

A large, ancient tree with thick, gnarled roots and a dense canopy of green leaves stands on a grassy hill. The tree's roots extend over a city skyline, which is visible in the background under a sunset sky. The sky is filled with soft, golden light and scattered clouds, with many birds flying in the air. The overall scene is a blend of nature and urban development.

Information for Stakeholders

Highlights of Key Financials

BDT in million

Particulars	Group			Bank		
	2025	2024	Change (%)	2025	2024	Change (%)
Performance during the year						
Net interest income*	9,538	10,349	-7.84%	9,833	10,585	-7.10%
Non-interest income including investment income	21,097	16,466	28.12%	21,144	16,041	31.81%
Operating income	30,635	26,816	14.24%	30,977	26,626	16.34%
Operating profit	17,864	15,835	12.81%	18,473	15,939	15.90%
Profit after tax	8,340	6,599	26.39%	9,010	7,504	20.07%
Net operating cash flow (NOCF)	32,111	24,089	33.30%	32,339	24,862	30.07%
Year-end financial position						
Loans and advances	479,547	412,819	16.16%	477,040	410,718	16.15%
Total investment	216,588	147,888	46.45%	211,473	143,046	47.84%
Deposits	556,013	456,469	21.81%	556,454	457,692	21.58%
Shareholders' equity***	50,083	43,234	15.84%	50,850	43,339	17.33%
Total asset	767,225	621,252	23.50%	761,604	616,050	23.63%
Information per ordinary share						
Earnings per share (BDT)**	5.23	4.14	26.39%	5.65	4.70	20.07%
Price earnings multiple**	4.65	5.97	-22.16%	4.30	5.25	-18.06%
Net asset value per share (BDT)**	31.38	27.09	15.84%	31.86	27.16	17.33%
Market price per share (BDT)	24.30	24.70	-1.62%	24.30	24.70	-1.62%
Net operating cash flow per share (BDT)**	20.12	15.09	33.30%	20.26	15.58	30.07%
Ratios (%)						
Capital to RWA ratio (CRAR) as per Basel III	14.88%	14.65%	-	15.49%	15.11%	-
Non performing loan	2.42%	3.54%	-	2.24%	3.34%	-
Cost to income ratio	41.69%	40.95%	-	40.36%	40.14%	-
Return on equity (ROE)***	17.88%	16.20%	-	19.13%	18.57%	-
Return on assets (ROA)	1.20%	1.17%	-	1.31%	1.34%	-

* EBL borrowed heavily and invested proceeds into government securities, causing higher investment income but also higher interest expense. Therefore, net interest income had a negative growth in 2025.

** Figures of 2024 are restated

*** Figures of 2024 are restated due to reclassification as per Bangladesh Bank circular



Five-year Progression of Financials

BDT in million

Particulars	2025	2024	2023	2022	2021
Balance sheet metrics					
Authorised capital	25,000	25,000	25,000	25,000	12,000
Paid up capital	15,958	13,581	12,072	10,731	9,539
Reserves and surplus*****	34,892	29,482	25,412	24,314	21,478
Shareholders' equity or total shareholders' fund*****	50,850	43,064	37,484	35,045	31,017
Borrowings	113,440	79,167	71,668	75,996	63,187
Deposits	556,454	457,692	366,104	317,097	268,019
CASA (excluding SND) as a percentage of total deposits	22.68%	30.37%	25.88%	27.53%	30.29%
Total investment	211,473	143,046	94,023	90,407	66,653
Investment in govt. securities	194,845	123,156	70,339	64,604	41,229
Investment in govt. securities to total investment	92.14%	86.09%	74.81%	71.46%	61.86%
Investment in capital market including special fund	5,547	5,713	5,162	4,722	4,260
Loans and advances	477,040	410,718	353,357	308,916	269,394
Fixed assets	6,791	6,319	5,994	8,501	7,632
Total assets	761,604	616,050	506,271	455,989	388,815
Contingent liabilities and other commitments	226,748	218,377	199,235	165,096	141,831
Earning assets	703,667	573,910	463,483	416,387	355,273
Earning assets to total assets	92.39%	93.16%	91.55%	91.32%	91.37%
Liabilities to shareholders' equity (times)*****	13.98	13.31	12.51	12.01	11.54
Interest bearing assets	688,077	557,157	445,914	398,837	339,290
Debt-equity ratio (borrowings / shareholders' equity)*****	223.09%	183.84%	191.19%	216.85%	203.72%
Income statement metrics					
Net interest income (excluding investment income)*	9,833	10,585	8,148	6,699	7,761
Income from investments	14,530	10,171	7,682	6,705	6,089
Fees, commission and other operating income	6,614	5,871	4,698	4,385	3,308
Operating income	30,977	26,626	20,528	17,789	17,158
Operating expense	12,504	10,687	9,077	7,744	6,690
Operating profit (profit before provision and tax)	18,473	15,939	11,451	10,046	10,468
Provision charged for loans, investment and other assets (net off w/off recovery)	4,357	2,964	1,662	1,950	2,260
Profit before tax (PBT)	14,117	12,975	9,789	8,095	8,208
Profit after tax (PAT)	9,010	7,504	6,109	5,107	4,654
Net interest income ratio (%) (net interest income / operating income)	31.74%	39.75%	39.69%	37.66%	45.23%
Net interest income to operating expense (%)	78.64%	99.04%	89.76%	86.51%	116.01%
Net interest margin (NIM) (%) (Net interest income/average interest bearing assets)	4.00%	3.91%	3.23%	3.28%	3.85%
Capital metrics					
Risk weighted assets (RWA)	397,919	343,105	309,569	279,016	253,388
Minimum capital requirement (MCR) (10% of RWA)	39,792	34,311	30,957	27,902	25,339
Tier-1 capital	47,203	40,343	33,787	29,942	26,136
Tier-2 capital	14,454	11,503	12,874	10,819	9,538
Total regulatory capital (Tier 1 and Tier 2)	61,657	51,846	46,662	40,761	35,674
Capital surplus (over MCR)	21,866	17,535	15,705	12,859	10,335
Tier - 1 capital to RWA	11.86%	11.76%	10.91%	10.73%	10.31%
Tier - 2 capital to RWA	3.63%	3.35%	4.16%	3.88%	3.76%
Capital to risk weighted assets ratio (CRAR)	15.49%	15.11%	15.07%	14.61%	14.08%
Leverage ratio	5.46%	5.66%	5.59%	5.57%	5.69%
Capital growth/appreciation (%)	18.92%	11.11%	14.48%	14.26%	7.63%

BDT in million

Particulars	2025	2024	2023	2022	2021
Liquidity metrics					
High quality liquid assets (HQLA)	201,986	121,938	91,619	86,375	60,090
Short-term liabilities (not more than 12 months term)	442,469	340,949	267,006	229,673	181,903
High quality liquid assets to total deposits	36.30%	26.64%	25.03%	27.24%	22.42%
High quality liquid assets to short-term liabilities	45.65%	35.76%	34.31%	37.61%	33.03%
AD ratio	74.65%	80.19%	79.45%	77.83%	79.69%
Government securities to total loan ratio	40.84%	29.99%	19.91%	20.91%	15.30%
SLR maintained (%) (at close of the year) - Conventional	31.32%	23.35%	20.85%	21.75%	17.86%
CRR maintained (%) (at close of the year) - Conventional	4.49%	4.09%	3.99%	4.71%	5.22%
SLR maintained (%) (at close of the year) - Islamic	61.16%	98.25%	-	-	-
CRR maintained (%) (at close of the year) - Islamic	11.26%	10.88%	-	-	-
Maximum cumulative outflow (MCO) - DBO (regulatory limit ≤ 16.00%)	14.61%	13.28%	12.25%	14.68%	14.51%
Liquidity coverage ratio (LCR) - DBO (regulatory limit ≥ 100%)	252.73%	190.17%	104.64%	104.36%	144.97%
Net stable funding ratio (NSFR) - DBO (regulatory limit > 100%)	113.11%	119.00%	107.61%	105.53%	104.40%
Asset quality metrics					
Non performing or classified loans (NPL)	10,675	13,718	10,941	8,579	9,979
NPL ratio or gross non-performing loan ratio	2.24%	3.34%	3.10%	2.78%	3.70%
Total loans and advances to total assets	62.64%	66.67%	69.80%	67.75%	69.29%
Large loan exposure (funded & non-funded)**	110,418	157,907	145,372	161,610	116,449
Large loan exposure (%)	15.36%	24.48%	25.07%	31.00%	33.28%
Total CMSME loan	51,257	41,123	29,751	32,531	33,554
CMSME loan to total loan	10.74%	10.01%	8.42%	10.53%	12.46%
General provision for loans and OBS exposures (cumulative)	6,168	6,873	6,854	5,869	5,538
Specific provision for loans (cumulative)	11,023	8,833	9,296	8,583	8,562
Total provision for loans and OBS exposure	17,191	15,705	16,151	14,452	14,101
Surplus provision	-	1,117	1,219	915	889
NPL coverage ratio [(specific provision + general provision) / gross NPL]	161.04%	114.49%	147.61%	168.46%	141.31%
Business growth metrics (y-o-y)					
Loans and advances	16.15%	16.23%	14.39%	14.67%	17.67%
Deposits	21.58%	25.02%	15.45%	18.31%	10.59%
Export	9.99%	49.65%	0.27%	38.10%	25.77%
Import (LC)	20.74%	37.15%	0.01%	1.79%	63.70%
Inward remittance	65.46%	66.84%	75.18%	31.81%	-31.69%
Channel extension through ATM (%)	15.01%	19.26%	16.08%	12.33%	3.18%
Channel extension through branch and sub-branch (%)	5.38%	10.17%	11.32%	17.78%	0.00%
Trade business and remittance metrics					
Export	375,253	341,172	227,976	227,359	164,629
Import (LC)	442,666	366,624	267,320	267,297	262,593
Guarantee	40,428	10,052	30,058	17,867	12,226
Inward remittance	138,919	83,959	50,323	28,726	21,793
Contribution to CSR & national exchequer					
CSR contribution	102	94	280	141	183
CSR contribution to net income (%)	1.13%	1.25%	4.59%	2.76%	3.93%
Corporate income tax	5,287	3,823	3,628	4,177	2,285
Withholding income tax	9,884	7,062	5,208	4,020	3,497
Excise duty on loans & deposits	875	743	776	503	436
Value added tax (VAT)	1,308	1,044	1,033	866	694
Total contribution to national exchequer	17,354	12,672	10,646	9,565	6,912
Efficiency indicators					
Return on average risk weighted assets	2.43%	2.30%	2.08%	1.92%	1.98%
Return on average equity (ROE)*****	19.13%	18.63%	16.85%	15.46%	15.51%
Return on average assets (ROA)	1.31%	1.34%	1.27%	1.21%	1.28%



BDT in million

Particulars	2025	2024	2023	2022	2021
Net profit margin (PAT / gross income***)	14.91%	13.57%	15.70%	16.66%	18.18%
Cumulative written off loans (total claim) (A)	26,744	23,232	19,636	19,081	15,754
Cumulative recovery from written off loans (B)	6,622	6,077	5,562	5,089	4,295
Cumulative recovery to written off loans ratio (C = B / A)	24.76%	26.16%	28.33%	26.67%	27.26%
Cost of fund (interest expense / average borrowings and deposits)	6.44%	5.89%	4.43%	3.55%	2.73%
Cost to income ratio	40.36%	40.14%	44.22%	43.53%	38.99%
Weighted average interest rate of loans (year-end) (A)	11.83%	11.85%	9.22%	7.85%	7.29%
Weighted average interest rate of deposits (year-end) (B)	6.40%	6.28%	4.67%	3.91%	3.25%
Year-end spread (C = A - B)	5.43%	5.57%	4.55%	3.94%	4.04%
Operating income per employee (permanent)	9.76	9.12	8.15	8.08	8.69
Operating cost per employee (permanent)	3.94	3.66	3.60	3.52	3.39
Operating profit per employee (permanent)	5.82	5.46	4.55	4.56	5.30
Employee growth (permanent) (in %)	8.70%	15.96%	14.40%	11.49%	4.17%
Share based metrics					
Earnings per share (EPS) in BDT****	5.65	5.53	5.06	4.76	4.88
Operating profit per share in BDT****	11.58	11.74	9.48	9.36	10.97
Market price per share in BDT as on close of the year at DSE	24.30	24.70	29.40	31.80	38.50
Price earnings multiples****	4.30	4.47	6.54	6.68	7.89
NAV (book value) per share in BDT****	31.86	31.71	31.05	32.66	32.52
Market capitalization (at close of year)	38,778	33,546	35,493	34,125	36,724
Market price to NAV per share (times)*****	0.76	0.78	0.95	0.97	1.18
Dividend payment metrics					
Dividend (%) (proposed for 2025)	28.00	35.00	25.00	25.00	25.00
Cash (%) (proposed for 2025)	25.00	17.50	12.50	12.50	12.50
Stock (%) (proposed for 2025)	3.00	17.50	12.50	12.50	12.50
Dividend per share (DPS) in BDT	2.80	3.50	2.50	2.50	2.50
Dividend coverage ratio (times) (EPS / DPS)	2.02	1.58	1.80	1.90	1.95
Dividend payout ratio (DPS / EPS)	49.59%	63.35%	55.58%	52.53%	51.24%
Cash dividend yield (%)	10.29%	7.09%	4.25%	3.93%	3.25%
Unclaimed dividend amount	67.74	57.09	48.09	35.81	31.59
Credit rating					
Credit rating agency (local)	CRAB	CRAB	CRAB	CRISL	CRISL
Long term	AAA	AAA	AAA	AA+	AA+
Short term	ST-1	ST-1	ST-1	ST-1	ST-1
Outlook	Stable	Stable	Stable	Stable	Stable
Rating by Moody's	B2	B2	B2	B1	B1
Other information (actual figure)					
Number of employees (permanent)	3,175	2,921	2,519	2,202	1,975
Number of branches	85	85	85	83	85
Number of AD branches	18	18	18	18	18
Number of sub-branches	52	45	33	23	5
Number of priority centers	23	23	20	18	16
Number of agent banking outlets	119	118	102	63	46
Number of CDMs / RTDMs / ATMs / CRMs	440	386	334	323	297
No. of ATM booths	363	321	272	240	214
Number of deposit accounts	1,118,404	950,312	792,367	712,031	666,591
Number of loan accounts	226,843	205,391	183,388	163,304	169,153
Number of foreign correspondents	573	561	556	539	524

* EBL borrowed heavily and invested proceeds into government securities, causing higher investment income but also higher interest expense. Therefore, net interest income had a negative growth in 2025.

** As per BRPD circular, Bangladesh Bank

*** Gross income = Interest income + income from investments + fees & commission, + other operating income

**** Previous years not restated

***** Figures of 2024 are not restated due to reclassification as per Bangladesh Bank circular

Other Ratios

Particulars	2025	2024
Financial ratios		
Total sustainable finance to total loan(%) (excluding staff loan)*	69%	89%
Market capitalization (at year-end) growth %	15.60%	-5.48%
Cumulative agricultural and rural credit through MFIs to total loan (%)*	3.3%	2.7%
Gross profit ratio	26.44%	28.82%
Net profit ratio	12.90%	13.57%
EBITDA (BDT in million)	19,805	17,175
Return on capital employed	6.21%	6.24%
Current ratio	1.010	1.082
Quick ratio	1.007	1.079
Net interest income as a percentage of working funds	1.40%	1.84%
Non - interest income as a percentage of working funds	3.00%	2.80%
Non financial ratios		
Customer retention ratio	91.05%	95.62%
Employee retention ratio	83.22%	82.29%
Employee productivity rate (income per hour BDT)	8,008	7,102
Operating income per employee (permanent) (BDT in million)	9.76	9.12
Operating cost per employee (permanent) (BDT in million)	3.94	3.66
Operating profit per employee (permanent) (BDT in million)	5.82	5.46
Female representation	16.30%	17.19%
Customer service quality rating score through a survey by contact center	97.85%	98.00%

*Ratios denote the percentage of total disbursements during the year

Financial Goals and Performance (Bank)

Particulars	Goals 2026	Actual 2025	Actual 2024
Capital to risk weighted assets ratio (CRAR)	15% Plus	15.49%	15.11%
Return on average equity (ROE)*	19% Plus	19.13%	18.57%
Return on average assets (ROA)	1.30% Plus	1.31%	1.34%
Cost to income ratio	Less than 40%	40.36%	40.14%
NPL (%)	Less than 3%	2.24%	3.34%
Year-end deposits (BDT in million)	643,276	556,454	457,692
Year-end loans and advances (BDT in million)	546,773	477,040	410,718

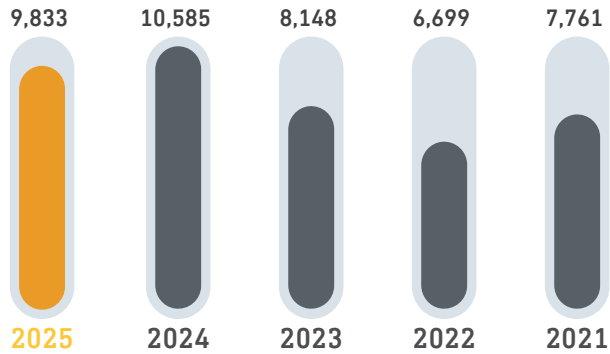
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Key Financials in Graphs

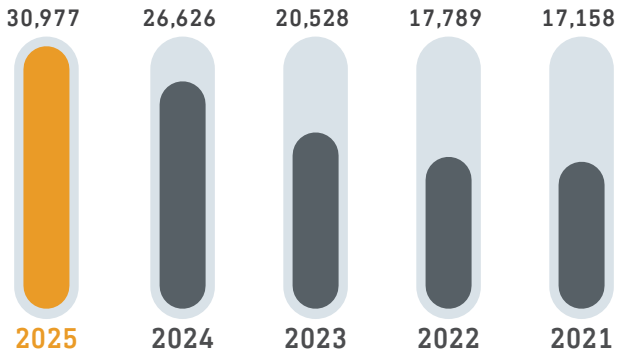
Net interest income

BDT in million



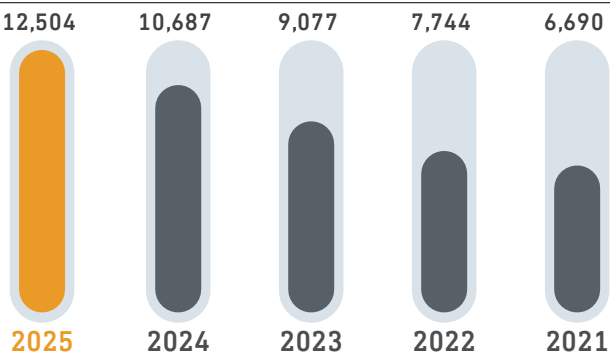
Operating income

BDT in million



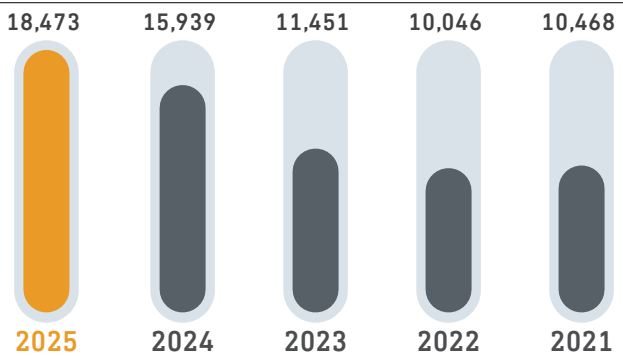
Operating expense

BDT in million



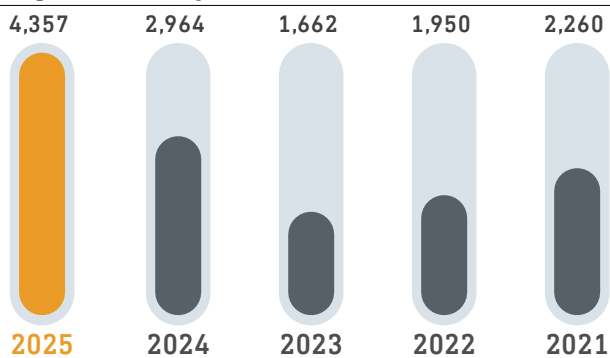
Operating profit

BDT in million



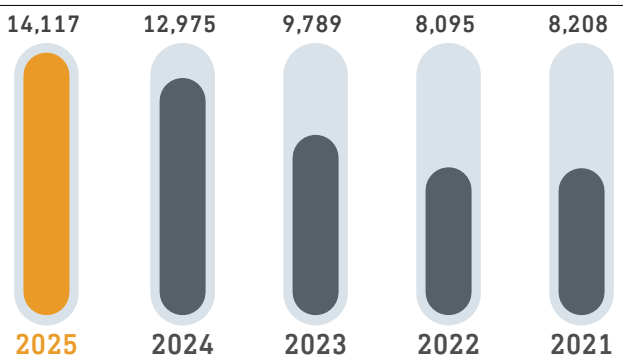
Total provision charged

BDT in million



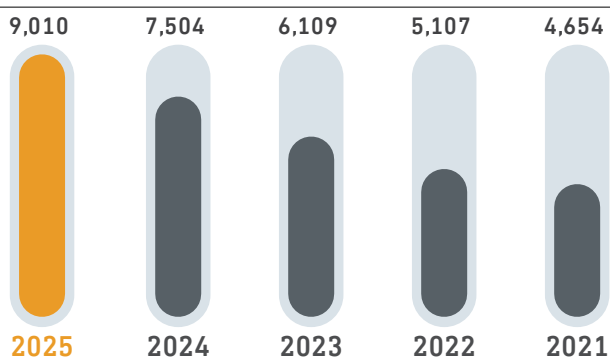
Profit before tax

BDT in million



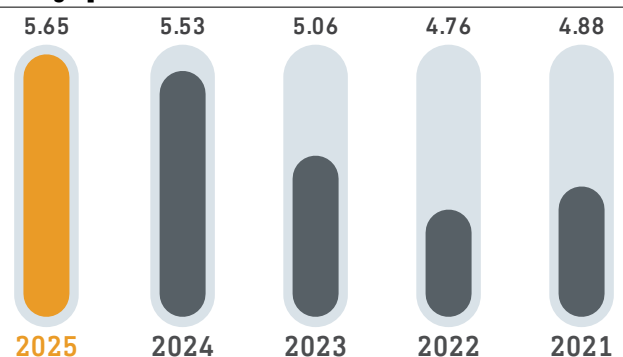
Profit after tax

BDT in million

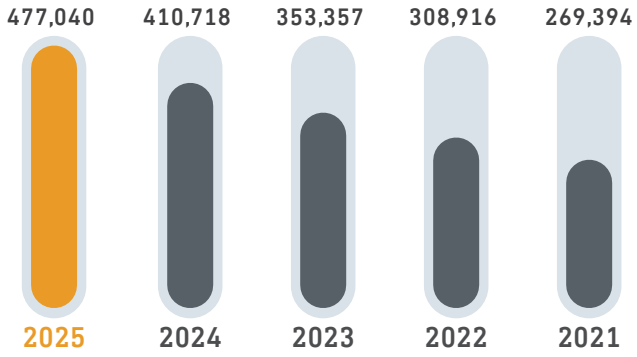


Earnings per share*

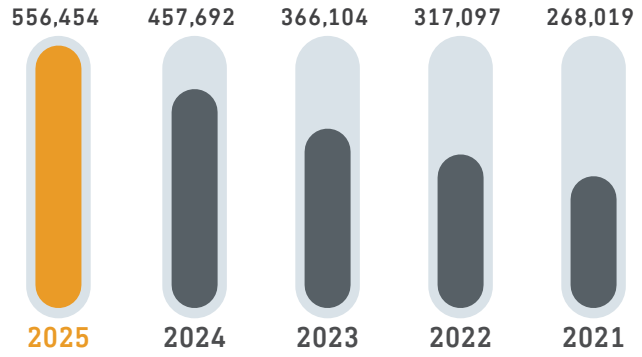
BDT



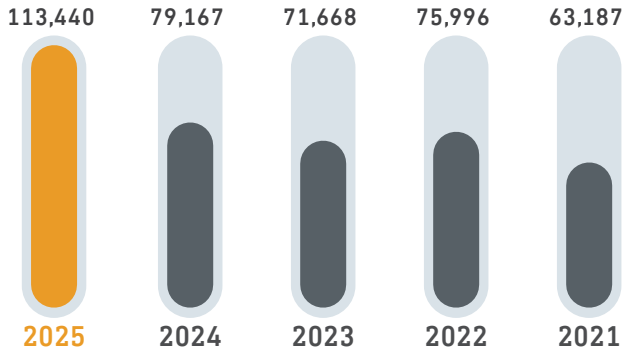
Loans and advances BDT in million



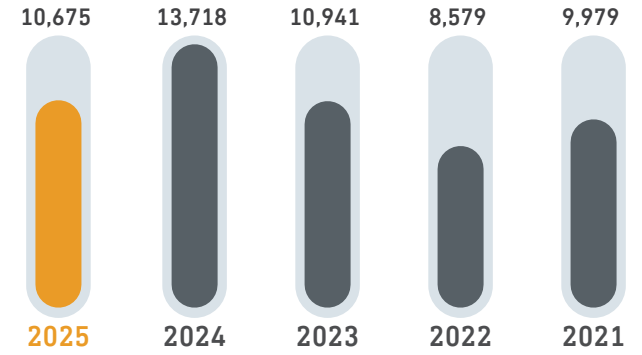
Deposits BDT in million



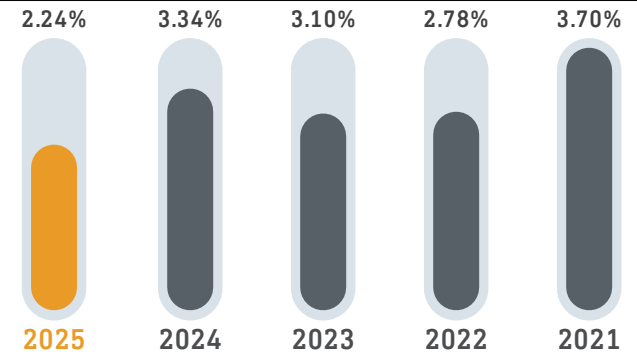
Borrowing BDT in million



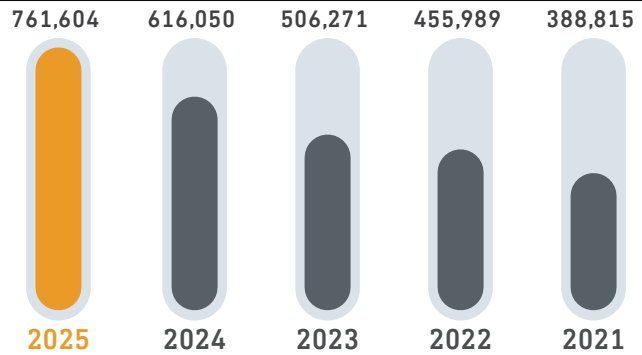
Non performing loan BDT in million



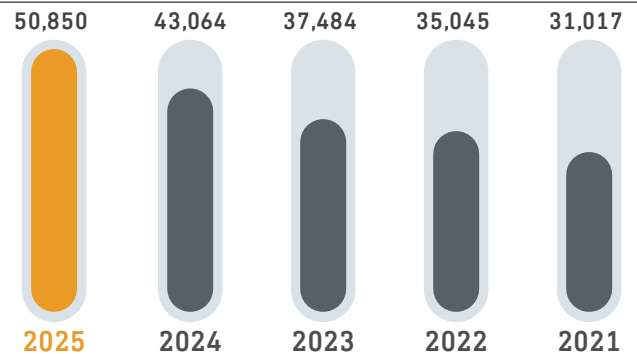
Non performing loan Percentage



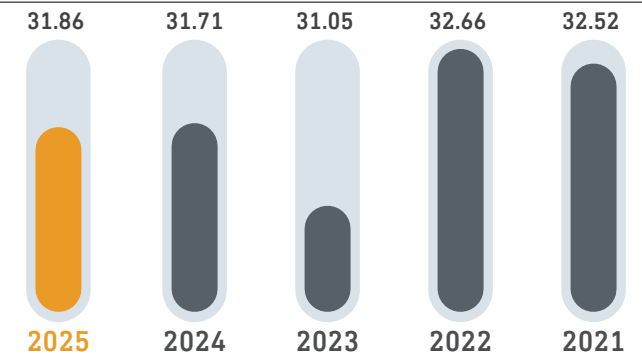
Total assets BDT in million



Shareholders' equity** BDT in million

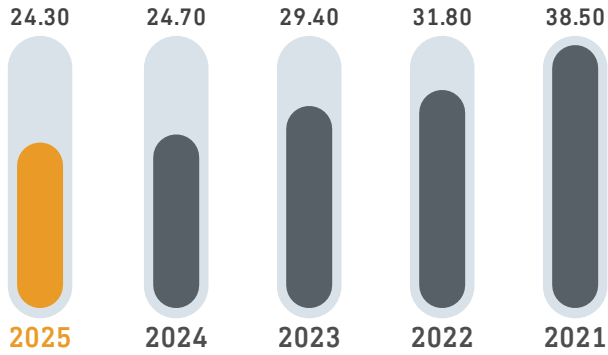


NAV per share* BDT

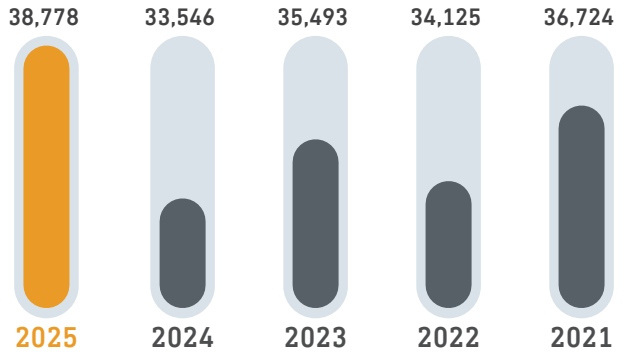




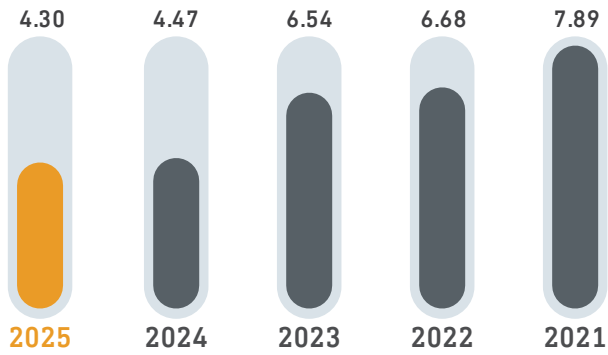
Market price per share BDT



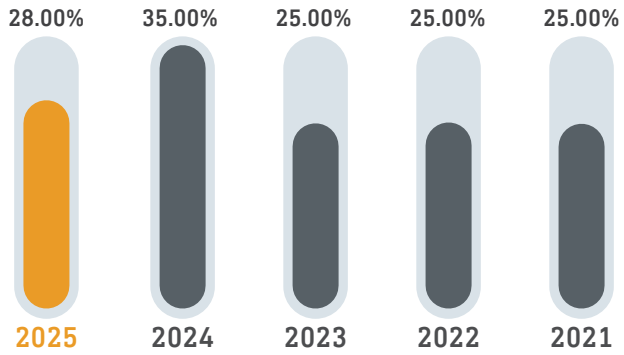
Market capitalization BDT in million



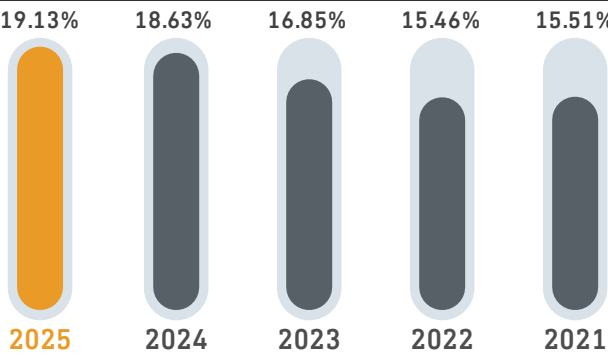
Price earnings multiple* times



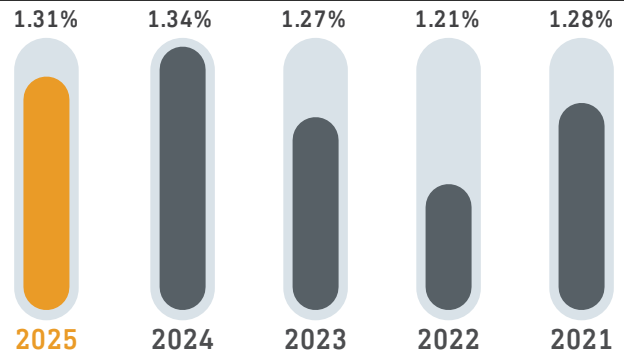
Dividend Percentage



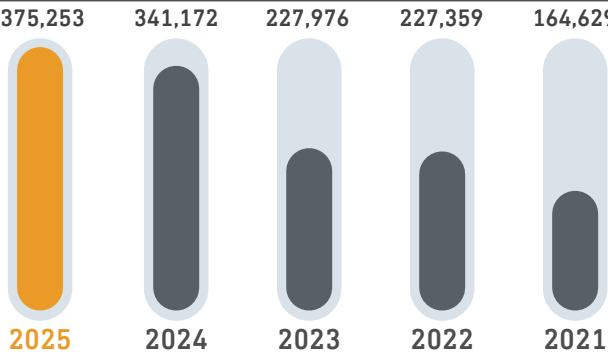
Return on average equity** Percentage



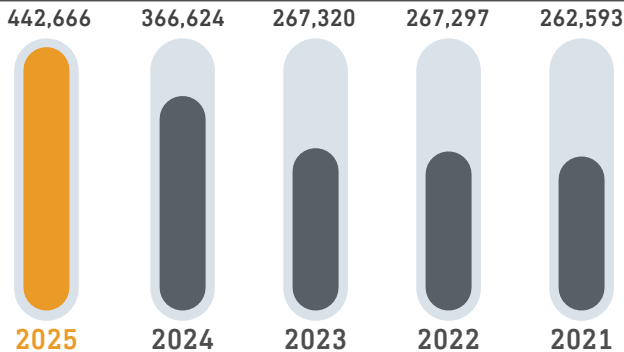
Return on average assets Percentage



Export BDT in million



Import BDT in million



* Previous years not restated

** Figures of 2024 are not restated due to reclassification as per Bangladesh Bank circular

Horizontal Analysis (y-o-y change)

Balance sheet

Particulars	31-12-2025		31-12-2024		31-12-2023		31-12-2022		31-12-2021	
	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%
Property and assets										
Cash in hand	7,417	22.04%	6,077	9.34%	5,558	17.85%	4,717	27.11%	3,711	15.30%
Balances with Bangladesh Bank and its agent bank(s)	27,410	48.95%	18,402	19.64%	15,382	-6.43%	16,439	9.90%	14,958	19.85%
Balances with other banks and financial institutions	13,342	-17.56%	16,184	-10.36%	18,053	52.30%	11,854	-27.14%	16,270	25.12%
Money at call and on short notice	-	-100.00%	2,400	-22.58%	3,100	-51.86%	6,440	309.36%	1,573	2522.00%
Investments	211,473	47.84%	143,046	52.14%	94,023	4.00%	90,407	35.64%	66,653	4.23%
Loans and advances	477,040	16.15%	410,718	16.23%	353,357	14.39%	308,916	14.67%	269,394	17.67%
Fixed assets	6,791	7.46%	6,319	5.42%	5,994	-29.49%	8,501	11.38%	7,632	-1.02%
Other assets and non banking assets	18,131	40.50%	12,904	19.44%	10,804	23.94%	8,716	1.07%	8,624	13.93%
Total assets	761,604	23.63%	616,050	21.68%	506,271	11.03%	455,989	17.28%	388,815	15.40%
Liabilities and equity										
Borrowing from banks, financial institutions and agents	113,440	43.29%	79,167	10.46%	71,668	-5.70%	75,996	20.27%	63,187	42.68%
Deposits and other accounts	556,454	21.58%	457,692	25.02%	366,104	15.45%	317,097	18.31%	268,019	10.59%
Other liabilities**	40,860	13.10%	36,128	16.49%	31,015	11.36%	27,850	4.73%	26,593	24.76%
Total liabilities**	710,754	24.04%	572,987	22.23%	468,787	11.37%	420,944	17.65%	357,798	16.18%
Shareholders' equity										
Paid-up capital	15,958	17.50%	13,581	12.50%	12,072	12.50%	10,731	12.50%	9,539	17.50%
Statutory reserve	15,958	17.50%	13,581	12.50%	12,072	12.50%	10,731	12.50%	9,539	17.50%
General reserve	603	0.00%	603	0.00%	603	0.00%	603	0.00%	603	0.00%
Other reserve*	963	-442.80%	-281	-308.32%	135	-94.55%	2,474	4.82%	2,360	-33.55%
Surplus in profit and loss account	17,368	11.49%	15,578	23.62%	12,601	19.95%	10,506	17.05%	8,975	4.56%
Total shareholders' equity**	50,850	18.08%	43,064	14.88%	37,484	6.96%	35,045	12.99%	31,017	7.04%
Total liabilities and shareholders' equity	761,604	23.63%	616,050	21.68%	506,271	11.03%	455,989	17.28%	388,815	15.40%
Total off-balance sheet items	226,748	3.83%	218,377	9.61%	199,235	20.68%	165,096	16.40%	141,831	36.30%
Net asset value per share (not restated)	31.86	0.49%	31.71	2.12%	31.05	-4.93%	32.66	0.44%	32.52	-8.90%

* Other reserves mainly increased in 2025, due to the reserve for HFT treasury securities grew as declining market yields led to higher valuations. At the same time, the HTM reserve increased due to the acquisition of Treasury bonds at a discount, with the discount amount being amortized into the reserve over the remaining term of the securities.

** Figures of 2024 are not restated due to reclassification as per Bangladesh Bank circular

Horizontal analysis (%) = [(amount in comparison year – amount in base year) / amount in base year] * 100

Profit and loss account

Particulars	2025		2024		2023		2022		2021	
	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%	BDT mn	Δ%
Interest income	48,715	24.05%	39,270	47.96%	26,541	35.63%	19,569	20.75%	16,206	-17.60%
Interest paid on deposits and borrowings	38,882	35.55%	28,685	55.95%	18,393	42.92%	12,869	52.39%	8,445	-38.52%
Net interest income	9,833	-7.10%	10,585	29.91%	8,148	21.62%	6,699	-13.68%	7,761	30.87%
Non-interest income	21,144	31.81%	16,041	29.58%	12,380	11.63%	11,090	18.02%	9,397	14.55%
Total operating income	30,977	16.34%	26,626	29.71%	20,528	15.39%	17,789	3.68%	17,158	21.40%
Total operating expenses	12,504	17.00%	10,687	17.74%	9,077	17.22%	7,744	15.75%	6,690	3.86%
Profit before provisions	18,473	15.90%	15,939	39.20%	11,451	13.99%	10,046	-4.03%	10,468	36.08%
Provision for loans and off-balance sheet exposures	3,709	81.08%	2,048	41.34%	1,449	-4.51%	1,518	-42.76%	2,652	142.57%
Other provision	647	-29.29%	916	331.21%	212	-50.89%	432	-210.45%	(391)	327.09%
Total provisions	4,357	46.99%	2,964	78.38%	1,662	-14.80%	1,950	-13.71%	2,260	125.68%
Profit before tax for the year	14,117	8.80%	12,975	32.55%	9,789	20.92%	8,095	-1.37%	8,208	22.67%
Total provision for taxation	5,107	-6.66%	5,471	48.68%	3,680	23.15%	2,988	-15.92%	3,554	37.31%
Profit after tax for the year	9,010	20.07%	7,504	22.83%	6,109	19.61%	5,107	9.75%	4,654	13.44%
Earnings per share (not restated)	5.65	2.19%	5.53	9.18%	5.06	6.32%	4.76	-2.45%	4.88	-3.46%



Vertical Analysis (Mix Percentage)

Balance sheet

Particulars	31-12-2025		31-12-2024		31-12-2023		31-12-2022		31-12-2021	
	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %
Property and assets										
Cash in hand	7,417	0.97%	6,077	0.99%	5,558	1.10%	4,717	1.03%	3,711	0.95%
Balances with Bangladesh Bank and its agent bank(s)	27,410	3.60%	18,402	2.99%	15,382	3.04%	16,439	3.61%	14,958	3.85%
Balances with other banks and financial institutions	13,342	1.75%	16,184	2.63%	18,053	3.57%	11,854	2.60%	16,270	4.18%
Money at call and on short notice	-	0.00%	2,400	0.39%	3,100	0.61%	6,440	1.41%	1,573	0.40%
Investments	211,473	27.77%	143,046	23.22%	94,023	18.57%	90,407	19.83%	66,653	17.14%
Loans and advances	477,040	62.64%	410,718	66.67%	353,357	69.80%	308,916	67.75%	269,394	69.29%
Fixed assets	6,791	0.89%	6,319	1.03%	5,994	1.18%	8,501	1.86%	7,632	1.96%
Other assets and non banking assets	18,131	2.38%	12,904	2.09%	10,804	2.13%	8,716	1.91%	8,624	2.22%
Total assets	761,604	100.00%	616,050	100.00%	506,271	100.00%	455,989	100.00%	388,815	100.00%
Liabilities and equity										
Borrowing from banks, financial institutions and agents	113,440	14.89%	79,167	12.85%	71,668	14.16%	75,996	16.67%	63,187	16.25%
Deposits and other accounts	556,454	73.06%	457,692	74.29%	366,104	72.31%	317,097	69.54%	268,019	68.93%
Other liabilities**	40,860	5.36%	36,128	5.86%	31,015	6.13%	27,850	6.11%	26,593	6.84%
Total liabilities**	710,754	93.32%	572,987	93.01%	468,787	92.60%	420,944	92.31%	357,798	92.02%
Shareholders' equity										
Paid-up capital	15,958	2.10%	13,581	2.20%	12,072	2.38%	10,731	2.35%	9,539	2.45%
Statutory reserve	15,958	2.10%	13,581	2.20%	12,072	2.38%	10,731	2.35%	9,539	2.45%
General reserve	603	0.08%	603	0.10%	603	0.12%	603	0.13%	603	0.16%
Other reserve*	963	0.13%	(281)	-0.05%	135	0.03%	2,474	0.54%	2,360	0.61%
Surplus in profit and loss account	17,368	2.28%	15,578	2.53%	12,601	2.49%	10,506	2.30%	8,975	2.31%
Total shareholders' equity**	50,850	6.68%	43,064	6.99%	37,484	7.40%	35,045	7.69%	31,017	7.98%
Total liabilities and shareholders' equity	761,604	100.00%	616,050	100.00%	506,271	100.00%	455,989	100.00%	388,815	100.00%
Total off-balance sheet items	226,748	36.81%	218,377	35.45%	199,235	39.35%	165,096	36.21%	141,831	36.48%

* Other reserves mainly increased in 2025, due to the reserve for HFT treasury securities grew as declining market yields led to higher valuations. At the same time, the HTM reserve increased due to the acquisition of Treasury bonds at a discount, with the discount amount being amortized into the reserve over the remaining term of the securities.

** Figures of 2024 are not restated due to reclassification as per Bangladesh Bank circular

Profit and loss account

Particulars	2025		2024		2023		2022		2021	
	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %	BDT mn	Mix %
Interest income	48,715	69.73%	39,270	71.00%	26,541	68.19%	19,569	63.83%	16,206	63.30%
Interest paid on deposits and borrowings	38,882	55.66%	28,685	51.86%	18,393	47.26%	12,869	41.98%	8,445	32.98%
Net interest income	9,833	14.08%	10,585	19.14%	8,148	20.93%	6,699	21.85%	7,761	30.31%
Non-interest Income	21,144	30.27%	16,041	29.00%	12,380	31.81%	11,090	36.17%	9,397	36.70%
Total operating income	30,977	44.34%	26,626	48.14%	20,528	52.74%	17,789	58.02%	17,158	67.02%
Total operating expenses	12,504	17.90%	10,687	19.32%	9,077	23.32%	7,744	25.26%	6,690	26.13%
Profit before provisions	18,473	26.44%	15,939	28.82%	11,451	29.42%	10,046	32.77%	10,468	40.88%
Provision for loans and off-balance sheet exposures	3,709	5.31%	2,048	3.70%	1,449	3.72%	1,518	4.95%	2,652	10.36%
Other provision	647	0.93%	916	1.66%	212	0.55%	432	1.41%	(391)	-1.53%
Total provisions	4,357	6.24%	2,964	5.36%	1,662	4.27%	1,950	6.36%	2,260	8.83%
Profit before tax for the year	14,117	20.21%	12,975	23.46%	9,789	25.15%	8,095	26.40%	8,208	32.06%
Total provision for taxation	5,107	7.31%	5,471	9.89%	3,680	9.45%	2,988	9.75%	3,554	13.88%
Profit after tax for the year	9,010	12.90%	7,504	13.57%	6,109	15.70%	5,107	16.66%	4,654	18.18%
Gross Income (interest income + non-interest income)	69,859	100.00%	55,311	100.00%	38,921	100.00%	30,659	100.00%	25,603	100.00%

Value Added Statement (VAS)

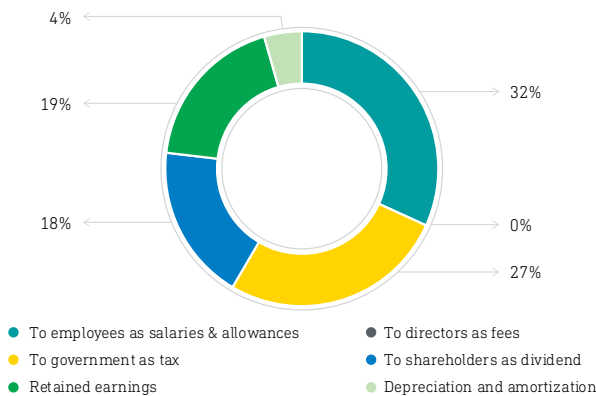
This statement presents the amount of wealth accretion made by the Bank through providing banking and other financial services in 2025 for its employees, directors, government and shareholders in the form of salaries & allowances, fees, duties & taxes, net profit after tax respectively and also indicates value of use of fixed assets through depreciation.

Value added for the year ended 31 December 2025

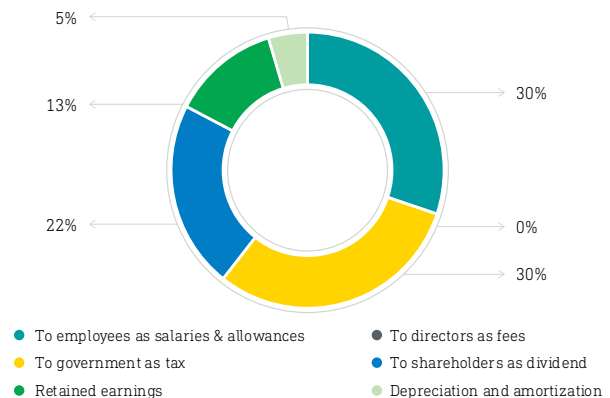
BDT in million

Particulars	2025	2024
Wealth creation		
Revenue from banking services (interest income)	48,715	39,270
Less: Cost of services & supplies	(41,206)	(30,756)
	7,509	8,514
Other financial revenue	21,144	16,041
Provision for loans & other assets	(4,357)	(2,964)
Total wealth creation	24,297	21,591
Wealth distribution		
Employees & directors		
Employees as salaries & allowances	7,718	6,506
Directors as fees	4	5
	6,484	6,576
Government		
Corporate tax	5,107	5,471
Service tax/ value added tax	487	349
Municipalities/ local taxes	15	14
Excise duties	875	743
Shareholders		
Dividend to shareholders (proposed for 2025)	4,468	4,753
Retention for future business growth		
Retained earnings	4,542	2,750
Depreciation and amortization	1,081	1,000
Total wealth distribution	24,297	21,591

Wealth distribution (%) 2025



Wealth distribution (%) 2024





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	2025	2024
Face value per share (BDT)	10.00	10.00
Market value per share (BDT)	24.30	24.70
Number of shares outstanding	1,595,813,388	1,358,139,054
Total market capitalization (BDT in million)	38,778	33,546
Book value of paid up capital (BDT in million)	15,958	13,581
Market value added (BDT in million)	22,820	19,965

Economic Value Added (EVA) Statement

This statement measures the financial performance of an entity based on an underlying principle that since management of a company deploys shareholders' 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 in increasing wealth.

EVA is equal to Profit after Tax (PAT) plus the provision for loans & other assets less written off interest suspense during the year minus cost of equity, the opportunity cost 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.

Economic Value Added statement for the year ended 31 December

BDT in million

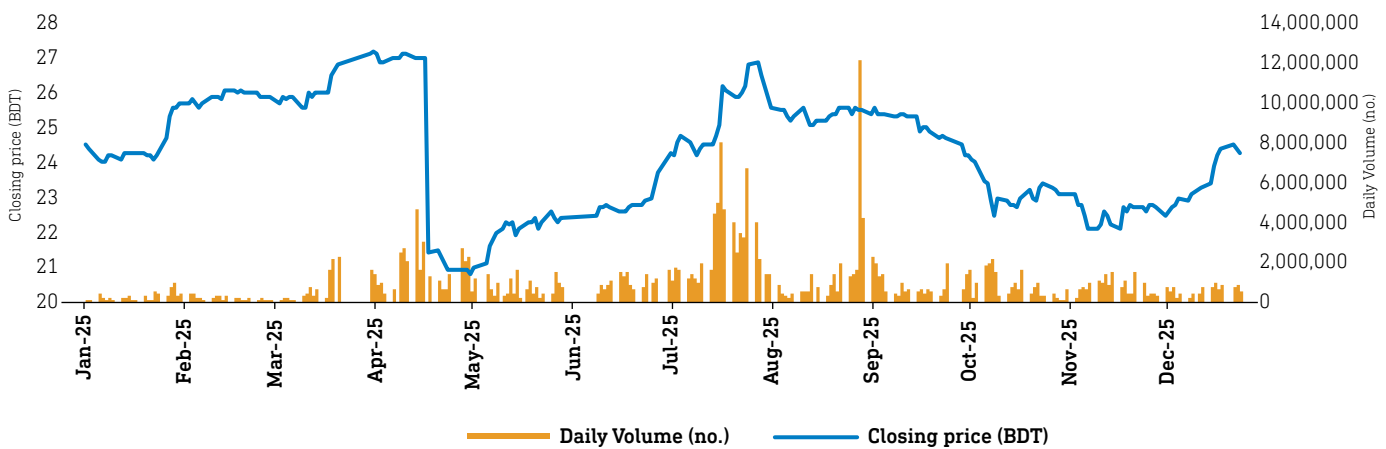
Particulars	2025	2024
Shareholders' equity*	50,850	43,339
Add: accumulated provision for loans & advances and other assets	19,733	17,600
Capital deployed	70,583	60,939
Average capital deployed (A)	65,761	57,914
Earnings		
Profit after tax	9,010	7,504
Add: provision for loans & advances and other assets charged during the year	4,357	2,964
Less: written off interest suspense during the year	588	460
Net earnings (B)	12,778	10,008
Cost of equity (C)		
Average cost of equity (weighted average rate of 10 years treasury bond issued by the Bangladesh Government) plus 2% risk premium	12.87%	14.53%
Capital charge (cost of average equity) (D=A x C)	8,463	8,415
Economic value added (E = B-D)	4,315	1,593

* Figures of 2024 are restated due to reclassification as per Bangladesh Bank circular.

Stock Performance

Month	DSE			CSE			Total Volume on DSE and CSE (no.)
	Month High (BDT)	Month Low (BDT)	Total Volume (no.)	Month High (BDT)	Month Low (BDT)	Total Volume (no.)	
Jan-25	24.5	24.0	6,499,468	25.1	24.0	306,256	6,805,724
Feb-25	26.1	24.7	6,113,503	26.0	24.4	113,353	6,226,856
Mar-25	26.8	25.6	9,830,192	27.0	25.5	84,817	9,915,009
Apr-25	27.2	20.9	27,798,815	27.3	21.0	379,813	28,178,628
May-25	22.4	20.8	20,034,411	22.9	20.9	98,917	20,133,328
Jun-25	22.9	22.3	15,382,312	24.0	22.2	248,007	15,630,319
Jul-25	26.8	23.0	58,683,180	26.9	22.8	642,803	59,325,983
Aug-25	26.9	25.1	21,477,548	27.2	25.0	95,784	21,573,332
Sep-25	25.6	24.7	35,593,816	25.9	24.6	1,032,255	36,626,071
Oct-25	24.5	22.5	19,938,961	24.5	22.7	1,702,301	21,641,262
Nov-25	23.3	22.1	15,682,607	23.3	22.2	182,770	15,865,377
Dec-25	24.5	22.5	11,528,484	24.3	22.5	113,989	11,642,473

Price - Volume Movement of EBL (DSE)



Share Price Sensitivity Analysis

Share price sensitivity analysis using key variables with the consequent impact on EBL's earnings:

Share price of EBL in Dhaka Stock Exchange and Chittagong Stock Exchange, while having ups and downs, was mostly unchanged in 2025 due to mixed changes in key variables such as interest rate on government bonds, interest rate on loan, foreign exchange rate etc. resulting into the consequent positive change in EBL's earnings, and the bearish stock market.

Average interest rate on loan of EBL stayed relatively stable, decreasing by only 2 basis points (2025: 11.83% vs 2024: 11.85%); however, interest income grew to BDT 48,715 million in 2025 from BDT 39,270 million in 2024 (24% increase) due to a 16% larger loan portfolio. Moreover, despite the 10-year Treasury Bond rate

decreased by 166 basis points (2025: 10.87% vs 2024: 12.53%), interest from government securities grew to BDT 13,967 million in 2025 from BDT 8,237 million in 2024 (70% increase) due to a 58% increase in investment in govt. securities. Finally, the BDT/USD exchange rate for EBL was 119.9990 as at year-end 2024, which increased by 1.91% to 122.2954 as at year-end 2025, and therefore, foreign exchange income (not netted-off with exchange loss) grew to BDT 12,376 million in 2025 from BDT 10,203 million in 2024 (21% increase). Partially due to changes in mentioned variables, EBL's profit after tax grew to BDT 9,010 million in 2025 from BDT 7,504 million in 2024 (20% increase).

However, the impact of change in EBL's earnings on its share price was offset by a bearish market signified by the 351 points or 7% fall in the DSEX index; therefore, EBL's share price fell by 2% from BDT 24.7 at the end of 2024 to BDT 24.3 at the end of 2025.



EBL's Contribution to National Progress

Key Impact Areas

Tax & Exchequer	Employment Generation	Capacity Building
Financial Inclusion	Digital Banking	Women Empowerment
Sustainable & Green Finance	Climate Action	CSR & Community Welfare

BDT 17,354 million Exchequer Contribution 2025	368,211 Jobs Supported (JIM)	BDT 288.93 billion Total Value Added
37% Year-on-Year Growth Exchequer Contribution	18% Five-Year compound Annual Growth Rate (CAGR) Exchequer Contribution	BDT 206.15 billion Sustainable Finance Disbursement

Bangladesh's tax-to-GDP ratio has remained persistently low, hovering between 7% and 9% over the past decade and falling further from 7.4% in FY24 to 6.9% in FY25 (IMF Country Report No. 26/24, January 2026), far below the 15% minimum widely regarded as necessary for effective state functioning, and among the lowest globally. This structural constraint limits fiscal space for infrastructure, healthcare, education, and social protection. In this context, every institution that consistently fulfils its tax obligations makes a disproportionate contribution to national fiscal capacity. In 2025, EBL contributed BDT 17,354 million to the national exchequer, registering 36.96% growth over the preceding year and a five-year compound annual growth rate of 18.39%. Over the period 2021–2025, the Bank's cumulative exchequer contribution has reached BDT 57.15 billion, a measure of the consistency with which banking profitability translates into public revenue.

Strengthening the national exchequer

The national exchequer is the principal funding mechanism for public infrastructure, social safety nets, healthcare, education, and sovereign debt servicing. In FY2024–25, the National Board of Revenue collected BDT 3.71 trillion in tax revenue against a budget target of BDT 4.64 trillion, a shortfall of around BDT 926 billion, reflecting weakened compliance, economic disruptions, and ongoing challenges in revenue administration. This persistent gap between fiscal ambition and actual collection underscores the critical role of compliant, high-volume taxpayers in sustaining government development expenditure. EBL's growing contribution is a tangible demonstration that private-sector profitability and public investment capacity are not competing objectives but mutually reinforcing outcomes.

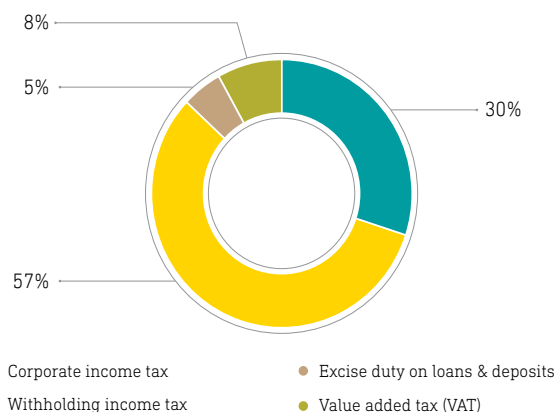
Equally significant is EBL's role as a fiscal intermediary. Of the BDT 17.36 billion contributed in 2025, withholding income tax accounted for BDT 9,884 million, deducted at source on behalf of the government from depositors, suppliers, contractors, and service providers across the Bank's network. This intermediation function extends the government's revenue reach through the banking channel, strengthening tax compliance in segments that might otherwise remain outside the formal tax base.

Composition of exchequer contribution

Withholding income tax remained the largest component at 56.95% of total contribution, rising 39.96% year-on-year, reflecting both a larger interest-earning asset base and the prevailing high-interest-rate environment that amplified tax deductions on deposit interest and supplier payments. Corporate income tax grew 38.29% to BDT 5,287 million on the back of stronger pre-tax profitability. VAT contributions increased 25.29% to BDT 1,308 million on expanded service volumes, while excise duty on deposits and loans rose 17.77% to BDT 875 million.

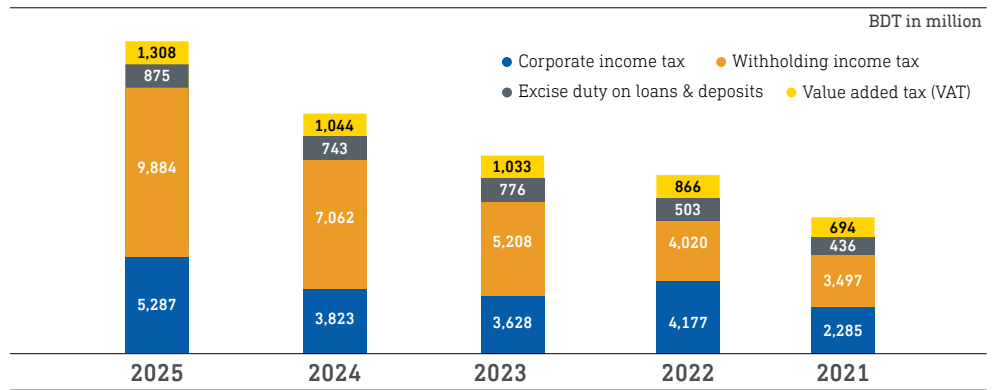
Particulars	BDT in million		
	2025	2024	Growth
Corporate Income Tax	5,287	3,823	38.29%
Withholding Income Tax	9,884	7,062	39.96%
Excise Duty on Loans & Deposits	875	743	17.77%
Value Added Tax (VAT)	1,308	1,044	25.29%
Total	17,354	12,672	36.96%

Composition of contribution to the national exchequer in 2025



Exchequer contribution over the years

The upward trajectory reflects EBL's strategic expansion across lending, fee-based services, and treasury operations. Notably, withholding income tax has nearly tripled since 2021, supported by balance-sheet growth and the prevailing higher interest rate environment



From banking activity to national income

Beyond direct fiscal transfers, EBL's financing activities generate broad-based economic value that flows into the national income accounts. Using the Joint Impact Model (JIM) methodology, the Bank estimates its total value addition encompassing savings (profits), taxes, and wages generated both directly and through financed customer and supply-chain activity:

Direct contributions				Indirect contribution through financing								Total Value Added
				Customers' end (Corporate & SME)				Customers' Supply Chain (Corporate & SME)				
Savings	Taxes	Wages	Total	Savings	Taxes	Wages	Total	Savings	Taxes	Wages	Total	
9.01	17.36	7.72	34.09	53.59	1.15	57.55	112.29	68.54	2.77	71.24	142.55	288.93

Employment generation & capacity building

EBL's role in national development extends well beyond financial intermediation.

Workforce growth	Capacity building	Development impact
4,736 (+6.96%) Total employees	414 Training programs	368,211 Jobs supported
1,190 New recruits	4 Avg. training days per employee	32% Female participation in direct financed employment

Sustainability commitment & social investment

EBL reinforced its alignment with national priorities for inclusive and low-carbon growth.

Sustainable & green finance	CSR	Climate leadership
BDT 206.15 billion Sustainable finance disbursed	BDT 102 million CSR expenditure	1st Bank-level climate risk assessment in Bangladesh
BDT 19.39 billion Green finance disbursed	1.6 million + Beneficiaries	5 Categories EBL climate change action award

Financial inclusion & sectoral impact

EBL continued to deepen financial access through expanded physical and digital channels.

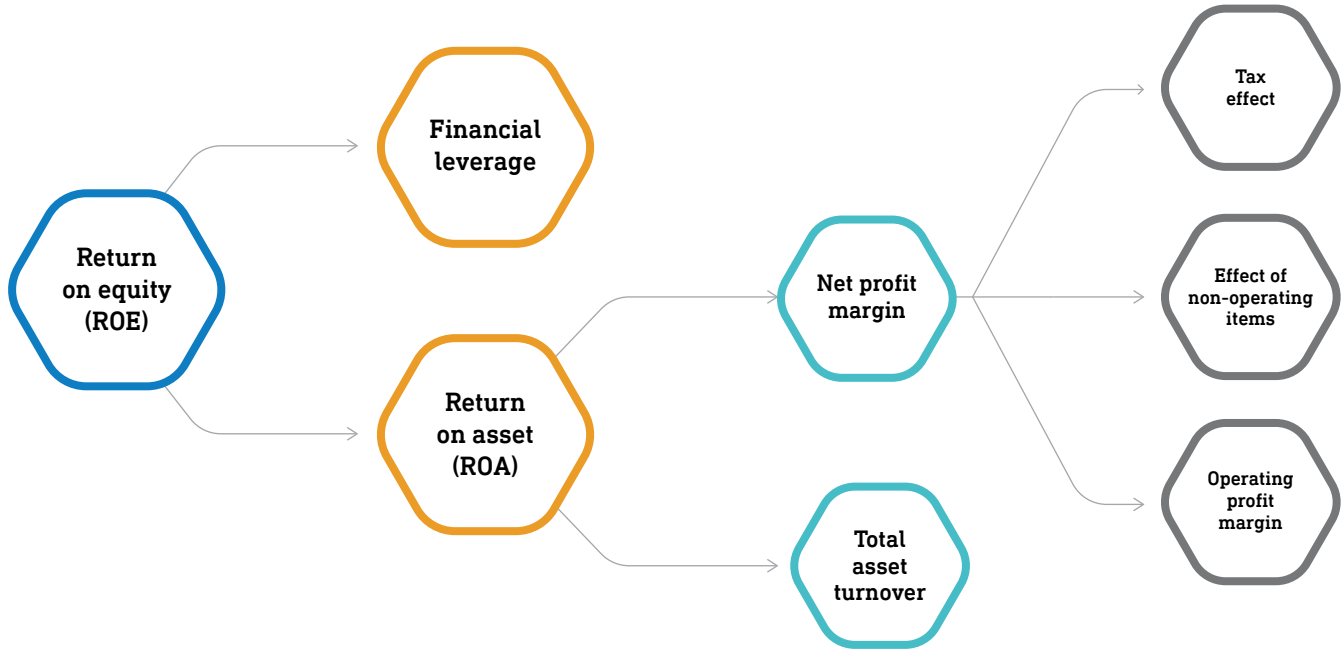
Digital banking	Women banking	Development impact
500K+ Active SkyBanking users	BDT 97.48 billion Women banking deposits	BDT 36.30 billion BB refinance outstanding
50%+ New deposit accounts opened digitally	BDT 1,000 million + Mukti loan outstanding	100+ Rural digital literacy programs
BDT 500 billion + Digital & phygital transaction value	Launch of "Adita" Women entrepreneur platform	Women entrepreneurship development summit Inaugural

Taken together, these commitments reflect a deliberate institutional orientation, one where banking profitability, financial inclusion, and environmental responsibility converge to support national development priorities. As Bangladesh navigates a period of fiscal consolidation and structural reform, EBL remains committed to deepening this contribution across every dimension.



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 on shareholders' equity by breaking down the ROE to analyze how corporate can increase the return for their shareholders.



Particulars		2025	2024
Tax effect (in %)	PAT / PBT	63.82%	57.83%
Effect of non-operating items (in %)	PBT / profit before provisions	76.42%	81.40%
Operating profit margin (in %)	Profit before provisions and tax / gross income*	26.44%	28.82%
Net profit margin (in %)	Tax effect x effect of non-op. items x op. profit margin	12.90%	13.57%
Total asset turnover (in times)	Gross income* / average total assets	0.10	0.10
Return on asset (in %)	Net profit margin x total asset turnover	1.31%	1.34%
Financial leverage (in times)**	Average total assets / average shareholders' equity	14.67	13.93
Return on equity (in %)**	Return on asset x financial leverage	19.19%	18.63%

Primarily due to lower operating profit margin and effect of non-operating items, net profit margin was 0.67% lower in 2025 compared to that of 2024. However, due to higher financial leverage, return on equity increased by 0.59% in 2025 compared to that of 2024.

*Gross income = interest income + non-interest income

** Figures of 2024 are restated due to reclassification as per Bangladesh Bank circular.

Review of Capital Market Portfolio

Despite favorable trends in certain macroeconomic indicators, the capital market in Bangladesh experienced a turbulent year in 2025. While DSEX shed 351 points (6.7%) to 4,865 at year-end 2025, investors remained cautious as daily average turnover was only BDT 5.2 billion. Significant factors which may have played role behind sustained downward trajectory of the market may be stricter regulations, frequent policy shifts, financial sector restructuring and political uncertainty.

In 2025, EBL restructured its capital market portfolio through divesting some low-potential scrips at loss, and investing into strong fundamental scrips. Although the restructuring caused EBL to incur some loss in 2025, it is expected to produce good results in 2026.

Return on investment

EBL incurred a net loss of BDT 14 million from the capital market portfolio comprising capital gain of BDT 96 million, capital loss of BDT 244 million and dividend income of BDT 133 million in 2025.

BDT in million		
Particulars	2025	2024
Investment (average)	5,630	5,437
Gain from sale of shares & MFs	96	113
(Loss) from sale of shares & MFs	(244)	-
Dividend income	133	174
Total income/(loss)	(14)	287
Return on investment (ROI)*	-0.26%	5.28%

*ROI = Total income/(loss) divided by Investment (average)

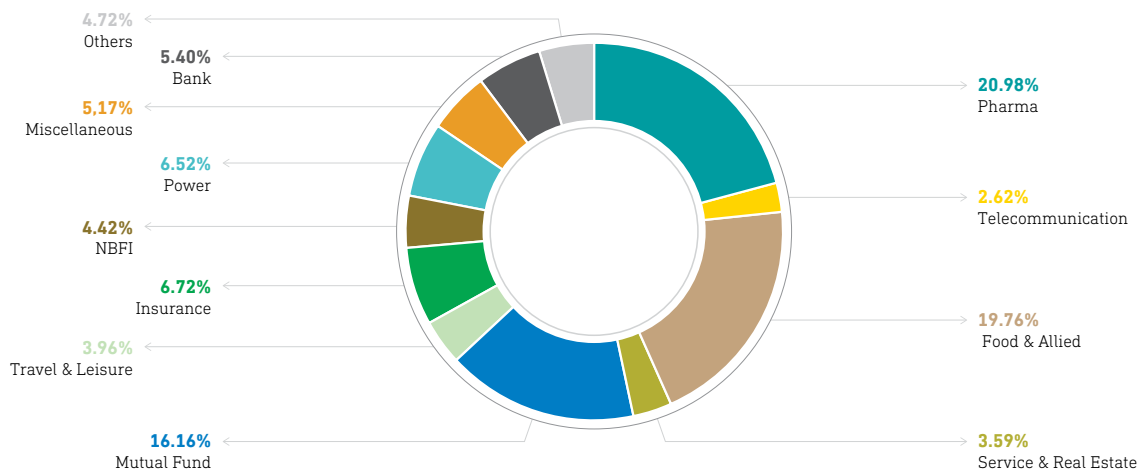
Capital market exposure

EBL kept capital market investment portfolio 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	Group		Bank	
	31-12-25	31-12-24	31-12-25	31-12-24
Eligible capital components	42,362	32,509	42,741	31,968
Exposure under regular fund	15,344	14,756	8,386	7,530
Exposure under special fund	981	992	624	635
Total exposure	16,325	15,748	9,010	8,165
Exposure in capital market (in %) (excluding special fund)	36.22%	39.58%	19.62%	20.49%

Exposures in different sectors by the Bank as on 31-12-2025



Way forward

With the expectation of a vibrant capital market in 2026 under a stable political government, EBL will ensure its active participation and will continue to focus on detailed

analysis in order to maintain a healthy mix in portfolio while complying with the prescribed rules and limit set by the regulators.



Statutory and Non-statutory Investments of the Bank

Statutory investments are made by the Bank to fulfill its regulatory requirements and in compliance with ALM (Asset Liability Management) Guidelines in order to protect the interest of depositors and maintain optimum liquidity. Pursuant to section 33 of the Bank Company Act 1991 (amended up to date) and subsequent Bangladesh Bank circulars, the Bank has been maintaining Statutory Liquidity Ratio (SLR) of at least 13% of Weekly Average Demand and Time Liabilities (ADTL) of two months before the reporting month. Besides, for maintaining ALM ratios like LCR, MCO, Commitments etc. as per Bangladesh Bank guidelines, the Bank has been maintaining high quality liquid assets as statutory investments. Therefore, the Bank's statutory investments are made in mostly Govt. Treasury bills (T-bills), Treasury bonds (T-bonds), Sukuk bonds and Bangladesh Bank bills.

Statutory investments of the Bank can be either Held for Trading (HFT) or Held to 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 31 December 2025, EBL held investment in Treasury bills, Treasury bonds and Sukuk bonds of BDT 167,209 million (HFT of BDT 82,365 million and HTM of BDT 84,844 million), against

mandatory requirement of SLR of BDT 70,835 million. The rate of return of such bills and bonds ranged from 9.61%-10.71%.

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 investments for below purposes:

- Mandatory statutory investments for maintaining ratios and compliances, and
- Opportunistic investments for relatively higher return.

Although investments in Treasury bills and bonds and Sukuk bonds are considered as mandatory investments, a substantial amount in excess of SLR requirement is held for maintaining ALM ratios and good risk-free return. On the contrary, opportunistic or non-statutory investments are made into different bonds, Preference shares, Capital Market instruments etc. for higher return and tax benefit.

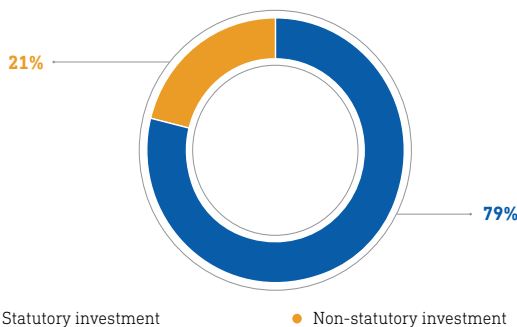
Statutory investments are made by ALCO (Asset Liability Committee), whereas non-statutory investments are made by the Investment Committee as per the Bank's Investment Policy which is aligned with Bangladesh Bank guidelines and set limits.

Bank's non-statutory investments are as follows:

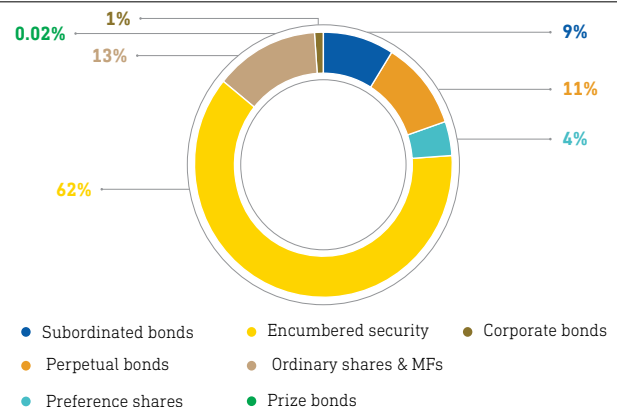
BDT in million

Particulars	31-12-2025	Coupon rate/ rate of return	31-12-2024	Coupon rate/ rate of return
Corporate bonds (non-convertible)	300	11.00%	500	11.00%
Subordinated bonds (issued by other banks)	3,900	9.00%-12.11%	5,800	9.00%-11.40%
Perpetual bonds (issued by other banks)	5,000	10.00%	5,000	10.00%
Preference shares	1,881	8.00%-11.51%	2,878	7.67%-10.50%
Ordinary shares & mutual funds (quoted and unquoted)	5,547	-0.28%	5,713	5.28%
Prize bonds	8	-	4	-
Encumbered security	27,628	10.00%-10.14%	26,358	10.00%
Total	44,264		46,253	

EBL's total investments as on 31 December 2025



EBL's non-statutory investments as on 31 December 2025



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 movements 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 as on 31-12-2025)
Foreign exchange contracts (Forward Buy)*	96,739.23	731.33
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 as on 31-12-2025)
Interest rate swaps	Nil	Nil	Nil
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 as on 31-12-2025)
Foreign currency swaps*	460,269.73	8,829.13

*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 midrate.

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 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 netting criteria are met as per IFRS.

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 review the risk involved. The Bank's exposure to derivative contracts is monitored on regular basis as part of its overall risk management framework.



Credit Rating of EBL

EBL has been awarded AAA, the highest credit rating, by the Credit Rating Agency of Bangladesh (CRAB), reflecting its exceptional financial strength, minimal credit risk, and robust liquidity management. This recognition underscores the Bank's strong fundamentals and operational excellence.

EBL was the first Bangladeshi bank to obtain an international credit rating from Moody's in March 2016, reaffirming its commitment to transparency and global benchmarking. Moody's currently assigns EBL a B2 rating, aligned with Bangladesh's sovereign rating, primarily reflecting macroeconomic and sovereign risk factors rather than institution-specific risks.

Despite external challenges, EBL remains resilient, well-capitalized, and strategically positioned for long-term sustainable growth.



AAA Rating Strength



Sustainable Business Performance



Stable Asset Quality Supported by Prudent Risk Management



Healthy & Diversified Funding Profile



Stable Trend of Low-Cost Deposit Base



Additional Provision as Prudential Cushion



Strong Ownership, Board & Experienced Management

Rating Details

Rated Entity	Long Term	Short Term	Outlook	Date of Rating	Valid Till	Rated By
Eastern Bank PLC.	AAA	ST-1	Stable	28 May 2025	30 June 2026	CRAB Credit Rating Agency of Bangladesh Limited
Eastern Bank PLC.	B2	NP	Negative	Dec 2025	-	Moody's
EBL 2 nd Subordinated Bond	AA1 (Hyb)	-	Stable	26 Nov 2025	30 May 2026	CRAB Credit Rating Agency of Bangladesh Limited
EBL 3 rd Subordinated Bond	AA	ST-2	Stable	13 April 2026	12 April 2027	CRISL Credit Rating Information and Services PLC
EBL 4 th Subordinated Bond	AA1 (Hyb)	-	Stable	11 Mar 2026	10 Sep 2026	CRAB Credit Rating Agency of Bangladesh Limited

Financial Calendar 2025

Quarterly results

Particulars	Date
Unaudited financial statements for the 1st Quarter ended on 31 March 2025	13 May 2025
Unaudited financial statements for the 2nd Quarter ended on 30 June 2025	30 July 2025
Unaudited financial statements for the 3rd Quarter ended on 30 Sep 2025	30 October 2025

Dividend information of 2024

Particulars	Submission to BSEC
Date of notice of the 33rd Annual General Meeting of Eastern Bank PLC. for the year ended on 31 December 2024	17 April 2025
Dividend Rate for the year ended on 31 December 2024	17.50% Cash Dividend
	17.50% Stock Dividend
Record date for shareholders' entitlement to declared dividend	23 April 2025
AGM Date (Dividend approved by the shareholders)	21 May 2025
Date of dividend disbursement	Cash Dividend (21 May 2025)
	Stock Dividend (28 May 2025)

Information sensitive to share price of EBL

Particulars	Date of disclosure
Corporate disclosure for revaluation of lands of EBL and switching from 'Revaluation Model' to 'Cost Model' for the same.	29 January 2025
Corporate disclosure on adoption of the annual audited financial statements of 2024, recommendation of dividend, fixation of record date and holding of 33rd AGM (21 May 2025) of EBL	24 March 2025
Corporate disclosure of 1st quarter financials (unaudited) of EBL for the period ended on 31 March 2025	12 May 2025
Corporate disclosure for achievement of "AAA" Credit Rating of Eastern Bank PLC. as rated by Credit Rating Agency of Bangladesh (CRAB)	29 May 2025
Corporate disclosure of 2nd quarter financials (unaudited) of EBL for the period ended on 30 June 2025	28 July 2025
Disclosure for the issuance of an unsecured, non-convertible, fully redeemable, floating rate, coupon-bearing subordinated bond (sub-debt) amounting to BDT 800.00 Crore, with a tenure of 7 (Seven) years, to strengthen the Tier-II capital of the Bank.	24 September 2025
Corporate disclosure of 3rd quarter financials (unaudited) of EBL for the period ended on 30 September 2025	29 October 2025
Corporate disclosure regarding receipt of consent from BSEC for the issuance of an unsecured, non-convertible, fully redeemable, floating rate, coupon-bearing subordinated bond (sub-debt) amounting to BDT 800.00 Crore, with a tenure of 7 (Seven) years, to strengthen the Tier-II capital of the Bank.	21 December 2025

Tax on dividend

In compliance with Section 117 and Section 119 of Income Tax Act 2023, 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	<ul style="list-style-type: none"> 10% (where the person receiving such dividend furnishes E-TIN to EBL) 15% (where the person receiving such dividend fails to furnish E-TIN to EBL)
If the shareholder is a company (resident/non-resident Bangladeshi company)	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%



Tax on capital gain

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

Charge of tax on stock dividend

As per Section 23 of Income Tax Act 2023, 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.

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

As per section 22 of Income Tax Act 2023, 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 PLC. (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 PLC. (EBL)

Z Tower (6th Floor)

Holding No.04, Road No. 132

Gulshan-1, Dhaka-1212.

E-mail: sharedepartment@ebl-bd.com

Telephone: 02222292260 (Direct), +88 09666777325 Ext: 8630

Mobile No. 01673726485

Accessibility of annual report 2025

Annual Report 2025 and other information about EBL is available on EBL's website www.ebl.com.bd. EBL provides copies of Annual Reports to Bangladesh Securities and Exchange Commission, Bangladesh Bank, Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC. for their reference.













Redressal of Investors' Complaints

As a responsible corporate entity, EBL remains committed to upholding the legitimate rights and interests of its investors. In line with this commitment, the Bank has established a robust and effective complaints redressal mechanism designed to safeguard investors' interests and ensure the timely resolution of grievances arising from investment related matters.

The mechanism provides investors with accessible channels to raise their concerns — including a dedicated helpline, a designated email address, and an online portal accessible through the stock exchanges. All complaints received are promptly registered, duly investigated by the concerned department, and resolved through appropriate and transparent action.

This structured redressal framework plays a vital role in sustaining investor confidence in EBL. The Company Secretary of EBL serves as the Chief Compliance Officer in addressing and resolving queries and complaints raised by shareholders and investors of the Bank.

Common areas of redressal

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

EBL's mechanism for redressal

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



Email address



Dedicated helpline



Through Online portal of
Stock Exchanges



Courier, etc.

The process for redressal of investors' complaints

- **Lodging a Complaint:** The investor has to lodge first a complaint to the Bank through the above-mentioned modes or to the designated email at sharedepartment@ebl-bd.com.
- **Acknowledgement:** The concerned officer acknowledges the receipt of the complaint, and maintains a complaints register to resolve the queries of the shareholders.
- **Investigation:** The concerned officer/authority investigates 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 communicates 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 takes appropriate action to resolve the complaint.
- **Closure:** Once the complaint is 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 PLC.
100 Gulshan Avenue
Dhaka-1212
Phone: +88 09666777325
e-mail: info@ebl-bd.com
Web: www.ebl.com.bd



First contact point

**Share Department
Eastern Bank PLC. (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. 01673-726485



Escalation point

**Md. Abdullah Al Mamun FCS
Company Secretary
Eastern Bank PLC.**
Head Office
100 Gulshan Avenue
Dhaka-1212
E-mail: abduallah.al.mamun@ebl-bd.com
Mobile No. 01819-412340

Redressal of investors' complaints during 2025

- Credited bonus shares to the respective BO accounts of shareholders.
- Re-issued pay orders as requested by the shareholders.
- Issued dividend notice to the shareholders after holding AGM for income tax purpose.
- Met up other requirements of the shareholders under direct supervision of company secretary.

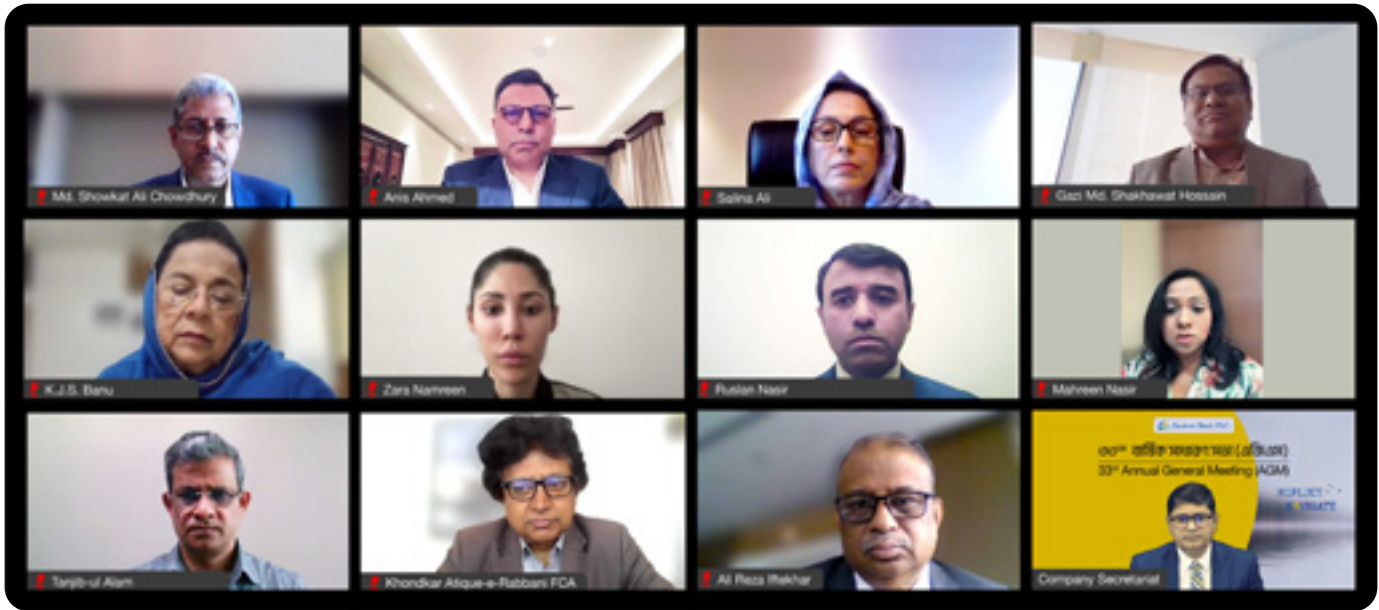
Synopsis of Q & A session of the last AGM

The 33rd Annual General Meeting (AGM) of EBL, a few shareholders of the Bank 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 for the year 2025. Some issues of queries and suggestions are outlined below:

- How was EBL's liquidity position in 2024?
- What factors led to the rise in NPLs and provisioning expenses in 2024?
- What is EBL's standing under market-based exchange rates, and how well can it meet import payment obligations?
- Was the central bank's directive followed when declaring a 35% dividend for the year 2024?

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

Glimpses from the 33rd AGM



Md. Showkat Ali Chowdhury, Chairman of the Board of Directors of EBL, presides over the 33rd AGM of the Bank. EBL directors, Anis Ahmed, Salina Ali, Gazi Md. Shakhawat Hossain, K.J.S. Banu, Zara Namreen, Ruslan Nasir, Mahreen Nasir, Barrister K.M. Tanjib-ul Alam, and Khondkar Atique-e-Rabbani, FCA attend the AGM. Ali Reza Iftekhar, Managing Director, and Md. Abdullah Al Mamun FCS, Company Secretary are also seen in the picture



Prayers offered in memory of the deceased shareholders at the 33rd AGM of EBL



Chairman of EBL Md. Showkat Ali Chowdhury addresses the shareholders during the 33rd AGM of EBL



MD of EBL Ali Reza Iftekhar responds to the queries of shareholders at the 33rd AGM of EBL



Company Secretary of EBL Md. Abdullah Al Mamun FCS gives his welcome speech at the 33rd AGM of EBL



A shareholder gives his detail review analysis and highlights areas of improvement



A shareholder gives his feedback on the performance of the Bank



Regulatory Changes Shaping the Banking Industry

Risk Based Supervision (RBS)

Global perspective

In recent decades, the global banking landscape has evolved rapidly due to financial innovation, technological advancement, globalization of financial services, and increasing interconnectedness among financial institutions. These developments have significantly expanded the risk profile of banks, making traditional supervisory approaches based solely on compliance and historical analysis insufficient.

In response, regulators across the world have gradually transitioned towards Risk-Based Supervision (RBS) as a modern supervisory framework aligned with international standards such as those promoted by the Basel Committee on Banking Supervision. Under this approach, supervisory authorities focus their resources and attention on areas posing the highest risks to the financial system rather than applying uniform oversight across all institutions. This enables regulators to identify vulnerabilities earlier and take proactive corrective measures to safeguard financial stability.

Risk-Based Supervision emphasizes a forward-looking assessment of risks, evaluating both the inherent risks within banking activities and the effectiveness of risk management and governance structures within financial institutions. The supervisory process therefore focuses not only on compliance with regulations but also on the quality of risk management, internal controls, board oversight, and overall risk culture.

Globally, the adoption of RBS has strengthened supervisory effectiveness by enabling regulators to allocate supervisory resources more efficiently, monitor systemic risk more closely, and encourage banks to maintain robust risk management frameworks. As banking operations become increasingly complex, the RBS approach ensures that supervision remains dynamic, responsive, and aligned with emerging risks such as digital banking, cybersecurity, and financial innovation.

Bangladesh Bank perspective

In line with international best practices and to strengthen financial sector resilience, Bangladesh Bank has introduced a comprehensive Risk-Based Supervision framework for the banking sector, effective from 1 January 2026. The framework was issued through Supervisory Policy and Coordination Department (SPCD) Circular No. 02 dated 23 October 2025, directing all scheduled banks to align their governance, internal control systems, and risk management frameworks with the supervisory expectations under RBS.

Bangladesh Bank has also restructured its oversight functions to implement RBS by January 2026. In 2024–25 Bangladesh Bank reorganized its supervision (Ref: SPCD Circular 01/2025) and issued an RBS framework (Ref: SPCD Circular 02/2025) followed by an implementation circular (03/2025) in late 2025. These directives created 17 new supervisory units (replacing the old DBI and Off-site supervision divisions) and mandate a single dedicated supervisory team per bank, led by a designated Lead Bank Supervisor. A new common data-reporting template (RIT) is required for all banks. Supervision will be risk-focused and continuous (combining off-site monitoring with targeted on-site reviews). This overhaul ensures holistic, bank-specific supervision and reinforces the sector's stability.

The introduction of RBS marks a fundamental shift from the traditional compliance-based supervisory model to a forward-looking and risk focused supervisory regime. Under this framework, Bangladesh Bank evaluates banks based on a structured assessment of their inherent risk exposures and the effectiveness of their risk governance and internal control mechanisms.

The RBS framework covers all major risk categories including: credit risk, market risk, operational risk, legal and regulatory risk, strategic risk, money laundering and terrorist financing (ML/TF) risk, technology and cyber risk and other emerging risks relevant to banking operations.

The supervisory assessment ultimately leads to the determination of a Composite Risk Rating for each bank. Based on this risk profile, Bangladesh Bank calibrates the frequency, intensity, and depth of supervisory engagement, ensuring that institutions with higher risk exposures receive closer regulatory attention. To operationalize this framework, Bangladesh Bank has also restructured its supervisory architecture and established dedicated divisions to oversee RBS implementation across the banking sector. The adoption of RBS represents a significant milestone for Bangladesh's banking industry as it promotes stronger governance, enhanced risk management practices, and greater financial stability.

Risk Matrix

Inherent Risk	Risk Level	Quality of Risk Management						Net Risk (Risk Level-Notional Aggregate)	Direction of Net Risk
		Operational Management	Risk Mgt. Control Functions				Notional Aggregate		
			Board Oversight	Sr. Mgt. Oversight	Risk Management	Compliance			
Credit									
Market									
Operational									
Legal & Regulatory									
Strategic									
Overall Net Risk									
Track 2 (Inst. Level)									

Rating Scale

Inherent Risk
High, Above Average, Moderate, Low

ORM/Capital/Earning/Liquidity
Strong, Acceptable, Marginal, Weak

Direction
Increasing, Stable, Decreasing

Culture
Acceptable, Partially Acceptable, Not Acceptable

Institutional Assessment	Earning	Capital	Liquidity	Composite Risk Rating (CRR)
Cultural Assessment	Direction of CRR	Time Frame		Supervisory Intervention Stage (SIG)
Technology Risk				
ML/TF Risk				
Climate Risk (Upcoming)				

EBL's readiness for RBS

EBL has a strong commitment to sound risk management and robust governance practices. EBL was selected as one of the four lead banks by Bangladesh Bank to mentor a group of other banks in order for them to prepare for RBS. Under EBL mentorship

Bangladesh Bank assigned 14 banks to whom EBL has provided 3 online training sessions and consultation on a regular basis. EBL has also proactively taken several initiatives to align its risk management framework with the expectations of the Risk-Based Supervision regime introduced by Bangladesh Bank.

Eastern Bank PLC's role in Risk Based Supervision (RBS)

Leadership in preparing the banking sector for RBS implementation



Selected for RBS Pilot Program

Bangladesh Bank selected EBL during the pilot stage of the Risk-Based Supervision (RBS) framework, acknowledging the bank's advanced risk management capabilities.



Appointed as a Lead Bank

EBL was subsequently designated as one of four Lead Banks to support the banking sector in preparing for the implementation of the RBS regime.



Mentorship to the Banking Industry

Under Bangladesh Bank's directive, 14 banks were assigned to EBL for guidance and mentorship to enhance their readiness for the RBS framework. EBL conducted 3 online training sessions and continues to provide regular consultation and advisory support to the assigned banks and other institutions in the industry.



EBL's readiness for RBS is supported by the following key initiatives:

Strengthened Risk Governance Structure

The Bank maintains a comprehensive risk governance framework led by the Board of Directors and its specialized committees, supported by an independent Risk Management Division headed by the Chief Risk Officer. This structure ensures effective oversight, accountability, and timely decision-making regarding the Bank's risk profile.

Enterprise Risk Management Guideline

EBL has established an integrated Enterprise Risk Management (ERM) Guideline which works as a framework covering all major risk categories including credit, market, liquidity, operational, technology, and compliance risks. The framework ensures systematic identification, measurement, monitoring, and mitigation of risks across all business lines. The Enterprise Risk Management Guideline has also been updated incorporating RBS related relevant supervisory expectations.

Enhanced Risk Monitoring and Reporting

The Bank continues to strengthen its risk analytics, internal reporting, and early warning systems to facilitate proactive identification of emerging risks. Comprehensive risk dashboards and management reports support informed decision-making by senior management and the Board.

Strengthening Internal Control and Compliance

EBL maintains a strong internal control environment supported by independent functions such as Risk Management, Internal Audit, Compliance, and Anti-Money Laundering. These functions work collaboratively to ensure adherence to regulatory expectations and best practices.

RBS Coordination and Regulatory Engagement

To facilitate smooth implementation of the RBS framework, EBL has established an internal coordination mechanism and designated focal points responsible for engaging with Bangladesh Bank on RBS-related matters. This ensures effective communication with regulators and timely implementation of supervisory requirements.

EBL has assigned Additional Managing Director as Focal Point and Head of Risk Management Division as Deputy Focal Point for RBS representing the Bank. For implementation EBL also formed RBS Coordination Committee chaired by the Focal Point and for ground level work RBS Working Team led by the Deputy Focal Point. List of the members of committee has been provided in page no 46.

Capacity Building and Risk Culture

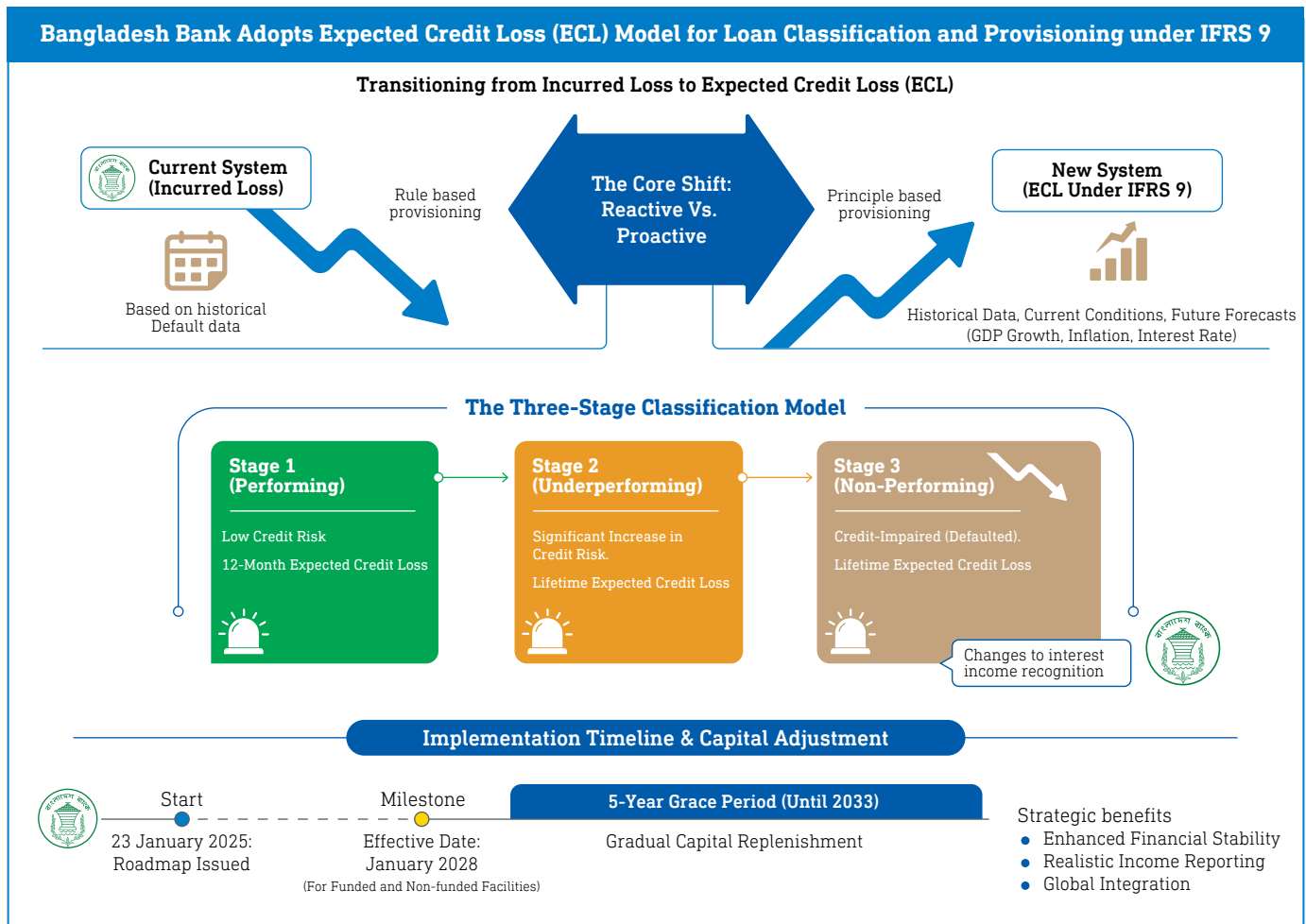
Recognizing that effective RBS requires a strong risk culture across the organization, EBL continues to invest in training and awareness programs for employees at all levels to enhance their understanding of risk management and regulatory expectations. RBS-related matters have been accorded due importance at the highest levels of governance, with structured discussions held at the meetings of the Risk Management Committee of the Board, Management Committee (ManCom), and Extended Management Team (EMT), ensuring alignment between strategic oversight and execution.

To institutionalize RBS knowledge across the organization, dedicated sessions have been incorporated into EBL's Foundation Training Program, which is mandatory for all new employees. In addition, RBS modules have been integrated into the development curriculum for employees recruited under EBL's "Future Leader" program, which will aid in strengthening risk awareness among emerging talent and reinforcing a sustainable risk culture for the future.

The implementation of Risk-Based Supervision marks a significant evolution in the regulatory landscape of Bangladesh's banking sector. Eastern Bank PLC. views this transition as an opportunity to further strengthen its risk governance, enhance transparency, and reinforce its commitment to prudent banking practices. With its well-established risk management framework, strong governance structure, and proactive approach to regulatory alignment, EBL remains well positioned to successfully operate within the RBS environment while continuing to support sustainable growth and financial stability.

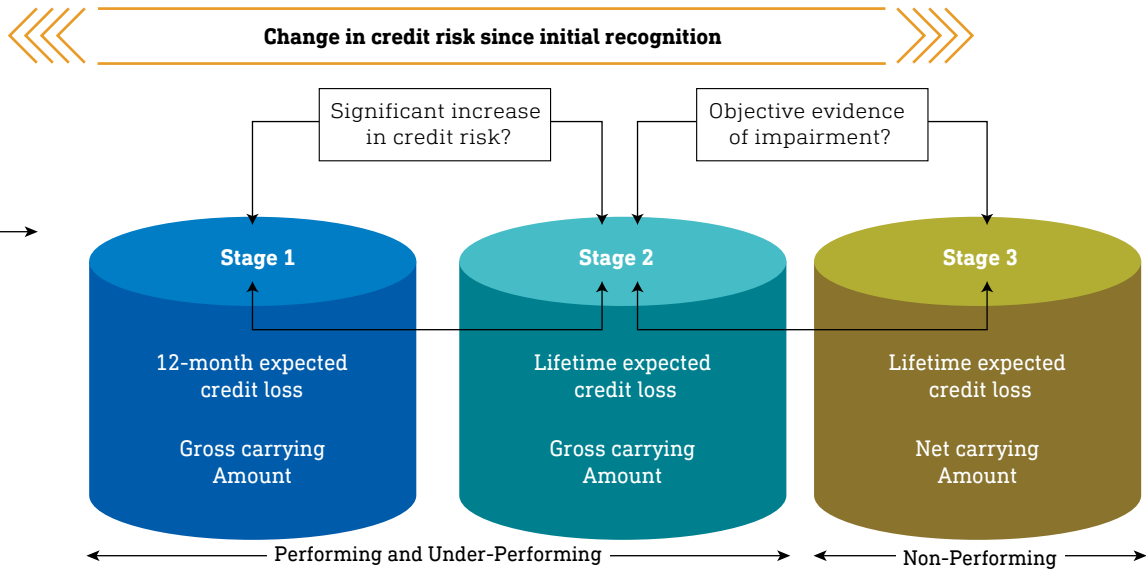
Implementation of ECL Based Loan Classification and Provisioning under IFRS 9

Expected Credit Loss (ECL) based loan provisioning is an advanced approach to recognizing credit losses in banks and financial institutions. Unlike the traditional incurred loss model, which records losses only when they occur, the ECL model requires banks to estimate potential credit losses in advance, enhancing financial stability and transparency. Bangladesh Bank issued a roadmap for the implementation of ECL based loan classification and provisioning under IFRS 9, as outlined in BRPD Circular Letter No. 03 dated 23 January 2025 and BRPD-1 Circular No. 06 dated 08 March 2026. This framework will replace the existing incurred loss model for loan classification and provisioning by January 2028, with the goal of improving credit risk assessment and the accuracy of financial reporting.



Expected credit loss framework

ECL framework evaluates changes in credit risk over time through a three stage model, recognizing 12- month ECLs for performing loans, lifetime ECLs for exposures that have experienced significant credit deterioration, and full impairment for credit-impaired loans. This transition aligns provisioning practices with expected future losses instead of historical defaults, thereby enhancing accuracy, transparency, and alignment with global accounting and regulatory standards.

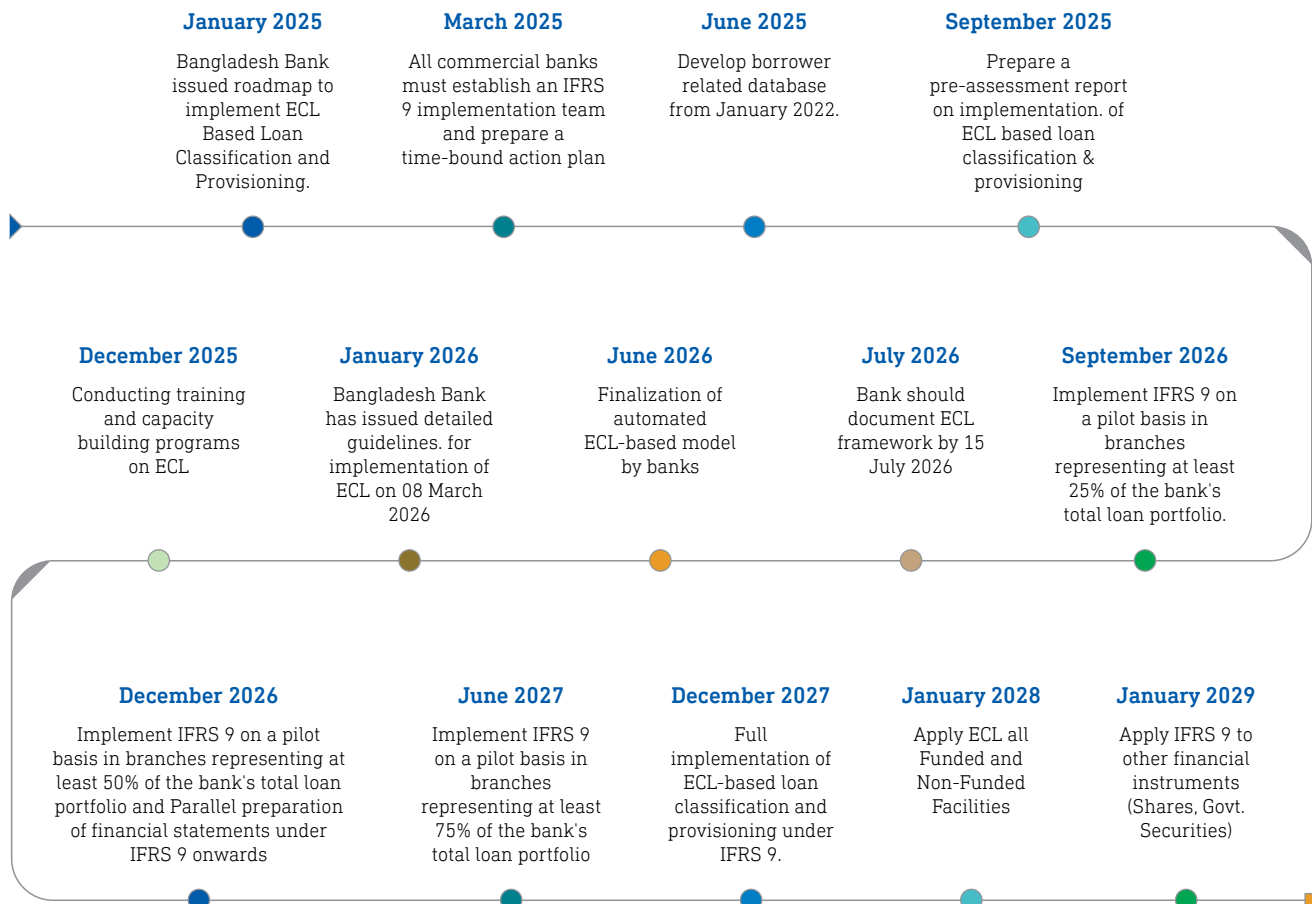


Stage 1: when a loan is originated a loss allowance is recognized based on 12-month expected credit losses (ECL), representing potential default events within the next 12 months. At subsequent reporting dates, loans that have not experienced a significant increase in credit risk since initial recognition continue to be measured at 12-month ECL. Interest income is calculated on the gross carrying amount of the loan, without deducting the loss allowance.

Stage 2: If a loan's credit risk has increased significantly since initial recognition and is not considered low, lifetime ECLs are recognized. The calculation of interest revenue is the same as for Stage 1.

Stage-3: If the loan's credit risk increases to the point where it is considered credit-impaired, interest revenue is calculated based on the loan's amortized cost (that is, the gross carrying amount less the loss allowance). Lifetime ECLs are recognized, as in Stage 2.

Scheduled Milestones set by Bangladesh Bank for ECL Implementation



The Future of Banking in Bangladesh: ECL-Based Loan Provisioning Effects

The adoption of the Expected Credit Loss (ECL) model under IFRS 9 marks a major advancement in credit risk management for the Bangladesh banking sector. ECL requires banks to estimate credit losses forward looking from the moment a loan is originated or purchased, based on forecasts of future economic conditions. Some potential impact of implementation of ECL-Based Loan Provisioning are outlined below:



Under the ECL framework, banks estimate potential loan losses over their lifetime using forward-looking information, including macroeconomic forecasts and default probabilities. This enables earlier recognition of credit deterioration, enhances transparency of asset quality, and mitigates sudden large provisioning spikes during downturns.



Under the ECL framework, provisions are recognized earlier and account for future risks, leading to higher and potentially more volatile provisioning levels, particularly for portfolios with elevated credit risk. During economic downturns, provision expenses may increase further due to forward-looking stress factors, which can initially put pressure on bank profitability as they adjust to larger and earlier provisions.



With ECL implementation, banks are likely to price loans with greater emphasis on risk. This may lead to higher interest rates to offset increased expected loss provisions and a more selective lending approach, particularly toward higher-risk borrowers. Consequently, certain sectors, such as SMEs, small businesses, and unsecured lending, could experience tighter credit availability.



The ECL framework can affect bank profitability and capital ratios in both the short and medium-to-long term. In the short term, profits may be lower due to upfront provisioning, and retained earnings could decline, impacting Tier 1 capital. Over the medium to long term, profitability is expected to stabilize as provisions better reflect economic realities, reducing the likelihood of sudden, large losses. However, Bangladesh Bank has allowed a five-year grace period to facilitate the gradual replenishment and adjustment of capital arising from the implementation of ECL-based loan provisioning.



Implementing the ECL framework poses significant operational and systems challenges due to its complexity. Banks need advanced data, credit risk models, and scenario forecasting tools, alongside investments in IT systems and skilled analytics staff. Transition costs, including training, model validation, and audit, further add to the operational burden.



Adoption of the ECL framework enhances disclosure of credit risk and the assumptions underlying risk models. This makes financial statements more informative and transparent, enabling analysts and investors to better assess and compare banks' risk profiles. It also attracts greater regulatory and auditor scrutiny, strengthens confidence among international investors and rating agencies, and improves comparability with global peers operating under IFRS.

EBL's Response to Implementation of ECL Based Loan Classification and Provisioning

As part of its IFRS 9 implementation in line with Bangladesh Bank guidelines, Eastern Bank PLC. has undertaken following comprehensive initiatives:



A Core IFRS 9 Implementation Team has been formed, comprising senior officials from Risk, Finance, Credit, IT, ICC, Special Asset Management. A dedicated Working Team is formed to conduct detailed technical assessments, data analysis, and system development. List of members of the IFRS 9 Implementation committee has been presented in page 46.



External consultants have been engaged to support smooth implementation at the bank level.



The Bank has completed and submitted its IFRS 9 Pre-Assessment Report to Bangladesh Bank on schedule, enabling evaluation of existing systems, data readiness, and identification of gaps with IFRS 9 requirements.



Capacity building through targeted training programs and database development.



Climate Risk Management: Regulatory Framework and EBL's Approach

Bangladesh is widely recognized as one of the most climate-vulnerable countries in the world, leaving its financial sector exposed to both the direct and indirect impacts of climate change. These risks manifest in two primary forms: physical risks (i.e. floods, cyclones, and heatwaves) and transition risks arising from policy shifts, technological advancements, and carbon pricing mechanisms. Together, they can adversely affect asset quality, erode collateral values, and heighten credit, market, liquidity, and operational risks. At the same time, climate change presents a compelling opportunity to mobilize finance toward mitigation and adaptation initiatives, enabling institutions to reduce risk exposure while supporting sustainable growth.

In response to these evolving challenges, Bangladesh Bank has introduced the Guideline on Climate Risk Management for Banks

and Financial Institutions (SFD Circular No. 01, dated 06 November 2025) in 2025 to ensure a structured approach to identify, assess, manage, and disclose climate-related risks and opportunities. This initiative reflects the central bank's recognition of climate change as a systemic threat to financial stability and builds on a series of policy measures introduced since 2011 to embed climate considerations into banking operations.

This guideline is aligned with the Sustainability and Climate-related Financial Disclosure Guideline (SFD Circular No. 06, dated 26 December 2023). It acknowledges Bangladesh's heightened exposure to both physical and transition risks, including global decarbonization pressures such as CBAM and aligns with international standards, including IFRS S1, IFRS S2, and the Task Force on Climate-related Financial Disclosures.

Climate Risk Guideline Alignment: EBL's Approach

Framework Requirements (Bangladesh Bank)	EBL's Key Initiatives	Action Plans
Governance & Strategy Board-approved Climate Risk Strategy, integration into governance and three lines of defense	Board & management level oversight through Sustainable Finance Committee and Board Risk Management Committee; initial integration of climate risk into governance structure; training conducted for senior management.	Develop and formalize Climate Risk Strategy, strengthen governance structure, and fully embed across three lines of defense.
Risk appetite & KRIs Define climate risk appetite, exposure limits, KRIs	Preliminary portfolio-level understanding established through financed emissions and sector exposure analysis; a pilot Climate Risk Appetite Framework has been developed with support from DFIs.	Establish Climate Risk Appetite Framework, define KRIs (sector/geography/emissions), integrate into risk register.
Risk identification & assessment Sectoral and geographic exposure analysis (physical & transition risks)	Portfolio-level climate risk assessment (2024–2025) using climate risk toolkit; identification of vulnerable sectors and regions.	Enhance borrower-level climate risk scoring and integrate into credit decision-making tools.
Carbon Accounting & metrics Track financed emissions and align with national targets	Scope 3 (since 2023) using Partnership for Carbon Accounting Financials; Scope 1 & 2 added from 2024; alignment of emission reduction approach with national targets (NDC).	Refine emissions data, set science-based targets, align with internal decarbonization pathways.
Integration into core risk functions Embed into credit, market, operational, liquidity risk	Climate considerations incorporated into E&S due diligence and portfolio review; initial climate screening in high-risk sectors.	Embed climate risk into core credit risk processes (PD/LGD, collateral, pricing) through IFC supported program.
Scenario analysis & Stress Testing NGFS-aligned climate scenarios	Pilot scenario analysis and stress testing conducted.	Develop structured scenario models and integrate into ICAAP/ILAAP and portfolio stress testing.
Transition & Adaptation Plan Align with NDC, NAP, Climate Fiscal Framework	Sustainable finance initiatives aligned with national priorities (NDC, NAP), alongside the development of a Transition & Adaptation Plan with a sectoral roadmap and financing targets.	Expansion of green finance portfolio, client engagement for transition support, and integration of adaptation focused financing into priority sectors.
Data, MIS & Tools Strengthen climate data infrastructure and analytics	Development of MIS incorporating climate indicators; initial work on hazard mapping and portfolio exposure tracking.	Upgrade MIS with advanced climate analytics, hazard mapping integration, and risk dashboards.
Disclosure & Reporting Semi-annual reporting aligned with IFRS S1 & S2	IFRS S1 & S2 disclosures initiated; inclusion of climate metrics, targets, and scenario-based insights in reporting.	Enhance disclosures with detailed scenario outputs, forward-looking targets, and portfolio-level metrics.
Capacity Building Training across three lines of defense	Training programs for management and staff with Bangladesh Bank, IFC, and Asian Development Bank; increased internal awareness.	Expand advanced training on modelling, credit integration, and climate analytics across business lines.

Strategic Impact and Opportunities

- **Position** EBL to proactively manage climate-related financial risks across its portfolio.
- **Unlock** climate financing opportunities in renewable energy, energy efficiency, green buildings, and resilient sectors.
- **Support** potential issuance of green and climate bonds and access to international climate funds (GCF, DFIs, MDBs).
- **Enhance** portfolio resilience, ESG ratings, and investor confidence.

Through this structured approach, Eastern Bank PLC. is transitioning from compliance driven actions to a strategic climate risk and opportunity management framework, aligned with both regulatory expectations and global best practices.