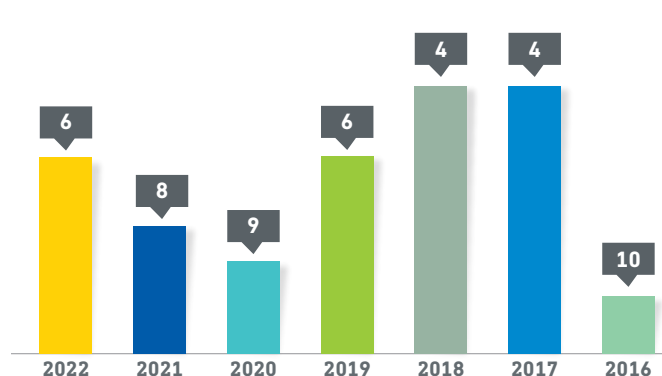
stockbrokers of the Dhaka Stock Exchange (DSE). EBLSL offers a wide range of services including trade execution in both DSE and CSE, CDBL services, margin loan, foreign trade and panel brokerage services.

EBLSL also encourages investment based on fundamentals and has an in-house research team for helping investors in making informed investment decisions. EBLSL also has research distribution agreements with several prominent international research distribution platforms, including Bloomberg, Refinitiv, CFA ARX, Research Pool, RSRCHX etc. as part of its endeavor to attract foreign clients along with serving the domestic clients.

Financial Highlights

In 2022, EBL Securities Limited (EBLSL) achieved significant milestones, including an increase in its market share from 5.2% in 2021 to 6.0% in 2022 and an improved ranking based on turnover in the Dhaka Stock Exchange (DSE), climbing up from the 8th position to the 6th position.

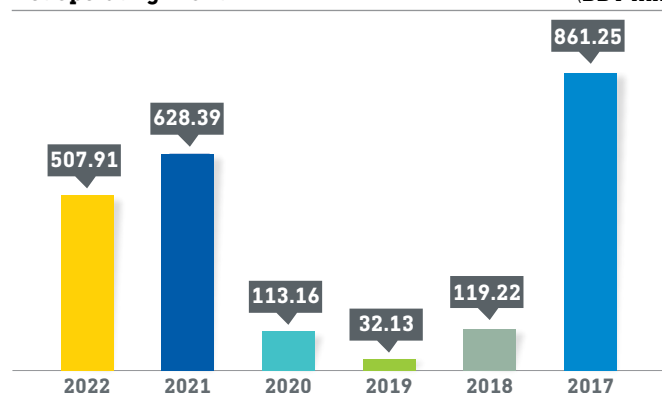
EBLSL Yearly Rank on DSE

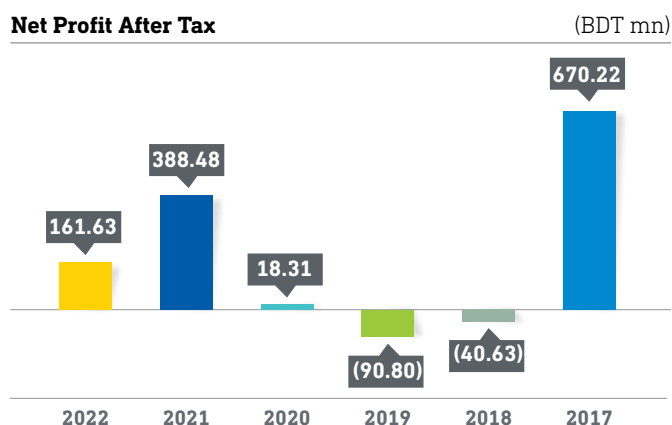


Despite the challenging market conditions, characterized by a subdued sentiment and lower turnover, EBLSL has demonstrated remarkable resilience and maintained a stable financial performance. In 2022, the company earned a Net Operating Profit of BDT 507.9 million and a Net Profit After Tax of BDT 161.6 million.

Net Operating Profit

(BDT mn)





It has also demonstrated a strong focus on efficient cost management, which is reflected in its low cost to income ratio of (24.1%), one of the lowest among the top-tier brokerage firms. Meanwhile, EBLSL has also emphasized effective dealer portfolio management, leading to significant improvements in its portfolio performance. In 2022, the total income generated from the dealer portfolio, including dividend income and capital gains, increased to BDT 225.4 million, representing a YoY rise of 11.9% from BDT 201.5 million in 2021. Nevertheless, EBLSL declared BDT 150.0 million of dividend during the year, which is 10% of its paid-up capital and one of the highest dividend payouts among the peer companies.

Way Forward

- Expanding business through opening new branches and digital booths at strategic locations.
- Hiring business people, arranging training programs and encouraging job rotation within the organization.
- Arranging low-cost funds for facilitating the growth of the company and ensuring effective monitoring of margin loan & proper management of negative equity to increase profitability.
- Implementing Order Management System (OMS) to ensure better compliance, efficient trade operation and seamless integration of back-office & front-office operations.
- Launching new website and mobile application to offer more web-based services to clients and digitization of account opening, maintenance and service delivery process to ensure maximum customer satisfaction.
- Exploring cross-selling opportunities by co-branding with parent i.e.; Eastern Bank Limited and sister concerns to maximize offline and online customer outreach and maximizing synergy between EBL and its subsidiaries for mutual business and EBL culture.

Market Outlook for 2023

The year 2023 might be a challenging yet prospective year for the capital market since the indication of easing adversities on the macroeconomic front following the positive node on securing the IMF loan is likely to instill confidence among the investors, resulting in a probable increase in market turnover.

Investors are likely to remain watchful amidst the possibility of persistent inflationary pressure, upward adjustments in the interest

rate cap and liquidity pressures in the money market. Moreover, rising energy prices and input costs are likely to affect the top-line growth and profitability of the major manufacturing companies, while a decline in discretionary spending in the economy may have an adverse effect on the capital-intensive sectors such as construction, electronics, automobiles etc. Meanwhile, the possibility of political movements ahead of the national election may also elevate investors' concerns.

Despite these challenges, there are indications that the market sentiment will stabilize by the latter part of the year. Economic tensions are expected to ease due to the recent decline in LC opening and import bills and the receipt of the first tranche of the IMF loan installments. These developments are likely to pave the way for an improvement in the country's current account deficit and foreign exchange volatility. Furthermore, according to some media reports regarding the draft "Bank Company (Amendment) Act, 2023", the long-awaited issue regarding the exclusion of corporate bonds and debentures from the bank's capital market exposure may come into effect in the days ahead. Additionally, the stock market regulator is expected to continue frequent policy updates to restore investor confidence and enhance liquidity in the market.

In 2023, companies with strong fundamentals from FMCG, IT, Insurance, and Pharma sectors, as well as well-governed Banks and NBFIs, are expected to perform well. While the broad index and average daily turnover may remain relatively stable compared to the previous year, a renewed sense of optimism in the market due to improvements in the macroeconomic environment could lead to an increase in both the core index and market turnover. Overall, there is a growing anticipation of a gradual economic recovery, which could fuel a vibrant momentum in the capital market by the latter part of the year. Investors should keep an eye on the potential sectors and companies with strong fundamentals, as they may offer promising investment opportunities in the coming year.

Acknowledgement

On behalf of the Board of Directors, I extend my sincere gratitude to our clients, business partners, and shareholders for their unwavering support towards EBL Securities Limited. A special note of appreciation goes to the management team and all the employees for their devotion, integrity, hard work and professionalism in meeting the many challenges throughout this difficult year.

Finally, the members of the Board would also like to thank the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE), Chittagong Stock Exchange PLC and Central Depository Bangladesh Limited (CDBL) for their contributions to the growth of the company.

For and on behalf of the Board of Directors,

Chairman
EBL Securities Limited

EBL Securities Limited

Independent auditor's report

to the shareholders of EBL Securities Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of EBL Securities Limited, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2022, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Boards of Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management of EBL Securities Limited is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the companies Act 1994, the Securities and Exchange Rules 2020, and other application laws and regulations and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparation the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternatives but to do so.

Those charged with governance are responsible for overseeing the Company's financial process.

Auditor's responsibilities for the audit of the financial statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and other considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit with ISAs, we exercise professional judgements and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of financial statements, whether due to fraud or error, designed and performed audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 2020, We also report the following:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The information and explanations required by us have been received and found satisfactory;
- d. The statement of financial position, and the statement of profit or loss and other comprehensive income and statement of changes in equity and statement of cash flows of the company dealt with by the report are in agreement with the books of account; and
- e. The expenditure was incurred for the purpose of the company's business.

Dhaka
14 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner

ICAB Enrolment # 1721
DVC: 2302221721AS236749

EBL Securities Limited

Statement of Financial Position

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
ASSETS			
Non-current assets		975,743,667	950,308,992
Property, plant and equipment	4	51,390,914	26,651,188
Deferred tax assets	5	83,635,885	82,940,937
Investments with DSE & CSE	6	840,716,867	840,716,867
Current assets		6,611,066,470	6,763,624,519
Investment in shares	7	2,102,010,325	1,968,342,867
Advance, deposits and prepayments	8	222,906,786	260,605,888
Accounts receivable	9	58,157,591	201,798,692
Loan to clients	10	3,823,671,260	3,843,972,752
Cash & bank balance	11	404,320,508	488,904,320
TOTAL ASSETS		7,586,810,137	7,713,933,511
EQUITY AND LIABILITIES			
Shareholders' Equity		2,166,769,633	2,155,135,634
Share capital	12	1,500,000,000	1,500,000,000
Revaluation reserve for investments with DSE & CSE	13	639,212,367	639,212,367
Retained earnings	14	27,557,266	15,923,267
Non-current liabilities			
Lease liability	15	28,117,197	5,470,134
Current liabilities		5,391,923,307	5,553,327,743
Accounts payable	16	300,999,001	566,098,582
Short term loan	17	3,886,662,623	3,797,510,684
Liabilities for expenses	18	143,793,784	342,474,125
Other liabilities	19	816,018,674	608,289,629
Provision for tax	20	244,449,225	238,954,723
TOTAL LIABILITIES		5,420,040,504	5,558,797,877
TOTAL EQUITY AND LIABILITIES		7,586,810,137	7,713,933,511

The annexed notes from 1 to 31 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statement of financial position referred to in our separate report of even date.

Dhaka,
14 February 2023

Sign for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrollment No # 1721
DVC: 2302221721AS236749

EBL Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Operating income			
Brokerage commission income	21	426,554,263	578,786,758
Direct expenses	22	(57,553,534)	(75,260,525)
Net brokerage commission income		369,000,729	503,526,233
Interest income	23	344,097,236	371,320,804
Interest expense	24	(272,742,371)	(286,141,419)
Net interest income		71,354,865	85,179,385
Investment income	25	225,384,568	201,509,299
Other operating income	26	3,016,269	6,546,226
Total operating income		668,756,431	796,761,143
Operating expenses	27	(160,850,073)	(168,375,808)
Net operating profit		507,906,358	628,385,336
Provision for loss on margin loan		-	(89,000,000)
Provision for diminution in value of quoted securities		(225,526,044)	-
Profit before income tax		282,380,314	539,385,336
Less: Income tax expense	28	(120,746,315)	(150,901,883)
Current tax		(121,441,263)	(151,155,334)
Deferred tax income		694,948	253,451
Net profit/(loss) for the year		161,633,999	388,483,453
Other comprehensive income		-	-
Total comprehensive income/(loss)		161,633,999	388,483,453
Earnings per share (EPS)	29	107.76	258.99

The annexed notes from 1 to 31 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statement of profit & loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
14 February 2023

Sign for and on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrollment No # 1721
DVC: 2302221721AS236749

EBL Securities Limited

Statement of Cash Flows

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
A. Cash flows from operating activities:			
Profit after tax		161,633,999	388,483,453
Depreciation & amortization		22,397,339	23,257,710
Decrease/ (Increase) in advance, deposits and prepayments		37,699,102	(93,901,667)
Accrual for interim dividend		(150,000,000)	(300,000,000)
Deferred tax		(694,948)	(253,451)
Decrease/(Increase) in accounts receivable		143,641,101	(139,187,597)
(Decrease)/Increase in accounts payable		(265,099,580)	273,274,678
(Decrease)/Increase in liabilities for expenses		(198,680,341)	315,449,084
Increase in other liabilities		230,376,108	79,285,110
Increase in provision for tax		5,494,502	90,387,108
Net cash flow from/(used in) operating activities		(13,232,719)	636,794,429
B. Cash flows from investing activities:			
(Increase) in investment in shares		(133,667,458)	(112,546,772)
Decrease/(Increase) in loans to clients		20,301,492	(773,034,417)
Acquisition of fixed assets		(47,137,065)	(8,629,614)
Net cash used in investing activities		(160,503,031)	(894,210,804)
C. Cash flows from financing activities:			
(Payment) or receipt of short term loan		89,151,938	364,370,264
Net cash (used in)/flow from financing activities		89,151,938	364,370,264
D. Net deficit in cash and bank balance (A+B+C)		(84,583,812)	106,953,889
E. Unrealised foreign exchange gain/(loss)		-	-
F. Cash and bank balances at the beginning of the year		488,904,320	381,950,431
G. Cash and bank balance at the end of the year (D+E+F)		404,320,508	488,904,320

The annexed notes from 1 to 31 form an integral part of these financial statements.



Managing Director



Director



Chairman

Dhaka,

14 February 2023

Statement of Changes in Equity

for the year ended 31 December 2022

Amount in BDT

Particulars	Share capital	Revaluation reserve for investment with DSE & CSE	Retained Earnings	Total Equity
Balance as at 01 January 2022	1,500,000,000	639,212,367	15,923,267	2,155,135,634
Net profit for the year	-	-	161,633,999	161,633,999
Interim dividend	-	-	(150,000,000)	(150,000,000)
Balance as at 31 December 2022	1,500,000,000	639,212,367	27,557,266	2,166,769,633
Balance as at 31 December 2021	1,500,000,000	639,212,367	15,923,267	2,155,135,634

The annexed notes from 1 to 31 form an integral part of these financial statements.



Managing Director



Director



Chairman

Dhaka,

14 February 2023

EBL Securities Limited

Notes to the financial statements

as at and for the year ended 31 December 2022

1. Company and its activities

1.1 Legal status and nature of the company

EBL Securities Limited is one of the leading brokerage houses domiciled in Bangladesh which has been constituted by changing the name of LRK Securities Ltd. by shares incorporated under the Companies Act 1994 incorporation no. C-32161 (1282)/97. EBL Securities Limited is the TREC holder (Trading Right Entitlement Certificate) of both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange PLC bearing certificate no. 026 and 021 dated 03 November 2013 and 28 October 2013 respectively.

1.2 Principal activities and nature of operation

The principal activities of the company is to buy, sell, deal and invest in shares, stocks, debentures and other securities, to become TREC holder of stock exchange in Bangladesh and/or elsewhere and undertake all the functions of a Stock Exchange TREC holder.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements are prepared on the historical cost basis except measuring fair value of DSE & CSE TREC and shares and therefore, did not take into consideration the effect of inflation. The financial statements have been prepared and the disclosures of information have been made in accordance with the Companies Act, 1994, the Securities and Exchange Rules, 2020, the Listing Rules of Dhaka Stock Exchange, Guidelines from Bangladesh Securities & Exchange Commission (BSEC), International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

2.2 Other regulatory compliances

As required, EBL Securities Limited also complies with the applicable provisions of the following major laws/ statutes:

- Securities and Exchange Rules, 2020;
- Securities and Exchange Commission Act, 1993;
- Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;
- Exchanges Demutualization Act, 2013
- Income Tax Ordinance, 1984;
- Income Tax Rules, 1984;
- Value Added Tax and Supplementary Duty Act, 2012;
- Value Added Tax and Supplementary Duty Rules, 2016;
- Negotiable Instruments Act, 1881; and
- Other applicable laws and regulations

2.3 Basis of measurement

The financial statements, except statement of cash flows, have been prepared on the accrual basis of accounting.

2.4 Components of financial statements

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

2.5 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting year that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year.

In accordance with the guidelines as prescribed by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, provisions are recognized in the following situation:

- When the company has an obligation as a result of past events;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made of the obligation.

2.7 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, EBL Securities Limited applies the accounting disclosure principles consistently from one year to the next. Where new accounting policies or changes in accounting policy is applied or corrections of errors are accounted for the requirement of IAS 8 is followed. We have applied the same accounting principles in 2022 as was for in financial statements for 2021.

2.8 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.9 Reporting year

The financial statements of the company cover 01 (one) year from 01 January 2022 to 31 December 2022 and is followed consistently.

2.10 Investment in stock exchanges for membership

In accordance with section 8 of the Exchanges Demutualization Act, 2013, both stock exchange membership have been converted into shares through the issuance of two completely de-linked assets to the former members in the Exchange, namely (a) fully paid-up shares and (b) trading right. Exchanges shall have the authority to issue Trading Right Entitlement Certificate (TREC), as per the Exchanges Demutualization Act, 2013 and as outlined in the scheme, to provide the right to trade any securities enlisted in Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange PLC to eligible brokers and dealers. Such TRECs will be totally separated from the ownership of the Exchange as there is no obligation for TREC holders to be or remain shareholders of the exchange.

3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all years presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

These are measured at cost less accumulated depreciation. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Depreciation has been charged on additions when the assets are put into use on the basis of straight line method in accordance with IAS-16 *Property, Plant and Equipment*.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss account as incurred.

3.1.3 Depreciation & amortization

Depreciation on property, plant and equipment is charged using straight line method on all assets. Depreciation is charged from the date when the assets are ready to use. Depreciation & amortization rates are as follows:

Nature of assets	Rate of depreciation
Furniture & fixture	10%
Television & multimedia	20%
Computer & accessories	33.33%
Generator	20%
Office equipment	20%
Office decoration	10%
Vehicles	20%

3.2 Intangible assets

3.2.1 Recognition and measurement

The only item in intangible assets is computer software that was acquired by the Company and is measured at cost less accumulated amortization and impairment loss, if any.

3.2.2 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.2.3 Amortization

Amortization is calculated using the straight line method to write down the cost of intangible asset to its straight line values (33.33%).

3.3 Impairment

The carrying value of the Company's assets other than inventories, are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the profit and loss account.

3.4 Cash and bank balance

Cash and bank balance includes cash in hand and cash at bank which are held and available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

3.5 Accounts receivable

Accounts receivables are stated at nominal values as reduced by the appropriate allowances for estimated doubtful amounts. No such receivables are accounted for if the loans are classified as bad and loss. Receivable include the amount receivable both from DSE and CSE against daily transaction settlement and dividend income from investments, etc.

3.6 Loan to clients

EBL Securities Limited extends margin loan to the portfolio investors at an agreed ratio (between investors deposit and loan amount) of purchased securities against the respective investor account. The investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to change in market price of shares. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain margin as per rules otherwise the securities are sold to bring the margin to the required level.

3.7 Investment in securities

Investments in listed securities are recognized at cost. Quarterly impairment test is carried out by comparing cost with market price. In case of diminution of market value compared to cost, provision is made on portfolio basis but no unrealized gain is booked when market value exceeds cost.

3.8 Recognition and measurement of financial assets

In accordance with International Financial Reporting Standard (IFRS) 9, financial assets may be recognized at fair value, with gain and losses taken to the income statement in net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

3.9 Provision for income tax

Provision for income tax is made on the basis of Company's computation based on the best estimate of taxable profit in accordance with Income Tax Ordinance, 1984. The income tax rate is 27.50% for a private limited company or non listed company in Bangladesh.

3.10 Revenue recognition

Revenue is recognized only when the performance obligation is satisfied in accordance with the International Financial Reporting Standard (IFRS)-15 *Revenue from Contracts with Customers*.

3.10.1 Brokerage commission

Brokerage commission is recognized as income when selling or buying order is executed.

3.10.2 Interest income from margin loan

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respective customers. Income is recognized on quarterly rest.

3.10.3 Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when right to receive or payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.11 Suspense interest account

Suspense interest account is created against interest income from negative equity customers and vulnerable margin account.

3.12 Income tax expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.13 Application of International Financial Reporting Standard (IFRS) 16

Leases

The company has made recognition, measurement and disclosures for both being as Lessee and Lessor as per IFRS-16.

Right-of-use assets (ROU):

EBL Securities Limited, recognises the right-of-use assets at the commencement date of the lease (i.e. the date at the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognise, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining year of the lease term.

Lease liabilities:

At the commencement of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payment include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. In 2022, the company reassessed all lease payment of existing contracts. The lease liabilities are presented in the note 15 of these financial statements. Leases where the company does not transfer substantially all of the risk and benefit of ownership of any asset are classified as operating assets.

3.14 Provision for diminution in value of investments

Investment in quoted shares and un-quoted shares are revalued at the year end at cost price. Provision should be made for any loss arising from diminution in value of investment in light with BSEC ref # BSEC/SRI/NE/2020/605, dated 28 December, 2022. However, full provisions have been made for any loss arising from diminution in value of investment.

3.15 Earnings per share (EPS)

This has been calculated by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2022 as per IAS-33 *Earnings per share*. Diluted Earnings per share is not required to be calculated for the year, as there exists no dilution possibilities during the year.

3.16 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the Company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

3.17 General

i) Figures have been rounded off to the nearest integer.

ii) Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

Amount in BDT

	Notes	2022	2021
4. Property, plant and equipment			
A. Cost			
i) Freehold assets			
Opening balance		71,306,086	68,742,682
Add: Addition during the year		8,927,308	2,563,404
		80,233,394	71,306,086
Less: Disposal during the year		-	-
		80,233,394	71,306,086
ii) Right of use assets (leasehold assets)			
Opening balance		7,430,562	47,132,511
Add: Addition during the year		38,209,757	6,066,210
		45,640,319	53,198,721
Less: Adjustment of lease		-	45,768,159
		45,640,319	7,430,562
Total cost (A)		125,873,713	78,736,648
B. Accumulated depreciation			
i) Freehold assets			
Opening balance		50,059,150	42,377,773
Add: Charged during the year		6,083,217	7,681,377
		56,142,367	50,059,150
Less: Adjustment for disposal		-	-
		56,142,367	50,059,150
ii) Right of use assets (leasehold assets)			
Opening balance		2,026,310	32,218,136
Add: Charged during the year		16,314,122	15,576,333
		18,340,432	47,794,469
Less: Adjustment of lease		-	45,768,159
		18,340,432	2,026,310
Total accumulated depreciation (B)		74,482,800	52,085,461
Written down value (A-B)		51,390,914	26,651,188
The schedule of property, plant and equipment is given in Annexure-A.			
5. Deferred tax assets			
Opening balance		82,940,937	82,687,487
Add: Deferred tax assets during the year		694,948	253,451
		83,635,885	82,940,937
6. Investments with DSE & CSE			
Value of investment with DSE	6.1	595,337,112	595,337,112
Value of investment with CSE	6.2	245,379,755	245,379,755
		840,716,867	840,716,867
6.1 Value of investment with DSE			
DSE TREC value		481,427,540	481,427,540
DSE shares (5,411,329 shares par value of Tk. 10.00 each)		113,909,572	113,909,572
		595,337,112	595,337,112
6.2 Value of investment with CSE			
CSE TREC value		201,500,000	201,500,000
CSE shares (4,287,330 shares par value of Tk. 10.00 each)		43,879,755	43,879,755
		245,379,755	245,379,755

Amount in BDT

7. Investment in shares**7.1 Cost value of dealer account****Quoted shares (sector-wise)**

Fuel & power	118,209,361	120,050,675
Textile	70,638,434	11,883,796
Bank	228,525,910	318,660,519
NBFIs	434,295,458	447,228,853
Engineering	8,423,150	18,688,882
Pharmaceuticals & chemicals	316,369,968	220,970,979
Insurance	236,966,500	352,726,690
Others	282,853,436	36,498,567
	1,696,282,219	1,526,708,961

Strategic investment account

Fuel & power	-	14,299,185
NBFIs	-	20,162,347
Insurance	3,172,606	3,172,606
	3,172,606	37,634,138

Special purpose fund

Bank	187,223,410	228,013,935
Pharmaceuticals & chemicals	37,054,264	25,286,249
Fuel & power	4,381,068	-
Insurance	37,575,000	48,851,258
Others	86,321,759	81,848,327
	352,555,501	383,999,769

Total quoted shares**2,052,010,325** **1,948,342,867****Unquoted shares**

7.2	Investments in BD Venture Limited (23,10,000 no. of shares including 5% bonus share)*	20,000,000	20,000,000
7.3	Investments in Xpert Fintech Ltd.**	30,000,000	-
		50,000,000	20,000,000
	Total cost value of shares	2,102,010,325	1,968,342,867

*The company declared and approved 5% stock dividend during the year 2021-2022. The said dividend was approved in 11th Annual General Meeting held on 26th December, 2022.

**EBL Securities Limited invested BDT 30.00 million in Brokerage Technology Services Ltd. Which was approved in 139th Board Meeting of the company held on 29th December, 2021. Subsequently the name of the company has been changed from "Brokerage Technology Services Ltd." to "Xpert Fintech Ltd." which was approved by Office of the Registrar of Joint Stock Companies & Firms vide certificate reference NO. C-177183 dated 22nd June, 2022.

Market value of dealer account**Quoted shares (sector-wise)**

Fuel & power	91,435,380	85,160,839
Textile	60,442,983	8,952,986
Bank	180,336,850	295,975,790
NBFIs	373,352,671	476,047,997
Engineering	13,561,272	10,600,000
Pharmaceuticals & chemicals	253,187,699	178,880,771
Insurance	193,070,248	364,634,220
Others	284,493,840	35,363,435
	1,449,880,942	1,455,616,038

Strategic investment

Fuel & power	-	12,583,395
NBFIs	-	19,880,000
Insurance	1,914,811	3,229,888
	1,914,811	35,693,283

Amount in BDT

	Notes	2022	2021
Special purpose fund			
Bank		146,959,124	207,936,223
Pharmaceuticals & chemicals		35,301,787	25,864,934
Fuel & power		4,090,000	-
Insurance		17,370,000	53,005,077
Others		85,167,077	99,152,518
		288,887,988	385,958,752
Total market value of shares		1,740,683,741	1,877,268,073
8. Advance, deposits and prepayments			
Advance against income tax	8.1	205,698,051	207,331,674
Advance against office rent		419,700	988,650
Advance against security deposit		249,000	249,000
Security deposit against head office		6,104,448	6,104,448
Security deposit against extension office		4,769,747	4,348,509
Advance against expenses		804,611	1,367,932
Prepaid insurance premium against motor vehicle		111,229	131,745
Advance against purchase of shares (Dealer BO A/C)	8.2	4,750,000	22,083,930
Advance against purchase of shares (Customer BO A/C)	8.3	-	18,000,000
		222,906,786	260,605,888
8.1 Advance against income tax			
Opening balance		207,331,674	143,169,855
Add: Addition during the year	8.1.1	83,895,965	121,802,085
		291,227,639	264,971,940
Less: Adjustment during the year	8.1.2	85,529,588	57,640,266
		205,698,051	207,331,674
8.1.1 Advance income tax during the year			
Under section 53BBB		74,044,367	97,815,816
AIT on bank interest & others		9,851,598	23,986,269
		83,895,965	121,802,085
8.1.2 Adjustment during the year			
Under section 53BBB		68,237,280	48,323,494
AIT on bank interest & others		17,292,308	9,316,772
		85,529,588	57,640,266
8.2 Advance against purchase of shares (Dealer BO A/C)			
Asiatic Laboratories Ltd		4,750,000	-
BD Thai Food & Beverage Ltd.		-	637,500
Union Insurance Company Ltd.		-	46,430
Union Bank Ltd.		-	21,400,000
		4,750,000	22,083,930
8.3 Advance against purchase of shares (Customer BO A/C)			
Union Insurance Company Ltd.		-	18,000,000
		-	18,000,000
9. Accounts receivable			
Receivable from DSE		49,602,294	123,219,299
Receivable from CSE		5,961,905	64,625,193
Other receivable		-	91,745
Dividend receivable		2,547,753	13,786,615
Receivable from clients (fees & charges)		45,639	75,840
		58,157,591	201,798,692
10. Loan to clients		3,823,671,260	3,843,972,752

Amount in BDT

11. Cash & bank balance

	Notes	2022	2021
Cash in hand		57,282	127,518
Cash at bank	11.1	404,263,226	488,776,802
		404,320,508	488,904,320

11.1 Cash at Bank

Name of the bank	Account type	Account number	Nature of accounts	Amount	Amount
Al-Arafah Islami Bank Ltd.	SND	0021220003053	CCA	89,965,544	343,080,937
	Current	0021020023058	Dealer A/C	27,835,436	4,357,801
	SND	0021220004539	IPO A/C	16,201	626,780
Eastern Bank Ltd.	SND	1011220125506	Expenditure A/C	5,387,975	10,764,895
		1021360217189	SND	214	1,762,510
		1011030526178	Strategic Investment	1,517,943	3,460,238
		1011030544180	-	4,546,378	84,601
	Current	1011070603665	CCA	272,726,402	119,871,168
Midland Bank Ltd.	SND	002-1090000053	-	1,350	2,500
Prime Bank Ltd.	Current	2118111026824	-	115	955
Social Islami Bank Ltd.	Current	0181330012584	-	1,292,601	80,171
Shimanto Bank Ltd.	Current	1001241000329	-	68,375	69,065
Trust Bank Ltd.	Current	00220210021344	-	93,839	95,131
Standard Chartered Bank	Current	01-1307867-01	CCA	810,852	4,520,052
				404,263,226	488,776,802

12. Share capital**Authorized capital**

2,000,000 ordinary shares of Tk. 1,000 each	2,000,000,000	2,000,000,000
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Issued, subscribed and paid-up capital

1,500,000 ordinary shares of Tk. 1000 each fully paid in cash	1,500,000,000	1,500,000,000
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13. Revaluation reserve for investments with DSE & CSE

Revaluation reserve on DSE investment	595,332,612	595,332,612
Revaluation reserve on CSE investment	43,879,755	43,879,755
	639,212,367	639,212,367

14. Retained earnings

Opening balance	15,923,267	(72,560,186)
Add: Net profit during the year	161,633,999	388,483,453
	177,557,266	315,923,267
Less: Interim dividend during the year	150,000,000	300,000,000
	27,557,266	15,923,267

The company has declared interim cash dividend amounting to Taka 15.00 crore in two different phases for the year ended December 31, 2022. Both the declaration was approved in 143th & 147th board meeting held on 25th June & 26th December of the year 2022 respectively .

15. Lease liability

Opening balance	5,470,134	15,185,024
Add: Addition during the year	38,209,757	7,430,562
	43,679,891	22,615,586
Less: Paid during the year	15,562,694	17,145,452
	28,117,197	5,470,134

Amount in BDT

	Notes	2022	2021
16. Accounts payable			
Payable to DSE		156,794	1,595,464
Payable against BD Thai Food & Beverage Ltd. (IPO application)		-	14,740,000
Payable against Union Insurance Ltd. (IPO application)		-	18,000,000
Payable against Union Bank Ltd. (IPO application)		-	14,360,000
Payable to clients & Exchanges (CCA interest)	16.1	23,870,249	9,337,091
Payable to clients	16.2	275,797,546	508,066,027
Interest payable against short term loan/overdraft	16.3	1,174,413	-
		300,999,001	566,098,582
16.1 Payable to clients & Exchanges (CCA interest)			
Payable to eligible clients		19,119,645	4,586,487
Payable to exchange(s)		4,750,604	4,750,604
		23,870,249	9,337,091
16.2 Payable to clients			
Eastern Bank Ltd.		-	70,112,598
EBL Asset Management Ltd.	6.2.1	2,318,050	2,108,072
EBL Investments Ltd.	16.2.2	1,865,047	43,547,899
Payable to clients		270,490,893	391,250,990
Payable to clients (closed BO accounts)		1,123,556	1,046,468
		275,797,546	508,066,027
16.2.1 Payable to EBL Asset Management Ltd.			
Payable against BO A/C		1,238	1,880
Payable against security deposit		2,316,811	2,106,192
		2,318,050	2,108,072
16.2.2 Payable to EBL Investments Ltd.			
Payable against BO A/C		285,403	41,968,255
Payable against security deposit		1,579,644	1,579,644
		1,865,047	43,547,899
16.3 Interest payable against short term loan/overdraft			
Payable to SIBL		1,174,413	-
		1,174,413	-
17. Short term loan			
Eastern Bank Ltd.		1,285,591,512	1,527,653,859
Trust Bank Ltd.		978,814,328	993,258,838
Community Bank Bangladesh Ltd.		230,764,775	54,436,740
Midland Bank Ltd.		197,728,674	78,689,134
Shimanto Bank Ltd.		447,738,120	241,945,930
Social Islami Bank Ltd.		49,975,000	-
Prime Bank Ltd.		696,050,214	741,526,184
EBL Asset Management Ltd.		-	160,000,000
		3,886,662,623	3,797,510,684
18. Liabilities for expenses			
Audit fees		240,188	228,688
Payable to Mubasher Financial Services BSC		73,500	73,500
Dividend payable		110,000,000	300,000,000
CDBL charges		601,826	1,733,434
Outstanding liabilities		32,878,270	40,438,503
		143,793,784	342,474,125
19. Other liabilities			
Provision for diminution in value of investments	19.1	359,626,330	134,100,286
Provision for loss on margin loan	19.2	297,579,525	297,579,525
Suspense interest	19.3	158,812,818	176,609,817
		816,018,674	608,289,629

Amount in BDT

	Notes	2022	2021
19.1 Provision for diminution in value of investments			
Opening balance		134,100,286	134,100,286
Add: Addition during the year		225,526,044	-
		359,626,330	134,100,286
19.2 Provision for loss on margin loan			
Opening balance		297,579,525	208,579,525
Add: Addition during the year		-	89,000,000
		297,579,525	297,579,525
19.3 Suspense Interest accounts			
Opening balance		176,609,817	176,609,817
Less: Adjustment during the year		17,796,999	-
		158,812,818	176,609,817
20. Provision for tax			
Opening balance		238,954,723	148,567,615
Add: Provision made during the year	20.1	121,441,263	151,152,634
		360,395,986	299,720,249
Less: Adjustment during the year	20.2	115,946,761	60,765,526
		244,449,225	238,954,723
20.1 Provision made during the year			
Under section 53BBB		74,044,366	97,815,816
Provision for tax on other operating income		47,396,897	53,336,818
		121,441,263	151,152,634
20.2 Adjustment/paid during the year			
Under section 53BBB		68,237,280	48,323,494
AIT on bank interest & others		47,709,480	12,442,032
		115,946,761	60,765,526
21. Brokerage commission income			
Brokerage commission (DSE)		393,224,123	509,022,839
Brokerage commission (CSE)		12,748,422	38,780,359
Brokerage commission (Dealer)		7,470,383	7,611,986
Settlement commission		13,111,334	23,371,574
		426,554,263	578,786,758
22. Direct expenses			
Howla charge		26,000	6,450
Laga charge		34,843,832	45,859,640
CDBL charge		22,683,702	29,394,436
		57,553,534	75,260,525
23. Interest income			
Bank interest		547,934	3,300,293
Interest on margin loan		343,549,302	368,020,510
		344,097,236	371,320,804
24. Interest expense			
Interest on short term loan		272,742,371	286,141,419
25. Investment Income			
Dividend income from investment		44,063,773	52,802,583
Dividend income from DSE		-	2,164,532
Dividend income from CSE		-	1,714,932
Capital gain on investment (special fund)		3,157,203	10,353,444
Capital gain on investment (strategic account)		8,363,433	1,329,978
Capital gain on investment		169,800,159	133,143,830
		225,384,568	201,509,299

Amount in BDT

	Notes	2022	2021
26. Other operating income			
Income from IPO application		39,430	298,435
BO opening fees		186,000	836,000
BO closing fees		176,843	143,328
BO annual fees		1,018,800	986,122
Income from other sources		843,726	2,927,674
Income from PF against forfeiture A/C etc.		751,470	1,354,667
		3,016,269	6,546,226
27. Operating expenses			
Salary & allowance	27.1	105,637,574	100,611,164
Rent , utilities, insurance, taxes etc.	27.2	8,360,477	8,850,630
Stationery, printing, advertisement, business promotion etc.	27.3	3,899,745	5,371,977
Repairs, maintenance & depreciation	27.4	26,546,554	26,833,317
Other operating expenses	27.5	16,405,722	26,708,719
		160,850,073	168,375,808
27.1 Salary & allowance			
Basic salary		46,491,354	39,234,761
Other salary & allowances		33,549,544	37,463,097
Festival bonus		14,869,700	6,345,614
Performance bonus		7,000,000	14,200,000
Contribution to provident fund		3,726,976	3,367,692
		105,637,574	100,611,164
27.2 Rent , utilities, insurance, taxes etc			
VAT on office rent		2,658,271	2,458,135
Utility bill		5,306,187	5,998,372
Insurance premium		396,020	394,124
		8,360,477	8,850,630
27.3 Stationery, printing, advertisement, business promotion etc.			
Stationery		1,070,990	971,940
Business promotion		2,011,878	1,535,950
International market development fees		779,027	2,749,866
Advertisement		37,850	114,221
		3,899,745	5,371,977
27.4 Repairs, maintenance & depreciation			
Depreciation & amortization		6,083,217	7,681,377
Depreciation on right of use assets (leased asset)		16,314,122	15,576,333
		22,397,339	23,257,710
Repair & maintenance		224,881	342,334
Computer accessories		932,858	497,741
Office maintenance		1,621,563	1,640,316
Software maintenance & development fee		431,427	415,504
Car maintenance		938,486	679,712
		4,149,215	3,575,607
		26,546,554	26,833,317
27.5 Other operating expenses			
Training, seminar & meeting		1,112,066	3,433,161
Postage, courier & documentation charges		54,397	324,824
Board meeting expenses		242,000	280,500
DSE & SEC subscription & others		474,032	644,820
CSE subscription & others		4,527	12,079
Registration & renewal		612,144	435,017
Legal & professional expenses		292,814	473,270
Connectivity rent		1,929,775	1,643,728
Interest expense on lease liability		2,159,062	606,466

Amount in BDT

	Notes	2022	2021
Entertainment		2,056,770	1,688,777
Newspapers & magazine		2,040	11,950
Audit Fees		195,500	145,000
Travelling & conveyance		304,006	2,236,916
Security charges		594,000	528,001
Medical expense		1,135,648	1,374,417
Bid registration charges		19,000	33,000
Guarantee premium		4,658,100	4,074,814
Bank charges		559,842	405,334
Other operating expenses		-	8,356,645
		16,405,722	26,708,719
28. Income tax expenses			
Current year		(121,441,263)	(151,155,334)
Deferred tax income		694,948	253,451
		(120,746,315)	(150,901,883)
29. Earnings per share (EPS)			
Net profit / (loss) attributable to shareholders		161,633,999	388,483,453
Number of ordinary shares		1,500,000	1,500,000
		107.76	258.99

30. Related party transactions

The significant related party transactions during the year were as follows:

Name of the companies	Nature of transactions	Balance as at 31.12.2022
Eastern Bank Limited	Bank overdraft A/C No. 1022040204224	901,905,480
	Bank overdraft-(special fund) A/C No. 1022040313591	383,686,031
EBL Investments Ltd.	Payable against BO A/C & security deposit	1,865,047
EBL Asset Management Ltd.	Payable against BO A/C & security deposit	2,318,050

31. Contingent liabilities

There is no such contingent liabilities as on 31 December 2022 to be reported.

EBL Securities Limited

Schedule of property, plant and equipment

as at 31 December 2022

Annexure - A

Particular	Cost				Rate (%)	Accumulated depreciation & amortization				Written down value at 31.12.2022
	Balance as on 01.01.2022	Additions during the year	Disposals/ adjusted during the year	Balance at 31.12.2022		Balance as on 01.01.2022	Charge during the year	Disposals/ adjusted during the year	Balance at 31.12.2022	
a) Freehold assets										
Furniture & fixture	2,839,511	-	-	2,839,511	10%	1,310,423	238,287	-	1,548,710	1,290,801
Television & multimedia	949,420	-	-	949,420	20%	715,282	96,375	-	811,657	137,763
Office equipment	5,388,236	-	-	5,388,236	20%	4,736,204	397,034	-	5,133,238	254,998
Generator	727,500	-	-	727,500	20%	727,498	-	-	727,498	2
Computer & accessories	14,784,226	3,917,460	-	18,701,686	33.33%	13,179,589	799,020	-	13,978,609	4,723,077
Office decoration	24,402,414	2,384,848	-	26,787,262	10%	9,041,197	2,621,107	-	11,662,304	15,124,958
Vehicles	19,292,076	2,625,000	-	21,917,076	20%	18,060,651	1,668,921	-	19,729,572	2,187,505
Intangible asset (software)	2,922,703	-	-	2,922,703	33.33%	2,288,306	262,474	-	2,550,780	371,923
b) Leasehold assets										
Building	7,430,562	38,209,757	-	45,640,319		2,026,310	16,314,122	-	18,340,432	27,299,887
Total at 31 December 2022	78,736,648	47,137,065	-	125,873,713.0		52,085,461	22,397,339	-	74,482,800	51,390,913
Total at 31 December 2021	115,875,193	8,629,614	45,768,159	78,736,648		74,595,910	23,257,710	45,768,159	52,085,461	26,651,188

Directors Report of EBL Investments Limited (EBLIL)

The Board of Directors of EBL Investments Limited (EBLIL) is pleased to present the Directors Report on the operational and financial activities of EBLIL together with the Audited Financial Statements for the year ended 31 December 2022 for your valued consideration, approval and adoption which has been prepared in compliance with Section 184 of the Companies Act, 1994 and the requirements mandated by the regulatory bodies.

EBL Investments Limited

EBL Investments Limited (EBLIL) is a fully owned subsidiary of Eastern Bank Limited (EBL). It has obtained license from Bangladesh Securities & Exchange Commission (BSEC) as full-fledged Merchant Bank in 2013. Paid-up Capital of EBLIL is BDT 40 Crore. EBLIL provides a full range of investment banking facilities including conventional merchant banking activities. EBLIL also focuses on originating, structuring, underwriting and executing debt financing including syndications, corporate bonds, and other debt linked products.

Financial highlights of EBLIL

Financial Position	Amount in BDT	
	2022	2021
Total Assets	513,544,388	391,961,663
Total Liabilities	79,890,887	65,055,499
Operating Revenue	45,205,317	58,109,785
Operating Expense	26,682,908	48,716,124
Net Profit Before Tax	8,522,409	19,983,374
Net Profit After Tax	6,747,337	7,346,290
Paid-up Capital	400,000,000	300,000,000
Shareholders' Equity	433,653,501	326,906,164
Return on Assets	1.31%	1.87%
Return on Equity	1.56%	2.25%

Board of Directors of EBLIL

Board of Directors	Status in Board
Mohd. Noor Ali	Chairman & Director Nominated by Eastern Bank Ltd.
Mufakkarul Islam Khasru	Director Nominated by Eastern Bank Ltd.
K.J.S. Banu	Director Nominated by Eastern Bank Ltd.
Ashiq Imran	Director Nominated by Eastern Bank Ltd.
Ali Reza Iftekhar	Shareholder Director
Ahmed Arefin FCA	Managing Director

Shareholding position

Shareholders	% of Share Holdings	No. of Shares
Eastern Bank Limited	99.999975%	3,999,999
Ali Reza Iftekhar	0.000025%	1
Total	100%	4,000,000

Acknowledgement

I, on behalf of the Board of Directors, would like to express heartiest thanks and gratitude to our business partners and shareholders for their continuous support and confidence in EBL Investments Limited (EBLIL). A special note of appreciation goes to our management team and all the employees for their devotion, integrity, hard work, and professionalism. My sincere gratitude also goes to Bangladesh Securities and Exchange Commission (BSEC), Stock Exchange(s),

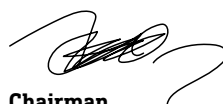
Capital market outlook

During 2022, the capital market had a tough year due to economic challenges resulting from global adversities such as the escalating Russia-Ukraine war and worldwide recessionary forecasts. The market had started the year-2022 on a positive note as investors had expected that the economic activities would recover from the impact of COVID fallout, but the momentum could not sustain for long due to a surge in coronavirus cases in the country and eruption of Russia-Ukraine war that resulted in an intense bearish sentiment on the capital market.

The capital market is expected to remain shaky in 2023 and volatility is likely to persist due to concerns regarding the global recessionary outlook and the slashed GDP growth forecast of Bangladesh for FY23.

and all other regulatory bodies in Bangladesh for their invaluable assistance, support, guidance and counsel towards the growth of this company.

For and On Behalf of the Board of Directors



Chairman
EBL Investments Limited

EBL Investments Limited

Independent auditor's report

to the shareholders of EBL Investments Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of EBL Investments Limited, which comprise the statement of financial position as at 31 December 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2022, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Boards of Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management of EBL Investments Limited is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the companies Act 1994, the Securities and Exchange Rules 1987 and other application laws and regulation and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparation the financial statements, managements is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternatives but to do so.

Those charged with governance are responsible for overseeing the company's financial process.

Auditor's responsibilities for the audit of the financial statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and other considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit with ISAs, we exercise professional judgements and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of financial statements, whether due to fraud or error, designed and performed audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentations.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, We also report the following:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The information and explanations required by us have been received and found satisfactory;
- d. The statement of financial position, and the statement of profit or loss and other comprehensive income and statement of changes in equity and statement of cash flows of the company dealt with by the report are in agreement with the books of account; and
- e. The expenditure was incurred for the purpose of the company's business.

Dhaka

14 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrolment # 1721
DVC: 2302221721AS251960

EBL Investments Limited

Statement of Financial Position

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
ASSETS			
Non-current assets		17,885,659	7,970,076
Property, plant and equipment	5	12,406,984	5,227,364
Deferred tax asset	6	5,478,675	2,742,712
Current assets		495,658,728	383,991,587
Cash and cash equivalents	7	72,947,984	68,655,323
Advances, deposit & prepayments	8	14,465,937	7,135,320
Margin loan	9	54,203,443	58,154,661
Accounts receivable	10	9,100,400	43,703,689
Investments	11	344,940,964	206,342,594
TOTAL ASSETS		513,544,388	391,961,663
EQUITY AND LIABILITIES			
Shareholders' equity		433,653,501	326,906,164
Share capital	12	400,000,000	300,000,000
Share money deposit	13	-	-
Retained earnings	14	33,653,501	26,906,164
Non-current liabilities			
Leased liability net off current maturity	15	7,615,046	-
Current liabilities		72,275,841	65,055,499
Current portion of lease liability	15	1,923,690	573,244
Trade payable	16	15,588,771	26,994,001
Provision for income tax	17	9,158,885	5,766,534
Other liabilities	18	45,604,494	31,721,720
Total liabilities		79,890,887	65,055,499
TOTAL EQUITY AND LIABILITIES		513,544,388	391,961,663

The annexed notes from 1 to 28 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statements of financial position referred to in our separate report of even date.

Dhaka,
14 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrolment # 1721
DVC: 2302221721AS251960

EBL Investments Limited

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Operating income		45,205,317	58,109,785
Fees & commission	19	15,109,343	10,749,969
Investment income	20	25,957,973	32,454,207
Interest & other income	21	4,138,001	14,905,609
Operating expenses		26,682,908	48,716,124
Administrative expenses	22	26,682,908	48,716,124
Operating profit before provision		18,522,409	9,393,661
Provision (charged) for diminution in value of investments	23	(7,054,723)	-
Provision (charged)/released for negative equity	23	(2,945,277)	10,589,713
Profit/ (loss) before tax		8,522,409	19,983,374
Income tax expense		1,775,072	12,637,085
Current tax	24	4,511,035	1,433,060
Deferred tax (income)/expense	6	(2,735,964)	11,204,025
Net profit/ (loss) after tax		6,747,337	7,346,290
Other comprehensive income		-	-
Total comprehensive income		6,747,337	7,346,290
Earnings per share	25	1.69	2.45

The annexed notes from 1 to 28 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statements of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
14 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrolment # 1721
DVC: 2302221721AS251960

EBL Investments Limited

Statement of Cash Flows

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
A. Cash flows from operating activities			
Net profit/ (loss) during the period		6,747,337	7,346,290
Depreciation and amortization		3,865,030	3,974,641
Decrease/ (increase) of advances, deposit & prepayments		(552,661)	(747,583)
Decrease/(increase) in accounts receivable		34,603,289	(40,708,660)
(Decrease)/increase in trade payable		(11,405,229)	(33,848,454)
(Decrease)/increase in provision for tax		4,511,035	1,433,060
Income tax paid		(7,896,639)	(17,373,036)
Increase/(decrease) in other liabilities		13,882,774	(34,761,062)
Increase/(decrease) in deferred tax liability/(asset)		(2,735,964)	11,204,024
Increase/(decrease) in lease liability		8,965,492	(1,474,949)
Net cash flow from / (used in) operating activities		49,984,464	(104,955,730)
B. Cash flows from investing activities			
Received from/(issue) of margin loan		3,951,218	68,752,496
Investment in securities		(138,598,370)	(93,228,060)
Disposal of fixed assets		700,868	-
Acquisition of fixed assets		(11,745,519)	(74,713)
Net cash flow from / (used in) investing activities		(145,691,803)	(24,550,277)
C. Cash flows from financing activities			
Received against share money deposit		100,000,000	-
Net cash flow from / (used in) financing activities		100,000,000	-
D. Net increase/ (decrease) in cash and bank balance (A+B+C)		4,292,660	(129,506,007)
E. Opening cash and cash equivalent		68,655,323	198,161,330
F. Unrealised foreign exchange gain/loss		-	-
G. Closing cash and cash equivalents		72,947,984	68,655,323

The annexed notes from 1 to 28 form an integral part of these financial statements.



Managing Director

Dhaka,

14 February 2023



Director



Chairman

Statement of Changes in Equity

for the year ended 31 December 2022

Amount in BDT

Particulars	Paid up capital	Share money deposit	Retained earnings	Total equity
Balance as at 01 January 2022	300,000,000	-	26,906,164	326,906,164
Addition during the year	100,000,000	-	-	100,000,000
Net profit/ (loss) for the period	-	-	6,747,337	6,747,337
Total at 31 Decemeber 2022	400,000,000	-	33,653,501	433,653,501
Total at 31 Decemeber 2021	300,000,000	-	26,906,164	326,906,164

The annexed notes from 1 to 28 form an integral part of these financial statements.



Managing Director

Dhaka,

14 February 2023



Director



Chairman

EBL Investments Limited

Notes to the financial statements

as at and for the period ended 31 December 2022

1. Company and its activities

1.1 Legal status and nature of the company

EBL Investments Limited (EBLIL or the Company), a full-fledged merchant bank and subsidiary of Eastern Bank Ltd., was incorporated in Bangladesh under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms (RJSCF) on 30 December 2009 vide registration no. C-81417/09 as a Private Ltd. Company. Besides, EBL Investments Limited obtained license on 27 January 2013 vide BSEC registration no. MB-80/2013 as per the Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules, 1996 to carry out merchant banking operation in Bangladesh and on 04 August 2013 vide BSEC registration no. CDBL-DP-396 under the Depository (User) Regulations, 2003 to carry out depository functions.

EBL Investments Limited has achieved an unparalleled reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. EBLIL's registered office is located at Bangladesh Shipping Corporation Tower 2-3, Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka-1000.

1.2 Principal activities and nature of operation

Main activities of EBLIL include underwriting of securities, issue management, portfolio management, capital restructuring, corporate advisory services, etc. EBLIL performs its portfolio management activities in two ways:

- (i) Investors Discretionary Account (IDA), where portfolio management operates as per clients' decisions;
- (ii) Management Discretionary Account (MDA), where portfolio management operates as per company's decisions by using client's money.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared and the disclosures of information have been made in accordance with the companies Act, 1994, the Securities and Exchange Rules, 1987, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

2.2 Other regulatory compliances

As required, EBL Investments Limited also complies with the applicable provisions of the following major laws/ statutes:

- Securities and Exchange Commission Act, 1993;
- Income Tax Ordinance, 1984;
- Income Tax Rules, 1984;
- Value Added Tax and Supplementary Duty Act, 2012;
- Negotiable Instruments Act, 1881; and
- Other applicable laws and regulations.

2.3 Basis of measurement

The financial statements, except statement of cash flows, have been prepared on the accrual basis of accounting under the historical cost convention.

2.4 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.5 Components of Financial Statements

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

2.6 Use of estimates and judgments

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. These financial statements contained information about the assumptions it made about the future and other major sources of uncertain estimation at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets. Provisions are recognized in the following situation:

- (i) When the company has an obligation as a result of past events;
- (ii) When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- (iii) Reliable estimates can be made of the amount of the obligation.

2.7 Consistency

In accordance with the IFRS framework for the presentation of financial statements together with IAS 1 and IAS 8, EBL Investments Limited applies the accounting disclosure principles consistently from one period to the next. Where selecting and applying new accounting policies, changes in accounting policies, corrections of errors, the amounts involved are accounted for, retrospectively, in accordance with the requirement of IAS 8. However we have applied the same accounting principles in 2022 as was for in financial statements for 2021.

2.8 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.9 Reporting period

The financial statements of the Company cover for the period from 01 January 2022 to 31 December 2022 and is followed consistently.

3. Significant accounting policies

The accounting policies set out below have been applied consistently (otherwise as stated) to all periods presented in these financial statements.

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

3.1.3 Depreciation & amortization

Depreciation is charged using straight-line method on all assets of property, plant and equipment. Depreciation rates are as follows:

Nature of assets	Rate of depreciation
Furniture and fixtures	10%
Office equipments	20%
Motor vehicle	20%
Office decoration & other accessories	20%
Software & intangibles	15%

3.1.4 Disposal of fixed assets

Gains or losses on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment disposed off and is recognized net with 'other income' in the statement of profit or loss and other comprehensive income.

3.2 Intangible assets

Through online Mbank software the company maintains its books of accounts.

3.2.1 Recognition and measurement

In accordance with IAS 38, an intangible asset is recognized if it is probable that the expected future economic benefits, which are attributable to the asset, will flow to the entity; and the cost of the assets can be measured reliably. In addition, it is measured at cost less accumulated amortization and impairment loss, if any, in the statement of financial position.

3.2.2 Subsequent expenditure

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates.

3.2.3 Amortization

Amortization is calculated using the straight-line method to write down the cost of intangible asset to its residual values at 15%.

3.3 Impairment

The carrying value of the company's assets other than inventories are reviewed at closing date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of the asset or its cash-generating unit exceeds its recoverable amount. Impairment losses, if any, are recognized in the statement of profit or loss and other comprehensive income.

3.4 Statement of cash flows

The statement of cash flows shows changes in cash and bank balances during the financial year. It has reported cash flows during the year classified by operational activities, investing activities and financing activities. It is prepared under indirect method in accordance with IAS :7 *Statement of Cash Flows*.

3.5 Cash and bank balance

Cash and bank balance includes cash in hand, cash at bank and stamp in hand which are held and are available for use by the company without any restriction. There is insignificant risk of change in the value of the above items.

3.6 Margin loan to customer

EBL Investments Limited extends margin loan to the portfolio investors at an agreed ratio (between investors deposit and loan amount) of purchased securities against the respective investor account. The investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to change in market price of shares. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain margin as per rules otherwise the securities are sold to bring the margin to the required level.

3.7 Investment in securities

Investments in listed securities are recognized at cost. Quarterly impairment test is carried out by comparing cost with market price. In case of diminution of market value compared to cost, provision is made on portfolio basis but no unrealized gain is booked when market value exceeds cost.

3.8 Recognition and measurement of financial assets

In accordance with IFRS 9: *Financial Instruments*, financial assets may be recognized at fair value, with a gain or loss taken to the statement of profit or loss and other comprehensive income at net investment income. A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term.

3.9 Provision for income tax

Provision for income tax is made on the basis of company's computation based on the best estimate of taxable profit in accordance with Income Tax Ordinance, 1984.

3.10 Revenue recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with IFRS 15 *Revenue from Contracts with Customers*.

3.10.1 Management fee

Management fee is charged to IDA clients for rendering services like receipt of shares from brokers, delivery of shares to brokers, custody of shares and collection of corporate entitlements, etc. The fee is charged on daily market value of securities for IDA clients per annum and recognized as of accrual basis.

3.10.2 Transaction/ settlement fee

Transaction/ settlement fee is recognized as income when selling or buying order is executed.

3.10.3 Interest income from margin loan

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respective customers. Income is recognized quarterly.

3.10.4 Dividend income and gain/(loss) on sale of marketable securities

Dividend income is recognized when receive or payment right is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

3.11 Leases

EBLIL has applied IFRS 16 *Leases* for the first time with the date of initial application of 21 October 2020 and continued this in the year 2022 using modified retrospective approach where the company measured the lease liability at the present value of the remaining lease payments and recognized a right-of-use asset at the date of the initial application on a lease by lease basis.

According to IFRS 16 *Leases*, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement, the company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at present value of the future lease payments discounted using the discount rate implicit in the lease. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

On the statement of financial position, right-of-use assets have been included in non-current assets and lease obligations have been included in current liabilities (to be paid in the next year) and non-current liabilities (net off current obligation) which is separately disclosed.

3.12 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the number of ordinary share outstanding as on 31 December 2022 as per IAS-33 *Earnings per share*.

3.13 Income tax expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

3.13.1 Current tax

Income tax expense is recognized in statement of profit or loss & other comprehensive income. Current tax is the expected tax payable on the total taxable income for the year using tax rates enacted or substantially enacted as of reporting date and any adjustment to tax payable in respect of previous years. The Company is a full-fledged merchant bank as per Income tax law and provision for tax has duly been made. The rate of tax is 37.5%.

3.13.2 Deferred tax

The company has recognized deferred tax using balance sheet method in compliance with the provisions of IAS 12 *Income Taxes*. The company's policy of recognition of deferred tax assets/ liabilities is based on temporary differences (taxable or deductible) between the carrying amount (book value) of assets and liabilities for financial reporting purpose and its tax base, and accordingly, deferred tax income/expenses has been considered to determine net profit after tax and earnings per share (EPS).

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available, against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.14 Provision for diminution in value of investments

Investment in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited statement of financial position. Provision should be made for any loss arising from diminution in value of investment. The company measures and recognizes investment in quoted and unquoted shares at cost if the year end market value and book value, for quoted shares, are higher than the cost except investment in mutual fund. BSEC directive no. SEC/CMRRCD/2009-193/172 dated 30 June 2015 has been followed for mutual fund.

3.15 Events after the reporting period

Events after the reporting period, also known as non-adjusting events, are disclosed in the notes when material as well as provide additional information about the company's positions at the period end date.

3.16 General

i) Figures have been rounded off to the nearest integer.

ii) Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

3.17 Application of international accounting standards (IASs) and international financial reporting standards (IFRSs)

The financial statements have been prepared in compliance with the requirement of IASs and IFRSs as adopted by the Financial Reporting Council (FRC). EBL Investments Limited applied following IASs and IFRSs:

Name of IFRSs/IASs	IFRSs/IASs	No.
Presentation of Financial Statements	IAS	1
Statements of Cash Flow	IAS	7
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8
Income Taxes	IAS	12
Property, Plant and Equipment	IAS	16
Employee Benefits	IAS	19
Related Party Disclosures	IAS	24
Provisions, Contingent Liabilities and Contingent Assets	IAS	37
Intangible Assets	IAS	38
Financial Instruments: Disclosures	IFRS	7
Financial Instruments	IFRS	9
Fair Value Measurement	IFRS	13
Revenue from Contracts with Customers	IFRS	15
Leases	IFRS	16

4. Financial risk management

4.1 Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the company's loans and advances to customers and investment securities. These loans and advances are fully backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Market risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Market risk is the risk of losses due to failure of entity to honor its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

4.3 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities under both normal and stressed conditions without incurring unacceptable losses or damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast based on time line of payment of the financial obligation and accordingly, arrange for sufficient liquidity/ fund to make the expected payment within due date.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and resources for measuring and managing risk, and the company's management of capital. The board of directors (BOD) has overall responsibility for the establishment and oversight of the company's risk management framework.

		Amount in BDT	
		2022	2021
5. Property, plant and equipment			
i) Freehold assets			
A) Opening balance		12,128,709	12,053,996
Add: Addition during the period		925,281	74,713
		13,053,990	12,128,709
Less: Disposal during the period		2,785,402	-
		10,268,588	12,128,709
Accumulated depreciation			
B) Opening balance		7,445,767	5,414,771
Add: Charge for the period		1,697,575	2,030,996
		9,143,342	7,445,767
Less: Disposal during the period		2,084,534	-
		7,058,808	7,445,767
ii) Right of use assets (leased assets)			
C) Opening balance		5,601,549	5,133,436
Add: Addition during the period		10,820,238	468,113
		16,421,787	5,601,549
Less: Disposal during the period		5,601,549	-
Less: Accumulated depreciation during the period		1,623,034	5,057,128
		9,197,204	544,421
		12,406,984	5,227,364
Written down value (A-B+C)			

Details are shown in **Annexure-A**.

6. Deferred tax liability/(asset)

Name of the assets	Accounting base	Tax base	Temporary difference	Deferred tax liability/ (asset) 2022	Deferred tax liability/ (asset) 2021
Software & intangibles	308,216	891,170	(582,954)	(218,608)	(199,309)
Office equipment	1,075,420	1,974,636	(899,216)	(337,206)	(286,186)
Office decoration & other accessories	646,881	994,358	(347,477)	(130,304)	(62,965)
Furniture & fixture	286,791	284,421	2,370	889	5,476
Motor vehicle	892,470	2,129,266	(1,236,796)	(463,798)	(127,620)

Name of the assets	Accounting base	Tax base	Temporary difference	Deferred tax liability/ (asset) 2022	Deferred tax liability/ (asset) 2021
Right of use assets (lease asset)	9,197,205	10,241,035	(1,043,830)	(391,436)	56,153
Investment in securities	320,474,221	344,940,964	(24,466,743)	(2,446,674)	(1,741,202)
Margin loan	50,226,010	54,203,443	(3,977,434)	(1,491,538)	(387,059)
				(5,478,675)	(2,742,712)

Amount in BDT

Notes	2022	2021
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7. Cash and cash equivalents

Cash in hand	6,016	196
Stamp in hand	9,150	9,150
Cash at bank	72,932,818	68,645,977
	72,947,984	68,655,323

7.1 Cash at bank

Name of bank account	Type	Account number	Bank name	2022	2021
EBL Investments Ltd-Client Consolidated account	SND	1011220286924	EBL	14,288,270	38,296,214
EBL Investments Ltd-Operation account		1011220286902		766,573	6,214,287
EBL Investments Ltd-Own Portfolio account		1011220286913		4,185,532	20,064,456
EBL Investments Ltd-Public Issue Application Account		1011220378465		51,133	51,812
EBL Investments Ltd-Shanchay		1011030534981		2,443,918	3,557,319
EBL Investments Ltd-Puji		1011030534970		2,312,856	159,398
EBL Investments Ltd-Current Deposits - Corporate		1011060286890		270	345
EBL Investments Ltd-Capital A/C		1011220001025		210,473	248,290
EBL Investments Ltd- HPA	HPA	1011360000033	Al-Arafah IBL	48,620,000	-
EBL Investments Ltd	SND	0021220005507		53,794	53,856
				72,932,818	68,645,977

8. Advances, deposits and prepayments

CDBL security deposit	8.1	200,000	200,000
Security deposit to EBLSL		1,579,644	1,579,644
Advance against fixed assets		250,000	-
Advance against LFA		387	30,226
Advance against legal & professional expense		452,500	120,000
Advance income tax		11,983,406	5,205,450
		14,465,937	7,135,320

8.1 Advance income tax

Opening balance	5,205,450	2,537,689
Add: Addition during the period	6,777,956	5,214,030
	11,983,406	7,751,719
Less: Adjustment during the period	-	2,546,269
	11,983,406	5,205,450

9. Margin loan

Margin loan to customer	54,203,443	58,154,661
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Amount in BDT

	Notes	2022	2021
10. Accounts receivables			
Receivable from EBLSL		279,582	41,968,255
Receivable from IDLC		-	4,503
Trustee related expenses receivable		105,115	105,115
Issue management fee		250,000	250,000
Corporate advisory fee		5,850,000	
Trustee fee		361,000	200,000
Dividend		2,027,696	-
Receivable from EBLIL Employees' Provident & Gratuity Fund		227,007	1,175,816
		9,100,400	43,703,689
11. Investment in shares			
Investments in shares	11.1	344,940,964	183,482,254
Investment in IPO		-	22,860,340
		344,940,964	206,342,594
11.1 Investments in shares (sector wise)-at cost			
NBFI		17,906,963	3,230
Engineering		25,660,759	19,932,494
Pharmaceuticals & chemicals		4,975,133	9,951,970
Textile		100,220,293	86,975,315
Fuel & power		32,389,016	9,189,011
Travel & leisure		-	2,161,418
Cement		29,984,185	-
Bank		41,442,420	19,930,969
Other		-	1,673,790
Insurance		53,676,063	19,251,013
Food & allied		35,189,377	9,662,072
Ceramics		-	4,750,972
Corporate bond		3,496,755	-
		344,940,964	183,482,254
11.2 Investments in shares (sector wise)- at market price			
NBFI		15,707,561	1,675
Engineering		21,908,057	18,446,573
Pharmaceuticals & chemicals		4,742,503	8,426,750
Cement		24,227,609	-
Textile		56,666,195	38,717,256
Fuel & power		28,212,000	8,058,600
Travel & leisure		-	1,796,407
Bank		30,060,030	17,317,300
Other		-	1,692,900
Insurance		42,456,800	16,629,000
Food & allied		28,272,220	8,580,600
Ceramics		-	3,996,000
Corporate bond		3,476,348	-
		255,729,322	123,663,061

Amount in BDT

12. Share capital**A) Authorized capital**

10,000,000 ordinary shares of Tk 100 each

Notes	2022	2021
	1,000,000,000	1,000,000,000

B) Issued, subscribed and fully paid up capital

Issued against cash

400,000,000	300,000,000
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Issued in others

-	-
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400,000,000	300,000,000
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12.1 A distribution schedule of the above shares is given below:

Name of shareholders	% of Holding	Number of shares		Amount in taka	
		2022	2021	2022	2021
Eastern Bank Limited	99.999957%	3,999,999	2,999,999	399,999,900	299,999,900
Ali Reza Iftekhar	0.000025%	1	1	100	100
		4,000,000	3,000,000	400,000,000	300,000,000

13. Share money deposit

-	-
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14. Retained earnings

Opening balance

26,906,164	19,559,874
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Add: Net profit /(loss) after tax during the period

6,747,337	7,346,290
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33,653,501	26,906,164
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15. Lease Liability

Opening balance

573,244	2,048,193
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Add: Addition during the period

10,820,238	468,113
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11,393,481	2,516,306
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Less: Adjustment during the period

1,854,745	1,943,062
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Less: Current portion of lease liability

1,923,690	573,244
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Non Current portion of lease liability

7,615,046	-
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16. Trade payable

Client deposit-IDA

12,487,191	19,432,457
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Client deposit-shanchay & puji

2,853,992	2,681,462
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Payable to clients sale

247,589	4,880,081
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15,588,771	26,994,001
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17. Provision for tax

Opening balance

5,766,534	19,155,260
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Add: Adjustment during the period (prior year)

-	4,981
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Add: Provision made during the period

4,511,035	8,976,678
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10,277,568	28,136,919
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Less: Paid during the period (prior year)

1,118,683	14,826,767
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Less: Tax Claim for margin loan write off

-	7,543,618
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Less: Adjustment / settlement for previous year

-	-
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9,158,885	5,766,534
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Provision for current tax is made @ 37.50% on PBT considering the admissible and inadmissible expenses.

Amount in BDT

	Notes	2022	2021
18. Other liabilities			
Provision for diminution in value of investments		24,466,743	17,412,020
Provision for negative equity		3,977,434	1,032,157
Interest suspense A/C for negative equity		16,015,224	11,604,113
Provision for website development & maintenance		-	31,500
Provision for office maintenance expenses		-	22,011
CDBL charges		-	55,000
Salary & allowances		-	276,896
VAT, Tax and other expenses		-	17,787
Bonus payable		1,000,000	1,168,654
Provision for gratuity fund		58,844	-
Audit fees		86,250	101,583
		45,604,494	31,721,720
19. Fees & commission			
Management fees		757,720	236,863
Settlement fees		3,134,695	7,125,852
IPO application income		15,820	93,120
Underwriting fees		146,567	210,000
Documentation fees		11,500	27,000
Trustee fees		4,580,000	1,450,000
Accounts opening & closing fees		20,400	143,352
Issue management fees		500,000	1,125,000
Dividend collection Fees		442	-
Corporate advisory fee		5,850,000	200,000
CDBL fees income		92,200	138,782
		15,109,343	10,749,969
20. Investment income			
Dividend income		9,854,482	1,416,536
Gain/(Loss) from sale of securities		16,103,491	31,037,671
		25,957,973	32,454,207
21. Interest & other income			
Interest income from bank accounts		1,864,739	3,071,730
Other income from PF & others		614,699	1,751,037
Margin loan interest		1,658,563	10,082,843
		4,138,001	14,905,609
22. Administrative expenses			
Salary & allowances	22.1	17,206,758	15,048,595
CDBL expenses		311,494	658,885
Directors' fees & expenses		95,500	166,750
Travelling & conveyances		157,437	55,465
Entertainment		192,901	88,205
Network connectivity		196,875	205,967
Training, seminar & other expenses		20,110	-
Promotional expenses		181,675	21,263
Depreciation and amortization on PPE		1,697,575	2,030,996
Depreciation on right of use assets (leased asset)		2,167,455	1,943,645
Stationary, printing & advertisement		150,403	127,810

Amount in BDT

	Notes	2022	2021
Office maintenance		407,300	313,652
Electricity expenses		119,454	86,430
Telephone expenses		29,513	15,899
Utilities, WASA & water bill		239,369	210,647
Security expenses (Group-4)		158,400	264,000
VAT expenses on lease rental		347,520	305,336
Newspaper, postage & courier		190	8,095
Registration, renewal & license fees		318,395	366,710
Software maintenance		227,850	304,025
Website development & maintenance		63,000	126,000
Car maintenance, fuel & insurance		435,212	279,502
IPO expenses		6,115	33,163
Insurance expenses		108,921	83,782
Audit, legal & professional fees		647,583	221,584
Regulatory fee for BSEC		-	25,000,000
Medical expenses		199,414	-
Professional membership fees		32,000	20,000
Financial expenses		673,863	278,814
Miscellaneous expenses		290,626	450,904
		26,682,908	48,716,124
22.1 Salary & allowance			
Basic salary		5,407,463	5,130,592
Contribution to gratuity fund		58,844	-
Performance bonus		514,522	-
Other allowances		11,225,929	9,918,003
		17,206,758	15,048,595
22.2 Rent, taxes, insurance, utilites etc.			
VAT expenses on lease rental		347,520	305,336
Electricity expenses		119,454	86,430
Utilities, WASA & water bill		239,369	210,647
Insurance expenses		108,921	83,782
		815,264	686,195
22.3 Legal & professional expenses			
Legal & professional expenses		561,333	135,334
		561,333	135,334
22.4 Postage, stamp, telecommunication etc.			
Telephone expenses		29,513	15,899
Newspaper, postage & courier		190	8,095
		29,703	23,994

Amount in BDT

	Notes	2022	2021
22.5 Stationery, printing, advertisement, business promotion etc.			
Promotional expenses		181,675	21,263
Stationery, printing & advertisement		150,403	127,810
		332,078	149,073
22.6 Directors' fees & expenses			
Directors' fees & expenses		95,500	166,750
		95,500	166,750
22.7 Audit fees			
Audit fees		86,250	86,250
		86,250	86,250
22.8 Repair, maintenance and depreciation			
Depreciation and amortization on PPE		1,697,575	2,030,996
Depreciation on right of use assets (lease asset)		2,167,455	1,943,645
Office maintenance		407,300	313,652
Software maintenance		227,850	304,025
Website development & maintenance		63,000	126,000
Car maintenance, fuel & insurance		435,212	279,502
		4,998,392	4,997,820
22.9 Other operating expenses			
CDBL expenses		311,494	658,885
Travelling & conveyance		157,437	55,465
Entertainment		192,901	88,205
Network connectivity		196,875	205,967
Training, seminar & other expenses		20,110	-
Security expenses (Group-4)		158,400	264,000
Registration, renewal & license fees		318,395	366,710
IPO expenses		6,115	33,163
Regulatory fee for BSEC		-	25,000,000
Medical expenses		199,414	-
Professional membership fees		32,000	20,000
Miscellaneous expenses		290,626	450,904
Interest expenses on lease liability		462,069	92,523
Finance cost		211,794	186,291
		2,557,630	27,422,113
23. Expenses/provision for diminution in value of investments & negative equity			
Provision (charged) for diminution in value of investments		(7,054,723)	-
Provision (charged)/released for negative equity		(2,945,277)	10,589,713
		(10,000,000)	10,589,713

Amount in BDT

24. Current tax expenses

Notes	2022	2021
Capital gain on investment in share @ 10%	1,610,349	3,103,769
Dividend income @ 20%	1,970,896	283,307
Other income @ 37.5%	929,789	5,589,603
Income from business @ 37.5%	-	-
Tax claim on write-off margin loan	-	(7,543,618)
	4,511,035	1,433,060

25. Earnings per share

(a) Net (Loss)/profit attributable to the shareholders	6,747,337	7,346,290
(b) Number of shares	4,000,000	3,000,000
	1.69	2.45

26. Contingencies and commitments

There are no contingent assets or liabilities and unrecognized contractual commitments on the balance sheet date.

27. Events after the balance sheet date

There is no significant event subsequent to the balance sheet date to report which had an influence on the balance sheet or the income statement as at and for the period ended 31 December 2022.

28. Related party disclosures

During the period end 31 December 2022, the company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of the transactions [expenditures/(revenue)/ receivables/ (payables) and dividend payments] and amounts thereof have been set out below in accordance with the provisions of IAS-24 "Related Party Disclosures." The nature of relationship and significance of the amounts have been considered in giving this disclosure.

28.1 Related party transactions during the period

Name of related party	Nature of relationship	Nature of transaction	Transaction value determination	Balance asset/(liability)	
				2022	2021
Eastern Bank Limited	Parent company	Bank balance	Bank accounts	72,879,024	68,592,121
EBL Securities Ltd.	Sister concern	Office rent	Lease agreement	-	-
		Security	Lease agreement	1,579,644	1,579,644
		Stock buy/sell	Panel broker transaction	285,403	41,968,255
Eastern Bank Limited	Parent company	Corporate advisory	Accounts receivable	5,850,000	-

EBL Investments Limited

Schedule of property, plant and equipment

as at 31 December 2022

Annexure-A

Amount in BDT

Name of the assets	Cost				Rate	Depreciation				Written Down value at 31 December 2022
	Balance on 01 January 2022	Additions during the year	Disposals during the year	Balance at 31 December 2022		Balance on 01 January 2022	Charge for the year	On disposals during the year	Balance at 31 December 2022	
	1	2	3	4 = (1+2-3)	5	6	7	8	9 = (6+7-8)	10=(4-9)
a) Freehold assets										
Software & intangibles	1,809,552	102,200	-	1,911,752	15%	1,453,051	150,485	-	1,603,536	308,216
Office equipment	2,676,284	823,081	6,023	3,493,342	20%	1,938,666	479,255	-	2,417,921	1,075,420
Office decoration & other accessories	1,450,263	-	-	1,450,263	20%	513,328	290,053	-	803,381	646,881
Furniture & fixture	438,331	-	-	438,331	10%	107,707	43,833	-	151,540	286,791
Motor vehicle	5,754,279	-	2,779,379	2,974,900	20%	3,433,015	733,949	2,084,534	2,082,430	892,470
b) Leasehold assets										
Right of use assets (leased asset)	5,601,549	10,820,238	5,601,549	10,820,240		5,057,128	2,167,455	5,601,549	1,623,034	9,197,205
At 31 December 2022	17,730,258	11,745,519	8,386,951	21,088,828		12,502,895	3,865,030	7,686,083	8,681,842	12,406,984
At 31 December 2021	17,187,432	542,826	-	17,730,258		8,528,254	4,962,167	-	12,502,895	5,227,364

EBL Finance (HK) Limited

Report of the directors

The directors submit their report together with the audited financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the Company is engaged in money lending business.

Business review

Pursuant to section 388(3)(b) of the Hong Kong Companies Ordinance, the Company is a wholly owned subsidiary of another body corporate during the year. Accordingly, the Company is not required to prepare a business review for the financial year ended 31 December 2022 as required by Schedule 5 of the Hong Kong Companies Ordinance.

Financial performance

The financial performance of the company for the year ended 31 December 2022 and the financial position of the company at that date are set out on pages 6 and 7.

Details of dividend paid during the year are provided in note 9 to the financial statements.

Directors

The directors during the year and up to the date of this report were:-

Eastern Bank Limited
Iftekhar Ali Reza Md.

In accordance with the Company's Articles of Association, all directors are not subject to rotation or retirement at the annual general meeting and are therefore continue in office at the forthcoming annual general meeting.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

Save as disclosed in note 15 to the financial statements, no other transactions, arrangements and contracts of significance in relation to the Company's business to which the Company, or a specified undertaking of the Company, any one of its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Directors' interests in the shares and debentures of the Company or any other body corporate

At no time during the year was the Company, or a specified undertaking of the Company, any one of its holding companies, its subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Management contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

Other matters

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements misleading.

Events after the reporting period

Details of significant events after the reporting period are provided in note 17 to the financial statements.

Auditor

The financial statements have been audited by Kingston C.P.A. Limited who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the Board
For and on behalf of
Eastern Bank Limited



Authorized Signature(s)
Chairman, Eastern Bank Limited
(Represented by Ahmed Shaheen)
Hong Kong, 27 January 2023

Independent auditor's report to the members of EBL Finance (HK) Limited (incorporated in Hong Kong with limited liability)

Opinion

We have audited the financial statements of EBL Finance (HK) Limited ("the Company") set out on pages 6 to 23, which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance ("HKCO").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with the HKICPA's **Code of Ethics for Professional Accountants** ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the HKCO, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our responsibility to express an opinion on these financial statements based on our audit is solely to you, as a body, in accordance with section 405 of the HKCO, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the HKICPA's website at: http://www.hkicpa.org.hk/file/media/section6_standards/standards/Audit-n-assurance/auditre/fs_pf.pdf

This description forms part of our auditor's report.

Kingston C.P.A. Limited

Certified Public Accountants, Hong Kong
Auditor, LAW Hoi Kit; P.C. No. P06627
27 January 2023

EBL Finance (HK) Limited
Statement of Comprehensive Income
for the year ended 31 December 2022

Particulars	Notes	2022 HK\$	2021 HK\$
Revenue	4	29,394,886	22,591,613
Cost of sales		(16,329,077)	(9,868,847)
Gross profit		13,065,809	12,722,766
Other income and net gains or (losses)	4	1,008,075	262,273
Operating expenses		(5,167,792)	(5,253,399)
Operating profit	5	8,906,092	7,731,640
Finance costs	6	(12,313)	(14,546)
Profit before taxation		8,893,779	7,717,094
Income tax	7		
Under provision in prior year		(66,028)	(10,811)
Provision for the year		(1,450,000)	(1,036,550)
		(1,516,028)	1,047,361
Profit for the year		7,377,751	6,669,733
Other comprehensive income for the year, net of income tax		-	-
Total comprehensive income for the year		7,377,751	6,669,733

The annexed notes form an integral part of these financial statements.

EBL Finance (HK) Limited
Statement of Financial Position
as at 31 December 2022

Particulars	Notes	2022 HK\$	2021 HK\$
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	624,592	230,473
Current assets			
Bills financed	11	391,558,012	458,654,179
Interest receivables		8,363,696	5,069,149
Deposits and prepayments		179,830	143,330
Cash and bank balances		72,624,028	53,395,940
		472,725,566	517,262,598
Current liabilities			
Accruals and other payables		8,914,90	6,872,153
Receipt in advance		54,965	309,279
Lease liabilities		427,686	198,779
Provision for taxation	12	615,567	12,385
Bank overdrafts	13	425,536,020	476,245,300
		435,608,428	483,637,896
Net current assets		37,117,138	33,624,702
Total assets less current liabilities		37,741,730	33,855,175
Non-current liabilities			
Lease liabilities	12	184,984	-
Net assets		37,556,746	33,855,175
EQUITY			
Capital and reserves			
Share capital (issued and fully paid 1,410,000 ordinary shares)		11,410,000	11,410,000
Retained profits		26,146,746	22,445,175
Total equity		37,556,746	33,855,175

Approved and authorised for issue by the board of directors on 27 January 2023.

On behalf of the Board

For and on behalf of Eastern Bank Limited



Authorized Signature(s)

Director

Eastern Bank Limited

(Represented by Ahmed Shaheen)

The annexed notes form an integral part of these financial statements.



Director

Iftekhar Ali Reza Md

EBL Finance (HK) Limited

Statement of Changes in Equity

for the year ended 31 December 2022

Particulars	Share capital	Retained profits	Total
	HK\$	HK\$	HK\$
Balance at 1 January 2021	11,410,000	19,252,418	30,662,418
Net profit for the year	-	6,669,733	6,669,733
Other comprehensive income	-	-	-
Dividend (Note 9)	-	(3,476,976)	(3,476,976)
Balance at 31 December 2021	11,410,000	22,445,175	33,855,175
Net profit for the year	-	7,377,751	7,377,751
Other comprehensive income	-	-	-
Dividend (Note 9)	-	(3,676,180)	(3,676,180)
Balance at 31 December 2022	11,410,000	26,146,746	37,556,746

The annexed notes form an integral part of these financial statements.

EBL Finance (HK) Limited

Statement of Cash Flows

for the year ended 31 December 2022

Particulars	Notes	2022 HK\$	2021 HK\$
Cash flows from operating activities			
Profit before taxation		8,893,779	7,717,094
Adjustment for:			
Interest expense		16,329,077	9,868,847
Depreciation		460,638	498,692
Interest on lease liabilities		12,313	14,546
Operating cash flows before working capital changes		25,695,807	18,099,179
(Increase)/decrease in bills financed		67,096,167	(125,447,753)
(Increase)/decrease in interest receivables		(3,294,547)	(1,975,373)
Decrease/(increase) in deposits and prepayments		(36,500)	40,600
Increase/(decrease) in accruals and other payables		2,102,037	2,465,782
Decrease in receipts in advance		(254,314)	(736)
Cash generated from/(used in) operations		91,308,650	(106,818,301)
Tax paid		(912,846)	(1,052,036)
Interest paid		(16,329,077)	(9,868,847)
Net cash generated from/(used in) operating activities		74,066,727	(117,739,184)
Net cash used in investing activities			
Payments to acquire property, plant and equipment		(899)	(957)
Financing activities			
Capital element of lease rental paid		(439,967)	(457,054)
Dividend paid		(3,676,180)	(3,476,976)
Interest on lease liabilities		(12,313)	(14,546)
Net cash used in financing activities		(4,128,460)	(3,948,576)
Net increase/(decrease) in cash and cash equivalents		69,937,368	(121,688,717)
Cash and cash equivalents at beginning of year		(422,849,360)	53,395,940
Cash and cash equivalents at end of year*		(352,911,992)	(422,849,360)
*Analysis of cash and cash equivalents at end of year			
Bank balances		72,624,028	53,395,940
Bank overdrafts		(425,536,020)	(476,245,300)
		(352,911,992)	(422,849,360)

The annexed notes form an integral part of these financial statements.

EBL Finance (HK) Limited

Notes to the financial statements

as at and for the year ended 31 December 2022

1. Organisation and operations

The Company is a private company incorporated in Hong Kong with limited liability. The address of its registered office is Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Hong Kong.

The principal activity of the Company is engaged in money lending business.

2. Application of new and revised Hong Kong Financial Reporting Standards (HKFRSs)

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

In the current year, the Company has applied for the first time a number of new standards, amendments and interpretations (new HKFRSs) issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) which are effective for accounting periods beginning on or after 1 January 2022 with the exception as stated in the following paragraph. The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Company has not early applied the following new standards, amendments or interpretations that have been issued and relevant to the Company but are not yet effective. The directors of the Company anticipate that the application of these standards, amendments or interpretations will have no material impact on the results and the financial position of the Company.

HKAS 1	Classification of Liabilities as Current or Non-current ²
HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
HKAS 8	Definition of Accounting Estimates ¹
HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction ¹
HKAS 28 and HKFRS 10 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HK Int. 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements Classification by the Borrower of a Term loan that Contains a Repayment on Demand Clause ²

1 Effective for annual periods beginning on or after 1 January 2023.

2 Effective for annual periods beginning on or after 1 January 2024.

3 Effective for annual periods beginning on or after a date to be determined.

3. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Hong Kong Companies Ordinance.

(b) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, as modified by the financial assets at fair value through other comprehensive income, financial assets and financial liabilities at fair value through profit or loss.

The financial statements have also been prepared under the accrual basis of accounting.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method. Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The principal annual rates are as follows:-

Properties leased for own use	Over the unexpired lease term
Machineries and equipments	20% - 33.33 %
Furnitures and fixtures	20%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated

as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive Income in the year in which the item is derecognised.

(d) Leased assets

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets. When the Company enters into a lease in respect of a low-value asset, the Company decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate.

After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

(e) Financial instruments

Classification of financial assets and financial liabilities

Financial assets are categorised into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). The classification of financial assets is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Financial liabilities are categorised into two principal classification categories: measured at amortised cost, and at fair value through profit or loss (FVPL).

(f) Credit losses and impairment of assets

(i) Credit losses

The Company recognised a loss allowance for expected credit losses (ECLs) on the financial assets measured at amortised cost (including cash and cash equivalents, bills and other receivables and deposits).

Measurement of ECLs

ECLs are probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the company in accordance with the contract and the cash flows that the company expects to receive).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Company recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

(ii) Impairment of other non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, in such a way that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

(g) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, short-term deposits held at banks, other short-term highly liquid investments with original maturities of three months or less.

(h) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax..

The tax currently payable is based on taxable profit for the year, using tax rates enacted or substantively enacted at the end of reporting period, and any adjustment to tax payable in respect of previous year.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or charged directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

(i) Bills financed and interest receivables

Bills financed and interest receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of bills financed and interest receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(j) Other payables

Other payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(k) Foreign currencies

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). These financial statements are presented in Hong Kong dollar, which is the company's functional and presentation currency.

(ii) Transactions, assets and liabilities

Transactions in foreign currencies are translated at the approximate rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the approximate rates ruling at the end of reporting period. Exchange gains or losses are recognised in profit or loss.

(l) Employee retirement benefits

Costs of employee retirement benefits are recognised as an expense in the year in which they are incurred.

(m) Related parties

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

(n) Revenue recognition

Revenue is recognised when it is possible that the economic benefits will flow to the company and when the revenue can be measured reliably on the following bases:-

- (i) Interest income is recognised on a time proportion basis.
- (ii) Fees, commission and charges on letter of credit are recognised when the services are rendered.

4. Revenue, other income and net gains or (losses)

Revenue represents interest income on bills financed; fees, commission and charges on letter of credit.

Revenues recognised during the year are as follows:-

	2022 HK\$	2021 HK\$
Revenue		
Interest income on bills financed	22,914,444	15,923,444
Fees, commission and charges on letter of credit	6,480,442	6,668,169
	29,394,886	22,591,613
Other income and net gains or (losses)		
Net exchange gain	1,008,075	262,273
Total revenues	30,402,961	22,853,886

5. Operating profit

Operating profit is stated after charging:-

Auditor's remuneration	75,000	93,500
Depreciation	460,638	498,692
Retirement benefit costs	92,927	74,295
Salaries and allowances	3,453,487	3,465,276
Variable lease payments not included in the measurement of lease liabilities	94,024	172,907

6. Finance Costs

Interest on lease liabilities	12,313	14,546
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7. Taxation

- (a) Hong Kong Profits Tax is calculated at 8.25% of the first HK\$2 million of the estimated assessable profits and at 16.5% for the estimated assessable profits above HK\$2 million (2021: 8.25% to 16.5%).
- (b) No provision for deferred taxation has been made in the financial statements as there are no material deductible and taxable temporary differences needed to be accounted for in the year.

8. Directors' Emoluments

During the years ended 31 December 2022 and 2021, no amounts have been paid in respect of directors' emoluments, directors' or past directors' retirement benefits or for any compensation to directors or past directors in respect of loss of office.

Save as disclosed in note 15 to the financial statements, no other significant transactions, arrangement and contracts to which the Company, or a specified undertaking of the Company, any one of its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Except for the aforementioned transaction, no other significant transactions, arrangement and contracts to which the Company, or a specified undertaking of the Company, any one of its holding companies, its subsidiaries or fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

9. Dividends

	2022 HK\$	2021 HK\$
Final dividend for 2021 declared and paid of HK\$0.096 (2021: HK\$0.197) per share	134,866	276,976
1st interim dividend for 2022 declared and paid of HK\$1.17 (2021: HK\$2.27) per share	1,655,000	3,200,000
2nd interim dividend for 2022 declared and paid of HK\$1.38 (2021: HK\$Nil) per share	1,886,314	-
	3,676,180	3,476,976

10. Property, plant and equipment

	Properties leased for own use HK\$	Machineries and equipments HK\$	Furniture and fixtures HK\$	Total HK\$
Cost				
At 1 January 2021	912,005	167,134	366,566	1,445,705
Additions	-	788	169	957
At 31 December 2021	912,005	167,922	366,735	1,446,662
Additions	853,858	899	-	854,757
Disposals	912,005	-	-	(912,005)
At 31 December 2022	853,858	168,821	366,735	1,389,414
Accumulated depreciation				
At 1 January 2021	262,202	144,029	311,266	717,497
Provided for the year	456,002	17,895	24,795	498,692
At 31 December 2021	718,204	161,924	336,061	1,216,189
Provided for the year	439,285	3,465	17,888	460,638
Eliminated on disposals	(912,005)	-	-	(912,005)
At 31 December 2022	245,484	165,389	353,949	764,822
Carrying amount				
At 31 December 2022	608,374	3,432	12,786	624,592
At 31 December 2021	193,801	5,998	30,674	230,473

11. Bills financed

The following is the aging analysis of bills financed at the end of the reporting period:-

	2022 HK\$	2021 HK\$
0-3 months	162,966,369	154,465,964
4-6 months	128,203,123	258,799,843
7-9 months	54,864,431	26,012,918
10-12 months	45,524,089	19,375,454
Over 12 months	-	-
	391,558,012	458,654,179

12. Lease liabilities

The following table shows the remaining contractual maturities of the company's lease liabilities at the end of the current and previous reporting periods:-

	31 December 2022		31 December 2021	
	Present value of the minimum lease payments	Total minimum lease payments	Present value of the minimum lease payments	Total minimum lease payments
	HK\$	HK\$	HK\$	HK\$
Within 1 year	427,686	438,000	198,779	200,430
After 1 year but within 2 years	184,984	186,150	-	-
After 2 years but within 5 years	-	-	-	-
After 5 years	-	-	-	-
	184,984	186,150	-	-
	612,670	624,150	198,779	200,430
Less: Total future interest expenses		11,480		(1,651)
Present value of lease liabilities		612,670		198,779

13. Bank overdrafts

The general banking facilities are secured by the corporate guarantee from holding company.

14. Financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are set out as follows:-

	2022 HK\$	2021 HK\$
Financial assets		
Financial assets at FVPL	-	-
Equity instruments at FVOCI	-	-
Financial assets at amortised cost	472,545,736	517,119,268
Financial liabilities		
Financial liabilities at FVPL	-	-
Financial liabilities at amortised cost	434,565,175	483,426,732

15. Related party transactions

During the year, the Company had the following transaction with a related party in the normal course of business:-

Type of transaction	Related party	Relationship	Connected directors	2022 HK\$	2021 HK\$
Interest expense	Eastern Bank Limited	Holding company and director	Iftekhhar Ali Reza Md	16,329,077	9,868,847

16. Financial risk management

The Company is exposed to various kinds of risks in its operation and financial instruments. The company's risk management objectives and policies mainly focus on minimising the potential adverse effects of these risks on the company by closely monitoring the individual exposure as follows:-

(a) Market risk

(i) Currency risk

- (1) The company receives its interest income and service fee and pays loan from holding company and interest expenses, mainly in US dollar, that exposes it to foreign currency risk arising from such purchases and sales and the resulting payables and receivables. The Company closely and continuously monitors the exposure as follows:-

Since HK dollar is pegged to US dollar, there is no significant exposure expected on US dollar transactions and balances.

- (2) Sensitivity analysis

As the net exposure of the company to foreign currency is relatively small, change in foreign currency exchange rate will have no material impact on the financial performance of the company.

(ii) Interest rate risk

The company's exposure to interest rate risk is mainly on its interest-bearing borrowings. In order to manage the interest rate risk, the company will repay the corresponding borrowings when it has surplus funds.

(iii) Price risk

There is no significant price risk as the Company does not have any investment traded in an active market.

(b) Credit risk

The major exposure to credit risk of the Company's financial assets, which comprise bills financed, interest receivables, deposits and prepayments, and bank balances, arises from the default of the counterparties, with a maximum exposure equal to the carrying amount of these financial assets in the statement of financial position.

(c) Liquidity risk

The company's exposure to the risk of liquidity is minimal, as the shareholders of the company finance sufficient funds to meet the company's continuous operation need.

The maturity profile of all financial liabilities of the Company as at the end of the reporting period, based on the contracted undiscounted payments, was as follows:-

	2022 HK\$	2021 HK\$
Due and payable		
0-3 months	435,286,676	483,555,717
4-6 months	106,590	82,179
7-9 months	107,249	
10-12 months	107,913	
Over 12 months	184,984	
Total current and non-current liabilities	435,793,412	483,637,896

(d) Fair value

The Company's financial instruments are carried at amounts not materially different from their fair values as at 31 December 2022.

17. Events after the reporting period

After the outbreak of the Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented in Hong Kong. The Company will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Company.

18. Immediate and ultimate holding company

The directors regard Eastern Bank Limited, a company incorporated in Bangladesh, as being the immediate and ultimate holding company

19. Critical accounting estimates and judgement

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Actual results may differ from these estimates.

Judgements made by management have no significant effect on the financial statements. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected,

Directors Report of EBL Asset Management Limited (EBLAML)

Dear Shareholders,

The Directors of EBL Asset Management Limited take the pleasure in presenting the Directors Report together with the audited financial statements for the year ended 31 December 2022.

EBL Asset Management Limited (EBLAML) was incorporated on 9 January 2011 to carry out asset management business. EBLAML obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 to run full-fledged business operations.

Products and services of EBL Asset Management Ltd:

- Mutual Fund Management
- Corporate Advisory
- Portfolio Management for HNWI (High-net-worth individuals)
- Alternative Investment Fund Management

Features of Mutual Fund (EBL AML 1st Unit Fund) managed by EBL Asset Management Ltd:

- Initial Size of the Fund : BDT 30.00 Crore
- Sponsor & Asset Manager : EBL Asset Management Ltd.
- Trustee & Custodian : ICB Capital Management Ltd

EBL Asset Management Ltd has pursuing its best to realize the vision to become the best Fund Manager of Bangladesh by ensuring professionalism, Integrity & Trust.

Overview of financial performance of EBL Asset Management Ltd and EBL AML 1st Unit Fund

EBL Asset Management Ltd

BDT in million

Particulars	2022	2021	2020	2019	2018	2017
Operating income	7.17	27.41	15.56	26.82	24.54	4.58
Operating profit/(loss)	(6.88)	14.92	4.92	17.42	16.98	3.69
Net profit/(loss)	(6.29)	12.63	17.68	0.60	9.80	2.39
Total assets	261.21	299.19	293.10	295.14	272.03	258.31

EBL AML 1st Unit Fund

After the successful completion of Second year, EBL AML 1st Unit Fund has paid dividend @ 17% (12% for the year 2021 and 5% for the year 2022).

Dividend

The Board of Directors recommended 16% cash dividend for the year 2022.

Economic Outlook

The macroeconomy experienced a challenging year as there was rising pressure from global recession, high inflation, currency devaluation etc. Overall, the excess reserve declined by 65.0% YoY to BDT 116 bn in Oct'22 which has led to a squeeze in banks. The removal of rate cap might give breathing space to the banking industry. The rise in dollar price, the already rising commodity prices in the international market and the ongoing Russia-Ukraine war affected trade and the world's supply chain in FY'22. It is expected that Bangladesh's economy will start reviving in the near future when its economy will start getting dividends from infrastructure spending on mega projects, i.e., the Padma Bridge, metro rail, increased port capacity, etc.

Capital Market Outlook

The capital market passed an eventful year where it remained sluggish due to the macroeconomic pressures like high inflation, and depreciation of the local currency. The broad index DSEX experienced an 8.1% correction driven by 12.4% dent in major sectoral earnings. The average daily turnover declined 35.0% YoY and stood at BDT 9.6 bn. Hence, we can say that the market may not be overvalued considering the historical valuation level.

Mutual Fund Industry Outlook

Mutual funds are widely popular investment options across the world. But in Bangladesh, the mutual fund industry is still in its emerging stage. As of December 2022, the assets under management (AUM) of Bangladesh's MF industry, operated by 58 asset management companies (AMCs), stood at \$1.6 bn. With the growth of the economy, per capita income, and capital market of Bangladesh, it is expected that the size of the mutual fund industry will be higher in the future.

Roadmap to 2023

We hope that year 2023 will give the best opportunity for the existing and prospective investors of mutual fund. We are hopeful to subscribe BDT 500.00 million of our existing fund 'EBL AML 1st Unit Fund' and also launch second mutual fund of EBL AML. Other than this, we will start SIP (Systematic Investment Plan) for the individual investors to explore new opportunity of the fund.

Internal control

The system of internal control is sound in design and has effectively been implemented and monitored.

Auditors Appointment

The Board discussed and reviewed to appoint an external auditor for the year 2023 and recommended for appointment of new External Auditors MABS & J partners, Chartered Accountants for the Accounting year 2023 until holding the next Annual General Meeting (AGM).

Acknowledgement

On behalf of the Board of Directors, I take the opportunity to express our heart-felt appreciation and gratitude to our business partners, shareholders, management team, all the employees, Bangladesh Securities and Exchange Commission and all other regulatory bodies who were involved in the growth of this Company for their invaluable assistance, support, guidance and counsel.

(On behalf of the Board of Directors)



Dr. Toufic Ahmed Choudhury

Chairman

EBL Asset Management Limited

EBL Asset Management Limited

Independent auditor's report

to the shareholders of EBL Asset Management Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of EBL Asset Management Limited, which comprise the statement of financial position as at 31 december 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2022, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Boards of Accountant's Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management of EBL Asset Management Limited is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the companies Act 1994, the Securities and Exchange Rules 1987 and other application laws and regulation and such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparation the financial statements, managements is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternatives but to do so.

Those charged with governance are responsible for overseeing the Company's financial process.

Auditor's responsibilities for the audit of the financial statements

Our objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and other considered material if individually or in the aggregate they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit with ISAs, we exercise professional judgements and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of financial statements, whether due to fraud or error, designed and performed audit procedure responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure are inadequate, to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentations.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, to communicate with them all relationship and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994 and Securities and Exchange Rules 1987, we also report the following:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c. The information and explanations required by us have been received and found satisfactory;
- d. The statement of financial position, and the statement of profit or loss and other comprehensive income and statement of changes in equity and statement of cash flows of the company dealt with by the report are in agreement with the books of account; and
- e. The expenditure was incurred for the purpose of the company's business.

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner
ICAB Enrolment # 1721
DVC: 2302231721AS123648

Dhaka

22 February 2023

EBL Asset Management Limited

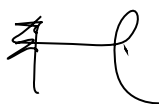
Statement of Financial Position

as at 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	10,610,915	1,384,319
Investment in EBL AML 1st Unit Fund at market price	5	51,720,000	55,600,000
Deferred tax asset	11	1,903,659	94,362
		64,234,573	57,078,681
Current assets			
Investment in shares at Market Price	5	112,462,867	17,005,402
Accounts receivable	6	4,447,261	2,140,559
Loan	7	-	160,000,000
Advance income tax	8	1,205,613	1,789,796
Cash and cash equivalents	9	76,391,090	36,928,897
Advance & prepayments	10	2,468,258	24,244,195
Total current assets		196,975,089	242,108,848
TOTAL ASSETS		261,209,662	299,187,529
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	12	250,000,000	250,000,000
Retained earnings	13	140,361	45,730,501
		250,140,361	295,730,501
Non-current liabilities			
Lease liability net off current maturity	14	7,615,046	-
Current liabilities			
Current portion of lease liability	14	1,923,690	573,521
Accounts payable	15	177,806	700,289
Provision for tax	16	1,352,758	2,183,217
Total current liabilities		3,454,254	3,457,027
Total liabilities		11,069,300	3,457,027
TOTAL EQUITY AND LIABILITIES		261,209,662	299,187,529

The annexed notes from 1 to 25 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statements of financial position referred to in our separate report of even date.

Dhaka,
22 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner

ICAB Enrolment # 1721
DVC: 2302231721AS123648

EBL Asset Management Limited

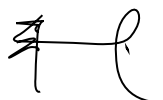
Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
Operating Income			
Interest income	17	9,663,174	9,229,932
Investment income	18	7,158,524	9,758,181
Income from unit fund	19	4,107,107	3,989,378
Unrealized gain/(loss)	20	(13,760,464)	4,429,779
Total operating income		7,168,341	27,407,270
Operating expenses	21	(14,050,894)	(12,486,780)
Total operating expenses		(14,050,894)	(12,486,780)
Operating profit		(6,882,553)	14,920,490
Provision for diminution in value of investment		-	-
Profit/(loss) before income tax		(6,882,553)	14,920,490
Current tax	22.1	(1,213,432)	(1,896,182)
Deferred tax income/(expense)	22.2	1,809,297	(397,417)
Income tax expenses		595,865	(2,293,599)
Net profit/(loss) for the year		(6,286,688)	12,626,891
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss)		(6,286,688)	12,626,891
Earnings per share (EPS)	23	(2.51)	5.05

The annexed notes from 1 to 25 form an integral part of these financial statements.



Managing Director



Director



Chairman

This is the statements of profit or loss and other comprehensive income referred to in our separate report of even date.

Dhaka,
22 February 2023

Signed for & on behalf of
Aziz Halim Khair Choudhury
Chartered Accountants



Signed by
Golam Fazlul Kabir FCA
Partner

ICAB Enrolment # 1721
DVC: 2302231721AS123648

EBL Asset Management Limited

Statement of Cash Flows

for the year ended 31 December 2022

Amount in BDT

Particulars	Notes	2022	2021
A. Cash flows from operating activities			
Net profit/(loss) for the year		(6,286,688)	12,626,891
Depreciation		2,542,147	2,574,471
Unrealized (gain)/loss		13,760,464	(4,429,779)
Changes in account receivables		(2,306,702)	(1,109,361)
Changes in account payables		174,065	(3,692,738)
Changes in other asset		(261,563)	(281,975)
Income tax expense		(595,865)	2,293,599
Income tax paid/adjusted		(1,459,708)	(2,347,712)
Net cash flows from operating activities		5,566,149	5,633,396
B. Cash flows from investing activities			
Changes in investment in securities		(105,337,930)	24,870,231
Acquisition of property, plant & equipment		(948,503)	(137,025)
IPO application money		22,037,500	(22,037,500)
Loan received from/(given to) EBLSL		160,000,000	(160,000,000)
Net cash flows from investing activities		75,751,067	(157,304,294)
C. Cash used in financing activities			
Payment of lease liability		(1,855,023)	(2,159,001)
Dividend payment		(40,000,000)	-
Net cash used in financing activities		(41,855,023)	(2,159,001)
D. Net increase/(decrease) in cash and cash equivalents (A+B+C)		39,462,193	(153,829,899)
E. Unrealized foreign exchange gain/(loss)		-	-
F. Cash and cash equivalents at the beginning of the year		36,928,897	190,758,796
G. Cash and cash equivalents at the end of the year (D+E+F)*		76,391,090	36,928,897
*Cash and cash equivalents			
Cash in hand		1,142	8,054
Balances with banks and financial institutions		76,389,948	36,920,843
		76,391,090	36,928,897
Net operating cash flows per units (NOCFPU)	24	2.23	2.25


Managing Director

Dhaka,
22 February 2023


Director


Chairman

Statement of Changes in Equity

for the year ended 31 December 2022

Amount in BDT

Particulars	Share capital	Retained earnings	Total shareholders' equity
Balance as at 01 January 2022	250,000,000	45,730,501	295,730,501
Net profit/(loss) for the year	-	(6,286,688)	(6,286,688)
Prior year adjustment	-	696,548	696,548
Dividend	-	(40,000,000)	(40,000,000)
Balance at 31 December 2022	250,000,000	140,361	250,140,361
Balance at 31 December 2021	250,000,000	45,730,501	295,730,502

The annexed notes from 1 to 25 form an integral part of these financial statements.


Managing Director

Dhaka,
22 February 2023


Director


Chairman

EBL Asset Management Limited

Notes to the financial statements

as at and for the year ended 31 December 2022

1. Company and its activities

1.1 Legal status and nature of the company

EBL Asset Management Ltd. (here-in-after referred to as 'EBLAML' or "the Company") was incorporated in Bangladesh with the Registrar of Joint Stock Companies (RJSC) vide registration no. C-89481/11 dated 9th January 2011 as a Private Ltd. Company, Limited by shares under the Companies Act, 1994 and got license from Bangladesh Securities Exchange Commission (BSEC) on 25th May 2017 for full-fledged asset management operation. It is a subsidiary company of Eastern Bank Limited (EBL). EBL holds all the shares of the company except 1 (One) share which is held by an individual. The registered office of the company is located at Bangladesh Shipping Corporation Tower 2-3, Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka-1000.

1.2 Nature of the business activities

The main objectives of the company is to carry out the business of asset management, portfolio management, fund management, capital market operation, other financial services including corporate advisory services, merger & acquisition, equity investment, corporate restructuring, financial & socio - economic consultancy, corporate research & project studies, privatization and other related services in Bangladesh and overseas.

2. Basis of preparation and significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) covering International Accounting Standards (IASs), the Companies Act, 1994 and other applicable laws and regulations of Bangladesh.

2.2 Other regulatory compliance

As required, EBL Asset Management Ltd. also complies with the applicable provisions of the following major laws/ statutes:

- Securities and Exchange Rules, 1987;
- Securities and Exchange Commission Act, 1993;
- Income Tax Ordinance, 1984;
- Income Tax Rules, 1984;
- VAT and SD Act 2012;
- Negotiable Instruments Act, 1881; and
- Other applicable laws and regulations.

2.3 Basis of measurement

These financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

2.4 Components of financial statements

- Statement of financial position
- Statement of profit or loss and other comprehensive income
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements

2.5 Functional and presentational currency

These financial statements are presented in Bangladeshi Taka (BDT) which is the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest integer.

2.6 Use of estimates and judgments

Preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year.

In accordance with the guidelines as prescribed by IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. Provisions are recognized in the flowing situation:

- When the company has an obligation as a result of past events,
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimates can be made for the obligation.

2.7 Going concern

The Company has adequate resources to continue in operation for the foreseeable future. For this reason the directors continue to adopt going concern in preparing the financial statements. The current credit facilities and adequate resources of the company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.8 Reporting period

The financial period of the Company covers one year from 01 January 2022 to 31 December 2022.

3. Significant accounting policies

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs).

3.1 Property, plant and equipment

3.1.1 Recognition and measurement

Property, plant and equipment are stated at cost or revalued amount, if any, less accumulated depreciation in compliance with International Accounting Standard (IAS)-16: *Property, Plant and Equipment*. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its location and condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

3.1.2 Subsequent costs

The cost of replacing part of an item of property, plant and equipment are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of Profit or Loss and other Comprehensive Income.

3.1.3 Depreciation

Depreciation on property, plant and equipment is charged using reducing method on all assets. Depreciation rates are as follows:

Nature of assets	Rate of depreciation
Furniture & fixture	10%
Machinery and equipment	20%
Motor vehicle	12.50%

3.1.4 Right of use assets (Leasehold assets)

EBL Asset Management Limited implemented IFRS-16 *Leases* for the first time in 2019 to comply with the recent changes in IFRSs.

According to IFRS 16 *Leases*, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Control is conveyed where the customer has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use.

An asset is typically identified by being explicitly specified in a contract, but an asset can also be identified by being implicitly specified at the time it is made available for use by the customer.

Upon lease commencement the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the lease liability plus any initial direct costs incurred by the Company. Adjustments may also be required for lease incentives, payments at or prior to commencement and restoration obligations or similar. After lease commencement, the Company measures the right-of-use asset using a cost model. Under the cost model a right-of-use asset is measured at cost less accumulated depreciation and accumulated impairment.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the incremental borrowing rate.

3.2 Recognition and measurement of financial assets

Financial assets of the company include loan and advances, cash and cash equivalents, accounts receivables and other receivables. The company initially recognizes receivable on the date they are originated. All others financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction. The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and rewards of ownership of the financial asset are transferred.

3.3 Investment in shares

- Investments in listed securities are initially recognized at cost plus the expenditures that are directly attributable to the acquisition of the security. After initial reorganization listed securities are valued at fair value through profit or loss as per IFRS 9.

- Fair value has determined by taking the closing price of the securities in the Dhaka Stock Exchange (DSE) at the statement of Financial Position date.

3.4 Accounts Receivable

Accounts receivables includes interest receivables, dividend receivables and receivable from EBLAML 1st unit fund and receivable from trading account.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at bank which are held and available for use by the company without any restriction. There is insignificant risk of change in the value of these items.

3.6 Provision for income tax

Provision for income tax is made on the basis of company's computation based on the best estimate of taxable profit in accordance with Income Tax Ordinance, 1984.

3.7 Revenue recognition

Revenue is recognized only when performance obligation is filled in accordance with the International Financial Reporting Standard (IFRS)-15 *Revenue from Contracts with Customers*.

3.7.1 Interest income from loan

In general, interest income from loan is recognized on accrual basis. Such income is calculated on loan balance of the respective parties. Income is recognized on daily basis and applied to the customers' account on quarterly basis.

3.7.2 Net Investment income

- Dividend income is recognized when right to receive the income established (i.e. immediately after the record date);
- Capital gain/(loss) arising from sale of securities are recognized in the statement of Profit or Loss at the date when transaction takes place excludes expenditures that are directly attributable to the sale of the security.

3.7.3 Unrealized gain/(loss)

Unrealized gain/(loss) from investment in securities has been valued at fair value through profit or loss.

3.8 Provision

A provision is recognized in the accounts when the Company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

3.9 Earnings per share

Earnings per share (EPS) has been computed by dividing the net profit & loss for the year by the number of ordinary share outstanding as on 31 December 2022 as per IAS-33 *Earnings per share*.

3.10 Events after the balance sheet date

Events after the balance sheet date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.

3.11 General

- i) Figures have been rounded off to the nearest integer.
- ii) Previous year's figures have been rearranged wherever considered necessary to conform to the current year's presentation.

3.12 Application of International Accounting Standards (IASs):

The Financial Statements have been prepared in compliance with requirement of IASs and IFRSs as adopted by Financial Reporting Council (FRC). EBL Asset Management Ltd. applied following IASs and IFRSs:

Name of the IASs	IFRSs/IASs	No.
Presentation of Financial Statements	IAS	1
Statements of Cash Flow	IAS	7
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8
Events after the Reporting Period	IAS	10
Income Taxes	IAS	12
Property, Plant and Equipment	IAS	16
Employee Benefits	IAS	19
Borrowing Costs	IAS	23
Related party Disclosures	IAS	24
Financial Instruments: Presentation	IAS	32
Earnings per share	IAS	33
Provisions, Contingent Liabilities and Contingent Assets	IAS	37
Intangible Assets	IAS	38
Financial Instruments: Disclosures	IFRS	7
Financial Instruments	IFRS	9
Fair Value Measurement	IFRS	13
Revenue from Contracts with Customers	IFRS	15
Leases	IFRS	16

Amount in BDT

4. Property, plant and equipment

Cost/ revaluation

- i) Furniture, fixtures and equipment

Opening balance

Add: Addition during the year

- ii) Right of use assets (leasehold assets)

Opening balance

Add: Addition during the year

Less: Disposal during the year

Total

Notes	2022	2021
	1,749,818	1,612,793
	948,503	137,025
	2,698,321	1,749,818
	6,541,842	6,541,842
	10,820,238	-
	(6,541,842)	-
	10,820,238	6,541,842
	13,518,559	8,291,660

	Notes	Amount in BDT	
		2022	2021
Accumulated depreciation			
i) Furniture, fixtures and equipment			
Opening balance		948,997	708,526
Add: Charged during the year		335,612	240,471
		1,284,609	948,997
ii) Right of use assets (Leasehold assets)			
Opening balance		5,958,344	3,624,344
Add: Charged during the year		2,206,536	2,334,000
Less: Disposal during the year		(6,541,844)	-
		1,623,036	5,958,344
Total		2,907,644	6,907,341
Written down value		10,610,915	1,384,319

Schedule of property, plant and equipment is given in annexure - A

5. Investment in shares

Cost value:

Quoted shares (sector wise)

Fuel & power	11,793,480	-
Engineering	5,748,549	6,288,999
Insurance	87,980	46,430
Textile	-	940,050
Tannery industries	-	5,307,336
Financial institutions	110,883,425	9,727,430
Miscellaneous	-	865,260

Un-Quoted shares (sector wise)

Mutual fund	50,000,000	50,000,000
	178,513,434	73,175,505

Market Value:

Quoted shares (sector wise)

Fuel & power	10,142,744	-
Engineering	3,394,897	4,010,176
Insurance	247,224	46,430
Textile	-	731,150
Tannery industries	-	4,480,000
Financial institutions	98,678,003	6,872,386
Miscellaneous	-	865,260

Un-quoted shares (sector wise)

Mutual fund	51,720,000	55,600,000
	164,182,867	72,605,402

Details of investment in shares is given in annexure - B

6. Accounts receivable

Receivable from EBL Securities Ltd. (Trading)	1,238	1,880
Dividend receivable	51,836	100,641
Interest receivable from EBL Securities Ltd.	-	-
Interest receivable on FDR	292,898	-
Receivable from EBLAML 1st unit fund	4,101,288	2,038,037
	4,447,261	2,140,559

6.1

			Amount in BDT	
	Notes		2022	2021
6.1 Interest receivable from EBL Securities Ltd.(EBLSL)				
Opening balance			-	-
Add: Interest receivable from EBLSL			7,966,389	5,848,889
			7,966,389	5,848,889
Less: Amount paid by EBLSL			7,966,389	5,848,889
			-	-
7. Loan				
Opening balance			160,000,000	-
Add: Loan to EBLSL			-	160,000,000
			160,000,000	160,000,000
Less: Amount paid by EBLSL			160,000,000	-
			-	160,000,000
8. Advance income tax				
Opening balance			1,789,796	2,020,992
Add: Addition during the year			1,309,708	2,339,795
			3,099,504	4,360,787
Less: Adjustment during the year			1,893,891	2,570,991
			1,205,613	1,789,796
9. Cash and cash equivalents				
Cash in hand			1,142	8,054
Bank balances	9.1		55,749,713	36,920,843
Fixed deposit receipts			20,640,235	-
			76,391,090	36,928,897
9.1 Bank balances				
Name of Bank	Type	Account Number		
		355583	304,009	302,545
Eastern Bank Limited	SND	000014	52,443,112	-
		250038	3,002,591	36,618,298
			55,749,713	36,920,843
10 Advance & prepayments				
Security deposit (office rent) - EBLSL			2,316,811	2,106,192
BSEC annual fee			100,000	100,000
Prepaid insurance			6,690	503
Advance to others			44,757	-
IPO application money			-	22,037,500
			2,468,258	24,244,195
11. Deferred tax asset				
Carrying amount of assets			174,793,782	73,989,721
Tax base			191,104,017	74,706,454
Deductible temporary difference			(16,310,235)	(716,734)
Deferred tax (asset)/liability			(1,903,659)	(94,362)
Opening balance of deferred tax asset			(94,362)	(491,779)
Deferred tax (income)/expense			(1,809,297)	397,417

Amount in BDT

12. Share capital**Authorized capital**

2,500,000 ordinary shares of Tk. 100.00 each

Notes

2022

2021

250,000,000

250,000,000

Issued, Subscribed and Paid up Capital

2,500,000 Ordinary Shares of Tk. 100.00 each fully paid in cash

250,000,000

250,000,000

12.1 A distribution schedule of the above shares is given below:

Name of shareholders	% of Holding	No. of shares		Amount in Taka	
		2022	2021	2022	2021
Eastern Bank Limited	99.99%	2,499,999	2,499,999	249,999,900	249,999,900
Ahmed Shaheen	0.01%	1	-	100	-
M. Khurshed Alam		-	1	-	100
	100%	2,500,000	2,500,000	250,000,000	250,000,000

13. Retained earnings

Opening balance

45,730,501

33,103,611

Add: Net profit/(loss) for the year

(6,286,688)

12,626,891

Add: Prior year adjustment

696,548

-

Less: Dividend

(40,000,000)

-

140,361

45,730,501

14. Lease liability

Opening balance

573,521

2,732,522

Add: Addition during the year

10,820,238

-

Less: Adjustment during the year

1,855,023

2,159,001

9,538,736

573,521

Less: Current portion of lease liability

1,923,690

573,521

7,615,046

-

15. Accounts payable

Audit fees

57,500

63,889

Payable for source tax

77,814

52,045

Payable for VAT

3,232

24,607

Payable to others

19,800

13,200

Incentive bonus payable

-

413,528

Payable for Employees' Provident Fund

19,460

19,020

Payable for Employees' Gratuity Fund

-

114,000

Payable to EBL Securities Limited

15.1

-

-

177,806

700,289

15.1 Payable to EBL Securities Limited

Opening balance

-

3,199,784

Add: Addition during the year

3,083,157

3,008,151

3,083,157

6,207,935

Less: Paid during the year

3,083,157

6,207,935

-

-

Amount in BDT

	Notes	2022	2021
16. Provision for tax			
Opening balance		2,183,217	2,865,941
Add: Provision made during the year	16.1	1,213,432	1,896,182
Less: Adjustment during the period		2,043,891	2,578,906
		1,352,758	2,183,217
16.1 Provision made during the year			
On business income		163,786	243,969
On investment income		1,049,646	1,652,213
		1,213,432	1,896,182
17. Interest income			
Bank interest		557,025	1,543,544
Interest on loan & FDRs		9,106,149	7,686,389
		9,663,174	9,229,932
18. Investment income			
Dividend income		3,337,936	6,763,947
Capital gain on investment		3,820,588	2,994,234
		7,158,524	9,758,181
19. Income from Unit Fund			
Management fees		4,107,107	3,989,378
		4,107,107	3,989,378
20. Unrealized gain/(loss)			
Opening unrealized gain/(loss)		(570,103)	(4,999,882)
Less: Closing unrealized gain/(loss)		(14,330,567)	(570,103)
Charged during the year		(13,760,464)	4,429,779
21. Operating expenses			
Salary & allowances	21.1	8,598,882	7,010,879
Rent, taxes, insurance, utilities etc.	21.2	840,627	818,438
Legal & professional expenses	21.3	14,893	71,272
Postage, stamp, telecommunication etc.	21.4	55,579	48,038
Stationery, printing, advertisement, business promotion etc.	21.5	115,620	40,796
Trustee and directors' fees & expenses	21.6	165,000	154,000
Audit fees	21.7	57,500	63,889
Repairs, maintenance and depreciation	21.8	2,799,611	3,100,382
Other operating expenses	21.9	1,403,182	1,179,087
		14,050,894	12,486,780
21.1 Salary & allowances			
Basic salary		5,012,852	4,771,790
Other salary and allowances		2,766,450	1,479,458
Festival bonus		809,850	754,126
Contribution to provident fund		9,730	5,505
		8,598,882	7,010,879

Amount in BDT

	Notes	2022	2021
21.2 Rent, taxes, insurance, utilities etc.			
VAT on lease rental		347,520	339,621
Utility bill		481,464	473,287
Insurance expenses		11,643	5,530
		840,627	818,438
21.3 Legal & professional expenses			
Legal & professional expenses		14,893	71,272
		14,893	71,272
21.4 Postage, stamp, telecommunication etc.			
Telephone bill		11,479	4,693
Postage & courier		-	960
Internet connectivity charges		44,100	42,385
		55,579	48,038
21.5 Stationery, printing, advertisement, business promotion etc.			
Stationery		80,327	27,764
Advertisement expenses		16,485	-
Printing & publication expenses		18,808	13,032
		115,620	40,796
21.6 Trustee and Directors' fees & expenses			
Meeting fees		165,000	154,000
		165,000	154,000
21.7 Audit fees			
Audit fees		57,500	63,889
		57,500	63,889
21.8 Repairs, maintenance and depreciation			
Depreciation on freehold assets		335,612	240,471
Depreciation on right of use assets (leased asset)		2,206,536	2,334,000
		2,542,147	2,574,471
Repair & maintenance-motor vehicle		24,541	113,668
Repair & maintenance		7,100	-
Website maintenance expenses		94,500	126,000
Office maintenance		131,323	286,243
		257,464	525,911
		2,799,611	3,100,382
21.9 Other operating expenses			
Registration & renewal		121,645	30,402
Training & seminar		1,530	-
Professionals' membership fees		-	39,200
Entertainment		27,714	3,303
Conveyance		33,230	45,805
Medical expenses		39,550	-
Car rental expenses		164,757	659,028

		Amount in BDT	
	Notes	2022	2021
Bidding fee		9,000	21,000
Fuel		215,118	120,296
Security service fee		198,000	-
Web hosting expense		19,628	43,457
Bank charge		4,600	2,538
Interest expenses on leased liability		461,790	105,158
Excise duty		103,150	106,150
Account maintenance charges		3,020	2,300
BO renewal fees		450	450
		1,403,182	1,179,087
22.00 Income tax expenses			
Current tax	22.1	(1,213,432)	(1,896,182)
Deferred tax income/(expenses)	22.2	1,809,297	(397,417)
		595,865	(2,293,598)
22.1 Current tax			
Dividend income @ 20%		(667,587)	(1,352,789)
Capital gain @ 10%		(382,059)	(299,423)
Interest income @ 27.50%		(132,961)	(200,614)
Income from unit fund @ 15%		(30,825)	(43,355)
		(1,213,432)	(1,896,182)
22.2 Deferred tax income/(expenses)			
Particular			
Furniture & fixture		(13,752)	(6,052)
Machineries & equipments		(51,807)	(32,394)
Motor vehicle		(13,908)	-
Right of use asset		(391,135)	1,094
Investment in securities		(1,433,057)	(57,010)
As on December 31, 2022		(1,903,659)	(94,362)
As on December 31, 2021		(94,362)	(491,779)
Deferred tax income/(expenses)		1,809,297	(397,417)
23 Earnings per share (EPS)			
Net profit for the year		(6,286,688)	12,626,891
Number of shares-outstanding		2,500,000	2,500,000
Earning per unit		(2.51)	5.05
During the year earning per share has decreased compare to last year due to increase in unrealized loss, increase in operating expenses.			
24 Net operating cash flows per units (NOCFPU)			
Net cash inflow/outflow from operating activities		5,566,149	5,633,396
Number of shares-outstanding		2,500,000	2,500,000
Net operating cash flows per unit		2.23	2.25
Net operating cash flows per unit has been decrease during the year due to increase in account receivable and decrease in account payable.			

25 Related party disclosure

The company, in normal case of business, carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: *Related party disclosures*. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. Details of transaction with related parties and balances with them as at 31 December 2022 were as follows:

Amount in BDT

Name of related party	Nature of relationship	Nature of transaction	Transaction value determination	Balance asset/(liability)	
				2022	2021
Eastern Bank Ltd.	Parent company	Banking transaction	N/A	55,749,713	36,920,843
EBL Securities Ltd.	Sister concern	Security deposit for office Rent	Lease agreement	2,316,811	2,106,192
		Loan (principal & interest)	Loan agreement	-	160,000,000
		Stock buy/sell	Offer letter	1,238	1,880
EBL Investments Ltd.	Sister concern	Car rental	Car rent agreement	-	-
EBL AML 1st Unit Fund	Fund under management	Management fees	Trust deed	4,101,288	2,038,037

Note

1. As per car rental agreement with EBL Investments Ltd. total payment Tk. 164,757 including VDS Tk. 21,489.

EBL Asset Management Limited

Schedule of property, plant and equipment

as at 31 December 2022

Annexure - A

Particular	Cost				Rate (%)	Depreciation				Net book value as on 31 December 2022
	Balance on 01 January 2022	Additions during the year	Disposals during the year	Balance at 31 December 2022		Balance on 01 January 2022	Charge for the year	On disposals during the year	Balance at 31 December 2022	
a) Freehold assets										
Furniture & fixtures	957,468	-	-	957,468	10%	364,704	95,747	-	460,451	497,017
Machinery & equipment	792,350	90,746	-	883,096	20%	584,293	163,666	-	747,959	135,137
Motor vehicle	-	857,757	-	857,757	12.50%	-	76,199	-	76,199	781,558
b) Leasehold assets										
Office building	6,541,842	10,820,238	6,541,842	10,820,238		5,958,344	2,206,536	6,541,844	1,623,036	9,197,202
Total at 31 December 2022	8,291,660	11,768,741	6,541,842	13,518,559		6,907,341	2,542,147	6,541,844	2,907,644	10,610,915
Total at 31 December 2021	8,154,635	137,025	-	8,291,660		4,332,870	2,574,471	-	6,907,341	1,384,319

EBL Asset Management Limited

Investment in securities

as at 31 December 2022

Annexure-B
Amount in Taka

Sector	Name of securities	Number of share	Weighted average price	Total cost value	Market price	Total market value	Unrealized gain/(loss)
Quoted shares							
Engineering	BBS Cables Limited	68,034	84.50	5,748,549	49.90	3,394,897	(2,353,653)
Financial institutions	DBH Finance PLC.	79,431	99.21	7,880,340	57.80	4,591,112	(3,289,228)
	IDLC Finance Ltd.	2,023,374	50.91	103,003,085	46.50	94,086,891	(8,916,194)
Fuel & power	Summit Power Limited	298,316	39.53	11,793,480	34.00	10,142,744	(1,650,736)
Insurance	Islami Commercial Insurance Company Limited (IPO Allocation)	8,798	10.00	87,980	28.10	247,224	159,244
Sub-total				128,513,434		112,462,867	(16,050,567)
Un-quoted shares							
Mutual fund-open ended	EBL AML 1st Unit Fund	5,000,000	10.00	50,000,000	10.34	51,720,000	1,720,000
Sub-total				50,000,000		51,720,000	1,720,000
Total				178,513,434		164,182,867	(14,330,567)

Statutory and Non-statutory Investments of the Bank

Statutory investments are made by the bank to fulfill regulatory requirements in compliance with Bangladesh Bank ALM (Asset Liability Management) guidelines in order to protect the interest of depositors and to maintain adequate liquidity support. Pursuant to section 33 of the Bank Company Act, 1991 and subsequent Bangladesh Bank circulars, the bank has been maintaining Statutory Liquidity Ratio (SLR) at least 13% of Weekly Average Demand and Time Liabilities (ADTL) of two months before of reporting month. Besides, for maintaining ALM ratios like LCR, MCO, Commitment limit, etc. as per Bangladesh Bank guidelines the bank has been maintaining high quality liquid assets as statutory investment. Therefore, bank's statutory investment are made in mostly Govt. Treasury bills, Treasury bonds and Bangladesh Bank bills.

Statutory investments of bank can be either Held for Trading (HFT) or Held till Maturity (HTM). HFT securities are purchased to generate capital gain through Sale or REPO, and HTM securities are purchased for interest income and amortization gain.

As at end of 2022, EBL held investment in Treasury bills and bonds of BDT 64,601 million out of which investment in HFT of BDT 16,501 million and in HTM of BDT 48,100 million, against mandatory requirement for SLR of BDT 43,515 million. The rate of return of such bills and bonds was ranged from 7%-9%.

While banks are primarily known to use its fund for funded facilities like loans and advances, a substantial amount of fund is also used in order to make investment for below purposes:

- Mandatory statutory investment for maintaining ratios and compliances, and
- Opportunistic investment for relatively higher return.

Although investments in Treasury bills and Treasury bonds are considered as mandatory investments but a substantial amount in excess of SLR requirement are held for maintaining ALM ratios and risk free good return. On the contrary, opportunistic investment (Non-statutory investment) are made into Subordinated bonds & Perpetual bonds issued by other banks to strengthen capital, Zero coupon bonds, Corporate bonds, Preference shares, Capital Market instruments etc. for higher return and reduced taxed income.

Statutory investments are made by ALCO (Asset Liability Committee) where non-statutory investments are made by investment committee as per bank's Investment Policy which is aligned with Bangladesh Bank guidelines and following set limits by Bangladesh Bank.

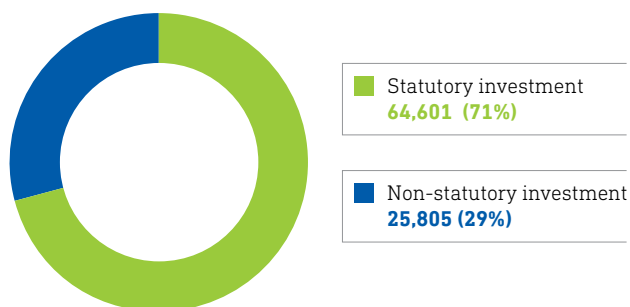
Bank's non-statutory investments are as follows

BDT in million

Particulars	2022	Coupon rate/ rate of return	2021	Coupon rate/ rate of return
Corporate bond (non-convertible)	900	9.00%	1,000	9.00%
Subordinated bonds (issued by other banks)	9,630	7.23%-9.00%	10,420	7.00%-10.00%
Perpetual bonds (issued by other banks)	5,000	10.00%	5,000	8.05%-9.99%
Zero coupon bond	355	7.50%	554	7.50%
Preference shares	5,195	6.25%-8.6%	4,190	5.00%-8.60%
Ordinary shares & Mutual Funds (quoted and unquoted)	4,722	6.93%	4,260	12.95%
Prize bond	3	-	5	-
Total	25,805		25,428	

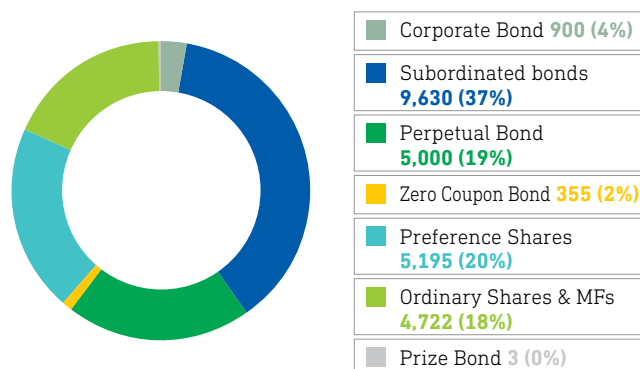
EBL's total investments as at year-end 2022

(BDT in million)



EBL's non-statutory investments as at year-end 2022

(BDT in million)



Disclosures on Derivative Investments (Financial Instruments)

Derivatives are financial instruments whose value fluctuate depending on an underlying asset

The bank takes position in certain derivatives for trading and risk management purposes with the expectation of profiting from favorable movement in prices, rates or indices. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirement or hedges including economic hedges which do not meet the hedge accounting requirements. The bank has both derivative financial instruments recorded as assets

or liabilities in notional amounts. The notional amount is recorded gross and is the quantity of the derivative contracts' underlying instrument (i.e. equity instrument, foreign currency, reference rate or index). The notional amounts indicate the volume of transactions outstanding at the year-end and are not indicative of either the market or credit risk.

BDT in million

Derivatives held for trading	Transactions during the year		Notional amount (outstanding)
Foreign exchange contracts (Forward Buy)*	140,175.38		501.70
Interest rate swaps	Nil		Nil

Derivatives in economic hedge relationship	Accrued credit amount during the year	Accrued debit amount during the year	Notional amount (outstanding receivable)
Interest rate swaps	207.73	203.88	15.58
Credit derivative contracts	Nil		Nil

Derivatives used as cash flow hedges and held for trading	Transactions during the year (1st Leg of Swaps)	Notional amount (outstanding)
Foreign currency swaps*	193,807.61	13,620.92

*Average deal rate has been used as currency conversion rate.

The notional value is the outstanding of the underlying asset which is multiplied by using standard mid-rate.

Derivatives often involve an exchange of cash or other assets in the future with little or no initial investment. Common derivatives that the bank deals with are forwards/futures and swaps. These instruments frequently involve a high degree of leverage and the value of the amounts required to be exchanged can be significantly higher than the initial investment. A relatively small movement in the value of the underlying asset, rate or index, a derivative contract may have a significant impact on the profit or loss of the Bank. The Bank's derivative assets and financial liabilities are generally not offset in the statement of financial position unless the IFRS netting criteria are met.

Derivatives held for trading

Most of the Bank's derivative trading activities relate to deals with customers that are normally offset by transactions with other counterparties. The Bank may also take positions with the expectation of profiting from favorable movements in prices, rates or indices.

Derivative financial instruments held or issued for hedging purposes

As part of its asset and liability management, the Bank uses derivatives for economic hedging purposes in order to reduce its exposure to market risks. This is achieved by hedging specific

financial instruments, portfolios of fixed rate financial instruments and forecast transactions, as well as hedging of aggregate financial position exposures. Where possible, the Bank applies hedge accounting.

Offsetting

The Bank has various netting agreements in place with counterparties to manage the associated credit risks. Such arrangements primarily include: repo and reverse repo transactions, securities borrowing and lending arrangements, and over-the-counter and exchange traded derivatives. These netting agreements and similar arrangements generally enable the counterparties to set-off liabilities against available assets received in the ordinary course of business and/or in the event of the counterparty's default. The offsetting right is a legal right to settle, or otherwise eliminate, all or a portion of an amount due by applying an amount receivable from the same counterparty against it, thus, reducing credit exposure. However, the offsetting criteria in IFRS are not met in all cases.

Qualitative disclosures

The company has a Board approved policy in dealing with derivative transactions. The Asset Liability Management Committee monitors such transactions and reviews the risk involved. The Bank's exposure to derivative contracts is monitored on regular basis as part of its overall risk management framework.



SUPPLEMENTARY INFORMATION



Branch Network

DHAKA

Ashkona Branch

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Banani Branch

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Banani, Banani Model Town, Dhaka - 1213
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E-mail: info@ebl-bd.com

Begum Rokeya Sarani Branch

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Shawrapara, Mirpur, Dhaka
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Board Bazar Branch

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English Road Branch

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Chawk Mughhultuly Branch

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Dhanmondi Main Branch

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Faridpur Branch

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Bashundhara Branch

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Bhulta Branch

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DEPZ Branch

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Motijheel Branch

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Progoti Sarani Branch

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Shantinagar Branch

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Sonargaon Road Branch

A H N Tower (1st Floor), 13 & 15 Bir Uttam C
R Datta Road (Sonargaon Road), Bapon C/A,
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Uttara Garib-E-Newaz Avenue Branch

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Mymensingh SME-AGRI Branch

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Ponchoboti Branch

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Satmosjid Road Branch

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Sonargaon Branch

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CHATTOGRAM

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Chandgaon Branch

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Cumilla SME-AGRI Branch

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Hathazari Branch

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Bhatiary Branch

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Chowmuhani Branch

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Cox's Bazar Branch

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Khatungonj Branch

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Maijdee Branch

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Nazirhat Branch

Zaria Community Center (Adjacent to Darbar Gate), Nazirhat, Fatikchari, Chattogram
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Panchlaish Branch

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Khulshi Branch

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Mehedibag Branch

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New Market Branch

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Raozan Branch

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Lohagara Branch

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SYLHET

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Sub-branch

Bishwanath Sub-branch

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Dinajpur Sub-branch

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Kallyanpur Sub-Branch

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Kochukhet Sub-branch

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Manikganj Sub-branch

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Pallabi Sub-branch

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Syedpur Sub-branch

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Dohazari Sub-branch

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Kanchpur Sub-branch

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Kushtia Sadar Sub-branch

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Mirpur DOHS Sub-branch

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Nawabganj Sub-branch

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Patiya Sub-branch

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Tejgaon Sub-branch

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Daulatpur Sub-branch

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Karnaphuli EPZ Sub-branch

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Laksam Sub-branch

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Nikunja Sub-branch

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Satkhira Sub-branch

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Tongi Sub-branch

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100 GULSHAN AVENUE, GULSHAN
DHAKA-1212
e-mail: info@ebl-bd.com
Web: www.ebl.com.bd

NOTICE OF THE 31ST ANNUAL GENERAL MEETING

(Shareholders' Meeting through Digital Platform)

NOTICE is hereby given that the 31st Annual General Meeting (AGM) of Eastern Bank Limited will be held on Wednesday, 31 May 2023 at 11.00 AM (Dhaka time) by using Digital Platform through the link <https://agmbd.live/ebl2023> to transact the following Agenda:

AGENDA:

A. Ordinary Business:

01. To receive, consider and adopt the Audited Financial Statements of the Bank for the year ended 31 December 2022 along with the Reports of the Auditors' and the Directors' thereon.
02. To declare the Dividend for the year ended 31 December 2022 as recommended by the Board of Directors.
03. To elect Directors.
04. To appoint the Statutory Auditors of the Bank for the term until holding of the next Annual General Meeting and fix their remuneration.
05. To appoint the Corporate Governance Compliance Auditors for the year 2023 of the Bank and fix their remuneration.

B. Special Business:

01. To change the registered name of the Bank to 'Eastern Bank PLC' from 'Eastern Bank Limited'.

The following special resolution is proposed to be passed with or without modification to adopt the change of the registered name of the Bank to 'Eastern Bank PLC' from 'Eastern Bank Limited' in accordance with the Companies Act, 1994 (amended in 2020) and to amend the relevant Clauses of the Memorandum & Articles of Association of the Bank:

"Resolved that the proposal for changing the registered name of the Bank to 'Eastern Bank PLC' from 'Eastern Bank Limited' in accordance with the Companies Act, 1994 (amended in 2020) and to effect the change in the registered name of the Bank as 'Eastern Bank PLC', the amendment of the relevant Clauses of the Memorandum & Articles of Association of the Bank be and are hereby approved, subject to approval of the Regulatory Authorities."

By order of the Board of Directors

Md. Abdullah Al Mamun FCS
Company Secretary

Dated, Dhaka
16 April 2023

NOTES

- The Board of Directors recommended for **payment of 12.50% (Twelve point five zero percent) Cash Dividend and issuance of 12.50 % (Twelve point five zero percent) Stock Dividend (Bonus Shares)** on the profit of the Bank as at the close of business on 31 December 2022.
- The '**Record Date**' in lieu of Book Closure will be on **Wednesday, 03 May 2023**. The Shareholders whose names would appear in the Register of Members of the Company and/or in the Depository on the '**Record Date**' (03 May 2023) will be eligible to join the 31st AGM and entitled to the Dividends as mentioned above.
- A Member eligible to join the Annual General Meeting (AGM) is entitled to appoint a Proxy to join and vote on his/her behalf (through digital platform). Forms of Proxy duly filled, signed & stamped must be sent through email to the Share Department of the Company at **sharedepartment@ebl-bd.com** at least **48 hours** before the time fixed for the General Meeting.
- All Hon'ble Shareholders of EBL are also requested to update their respective BO Accounts [Mailing Address, Electronic Mail (e-Mail), Bank Account details, Taxpayer's Identification Number (e-TIN), Contact Number etc.] through Depository Participant (DP) latest by **27 April 2023** (Before Record Date). As per Sec 54 of Income Tax Ordinance 1984, without having e-TIN, Income Tax will be deducted @ 15% (Fifteen Percent) instead of @ 10% (Ten Percent) from payable Cash Dividend.
- Detail login process for the meeting will be available in the Company's website at **www.ebl.com.bd**. The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. Please visit our website for technical assistance (if any) in accessing the virtual meeting.
- The soft copy of the Annual Report-2022 of the Bank (EBL) will be sent to the email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Annual Report-2022 will also be available in the website of the Bank within the stipulated time prior to holding of the 31st AGM.
- Depository Participants (DP) / Stock Brokers are requested to send the list of Margin Account Holders based on Record Date, if any, **within 25 May 2023** to the Company, otherwise, the dividend will be paid to Shareholders Bank Account whose names appeared in the Member/ Depository Register on the 'Record Date' (03.05.2023).



Shareholders can join Virtual AGM from Laptop, PC, Mobile or Tab using this QR Code.



ইস্টার্ন ব্যাংক লিমিটেড

নিবন্ধিত কার্যালয়
১০০, গুলশান এভিনিউ, গুলশান
ঢাকা-১২১২

প্রক্সি ফরম

আমি/আমরা----- ঠিকানা-----

ইস্টার্ন ব্যাংক লিমিটেড এর শেয়ারহোল্ডার হিসাবে এতদ্বারা জনাব/বেগম-----কে
ঠিকানা----- অথবা
তার অপারগতায় জনাব/বেগম-----কে
ঠিকানা----- প্রক্সি হিসাবে আমার/আমাদের পক্ষে ২০২৩ইং সালের
৩১ মে বুধবার, সকাল ১১.০০ ঘটিকায় (ঢাকা সময়) ডিজিটাল প্র্যাটফর্মের মাধ্যমে অনুষ্ঠিতব্য কোম্পানীর ৩১তম বার্ষিক সাধারণ সভায় এবং পরবর্তী যে কোন মূলতবী সভায় উপস্থিত থেকে ভোট
দেওয়ার জন্য নিযুক্ত করলাম।

শেয়ারহোল্ডারের স্বাক্ষর-----

প্রক্সির স্বাক্ষর-----

ফোলিও/বিও নং-----

রাজস্ব টিকেট
একশত টাকা

লক্ষ্যনীয়ঃ

যথাযথভাবে পূরন করে এই প্রক্সি ফরম সভার আটচল্লিশ (৪৮) ঘন্টা পূর্বে কোম্পানীর শেয়ার ডিপার্টমেন্টে জমা দিতে হবে। স্টাম্প ও স্বাক্ষরবিহীন প্রক্সি বৈধ বলে বিবেচিত হবে না। শেয়ারহোল্ডার ও প্রক্সির স্বাক্ষর কোম্পানীর নথিভুক্ত নমুনা স্বাক্ষরের সাথে মিল থাকা বাঞ্ছনীয়। প্রক্সির নাম সম্বলিত প্রক্সি নিয়োগ সংক্রান্ত দলিল এবং পাওয়ার অব এটর্নী বা অন্য কোন ক্ষমতা প্রদানপত্র বা নোটারী পাবলিক কর্তৃক সত্যায়িত ক্ষমতা প্রদানপত্রের অনুলিপি সভা অনুষ্ঠানের নির্ধারিত সময়ের আটচল্লিশ (৪৮) ঘন্টা পূর্বে কোম্পানীর শেয়ার ডিপার্টমেন্টে প্রেরন করা না হলে কোন ব্যক্তি উক্ত সভায় প্রক্সি হিসাবে বিবেচিত হবেন না। শেয়ারহোল্ডার অথবা তাঁর প্রক্সির প্রত্যেকটা আলোচ্যসূচীতে ভোট দেওয়ার অধিকার থাকবে।

ইস্টার্ন ব্যাংক লিমিটেড

নিবন্ধিত কার্যালয়
১০০, গুলশান এভিনিউ, গুলশান
ঢাকা-১২১২

শেয়ারহোল্ডার / প্রক্সির হাজিরাপত্র

আমি/আমরা ৩১ মে ২০২৩, বুধবার সকাল ১১.০০ ঘটিকায় (ঢাকা সময়) ডিজিটাল প্র্যাটফর্মের মাধ্যমে অনুষ্ঠিতব্য ইস্টার্ন ব্যাংক লিমিটেড এর ৩১তম বার্ষিক সাধারণ সভায় আমার/আমাদের উপস্থিতি লিপিবদ্ধ করলাম।

শেয়ারহোল্ডারের নাম-----

স্বাক্ষর-----

শেয়ার সংখ্যা-----

ফোলিও/বিও নং-----

প্রক্সির নাম-----

স্বাক্ষর-----



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version of this
Annual Report



Eastern Bank Limited

100 Gulshan Avenue
Dhaka-1212
Bangladesh

