



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.

Opportunity

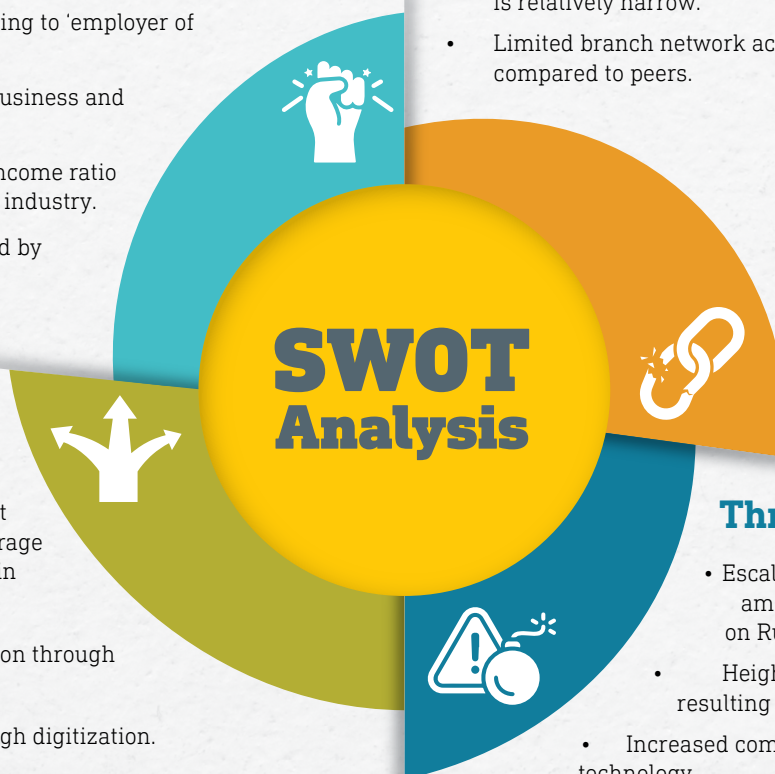
- Leveraging brand value to excel business amidst widespread media coverage on governance failures in certain banks.
- Creating value proposition through digital transformation.
- Inclusive banking through digitization.
- Emergence of Islamic Banking.

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.

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.

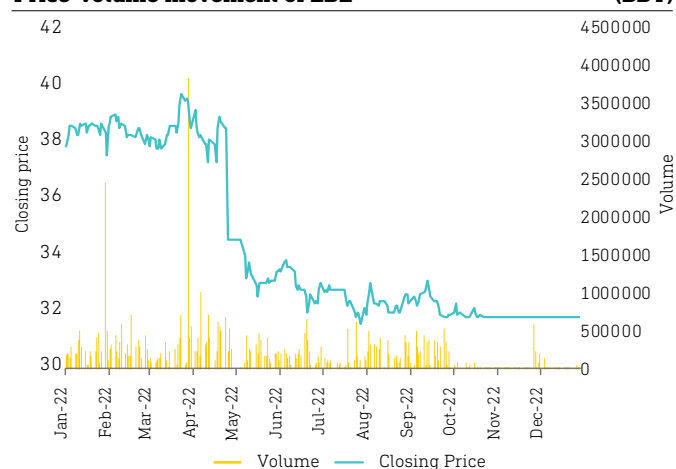
Market Value Added statement as at 31 December

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

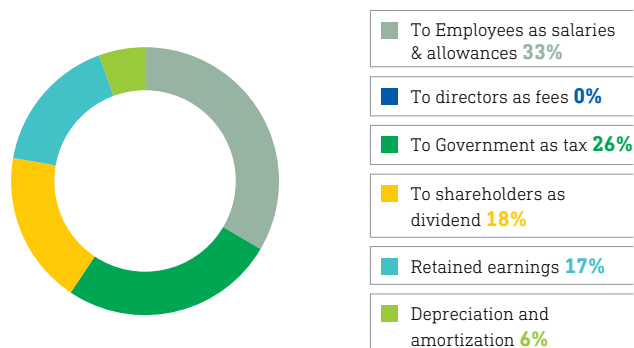
This statement presents the amount of wealth accretion made by the bank by providing banking and other financial services in 2022 for its employees, directors, government and shareholders in the form of salaries & allowances, fees, duties & taxes, net profit after tax respectively and also indicates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

Value added for the year ended 31 December

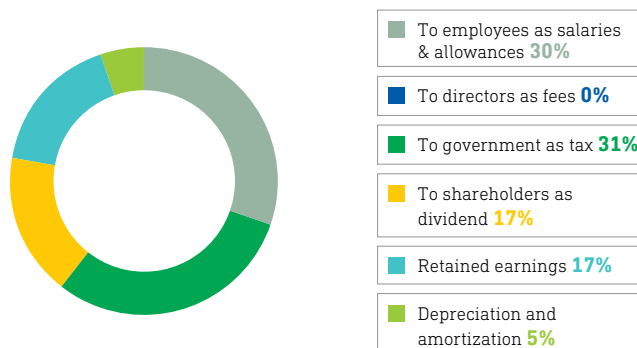
Figures in BDT

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.

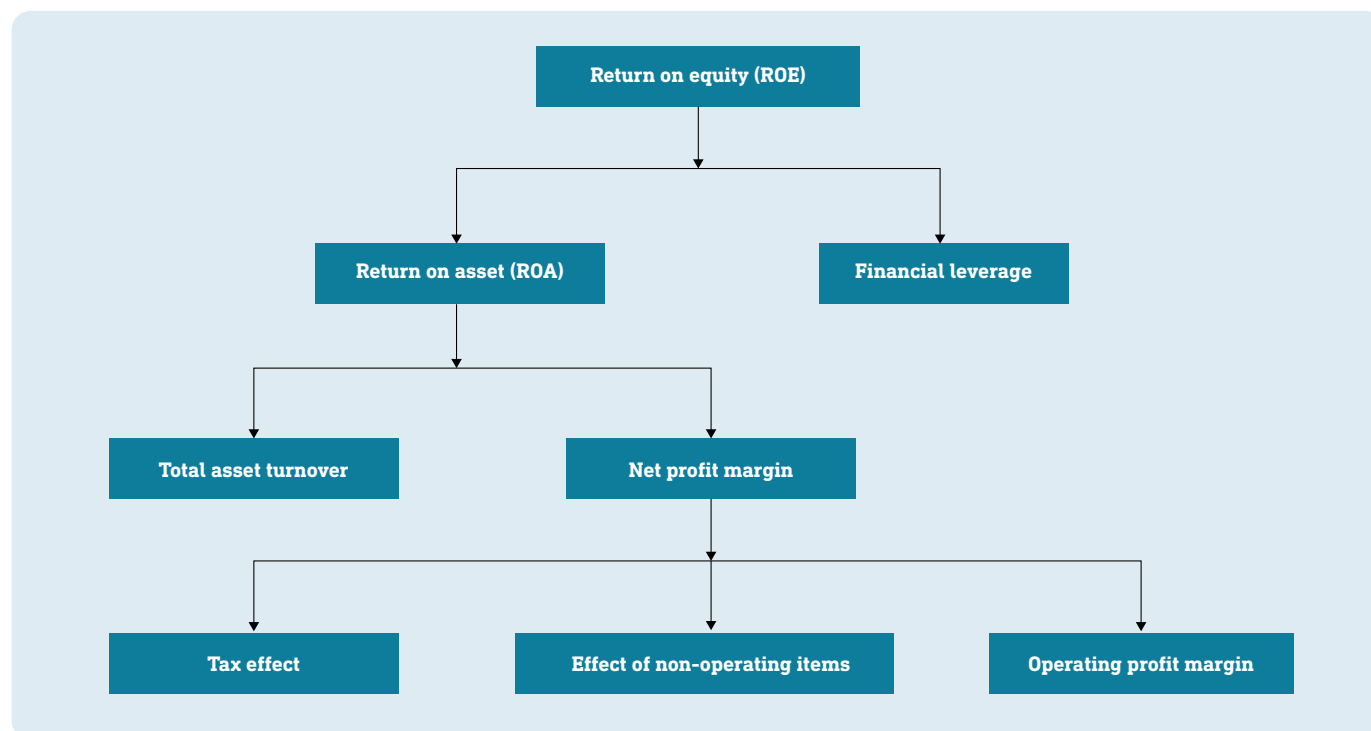
EVA statement for the year ended 31 December

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.



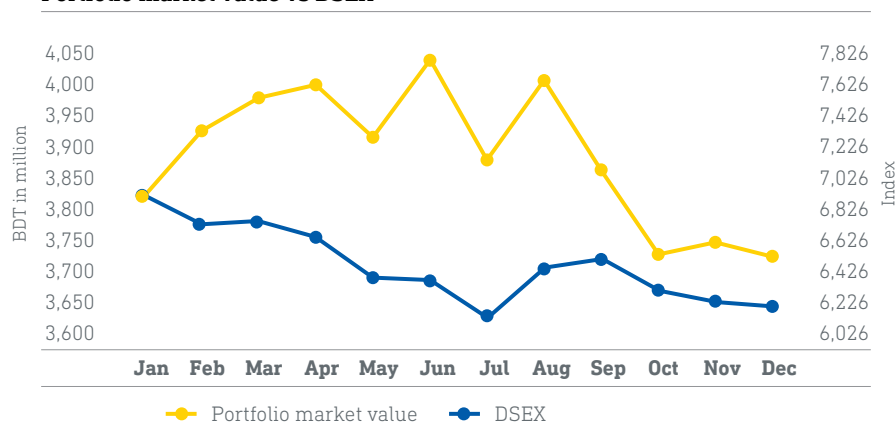
Particulars		2022	2021
Tax effect (in %)	PAT / PBT	63.09%	56.70%
Effect of non-operating items (in %)	PBT / profit before provisions	80.59%	78.41%
Operating profit margin (in %)	Profit before provisions / total income	32.77%	40.88%
Net profit margin (in %)	Tax effect x effect of non-op. Items x op. profit 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

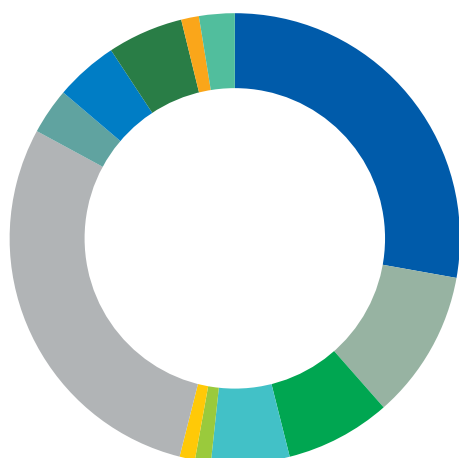


Return on investment

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%

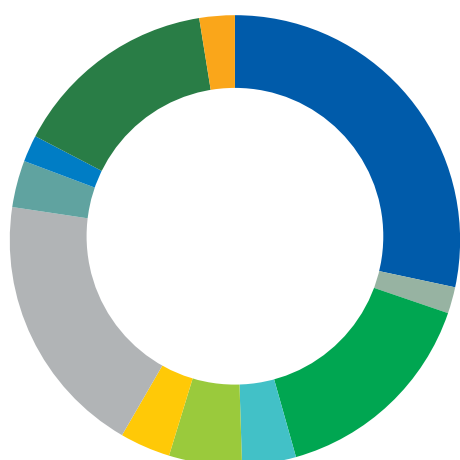
Capital market exposure

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)

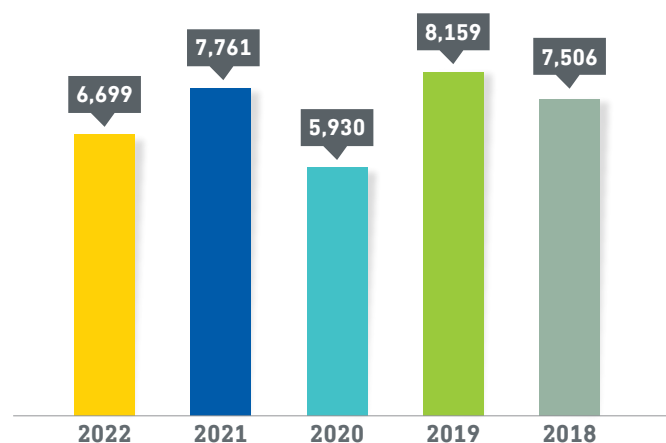
The Long Term Rating "AA" (Indicative) signifies that the bond is adjudged to be of high credit quality and offers higher safety. This level of rating indicates a security with sound credit profile and strong protection factors.

Rationale

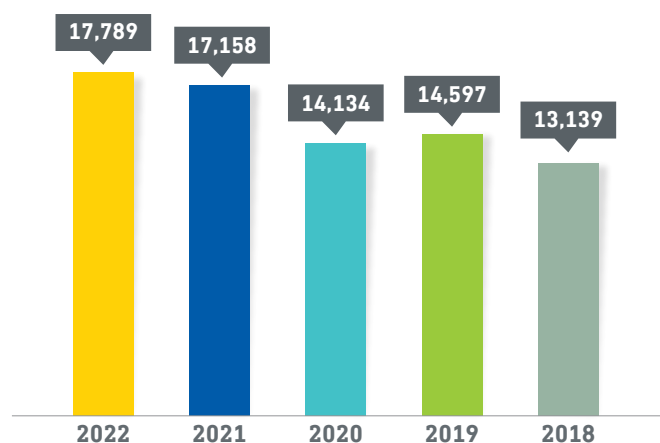
Credit Rating Information and Services Limited (CRISL) has assigned the issue rating "AA" (Indicative) to Eastern Bank's issue of non-convertible 3rd subordinated bond (BDT 5,000 million) in consideration of the fundamentals of the issue that include attractive coupon rate, a trustee-administered payment 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

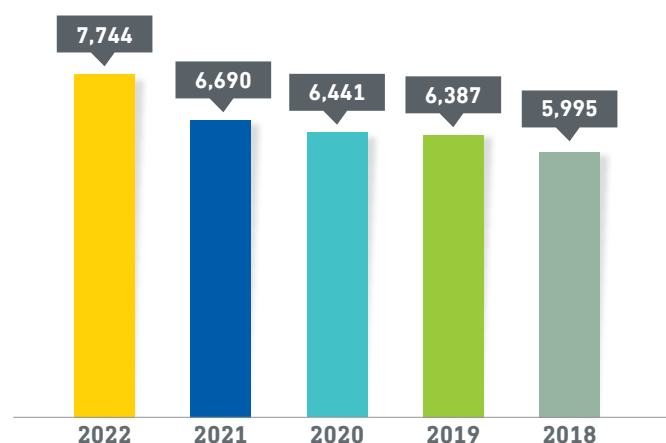
Net interest income (BDT in million)



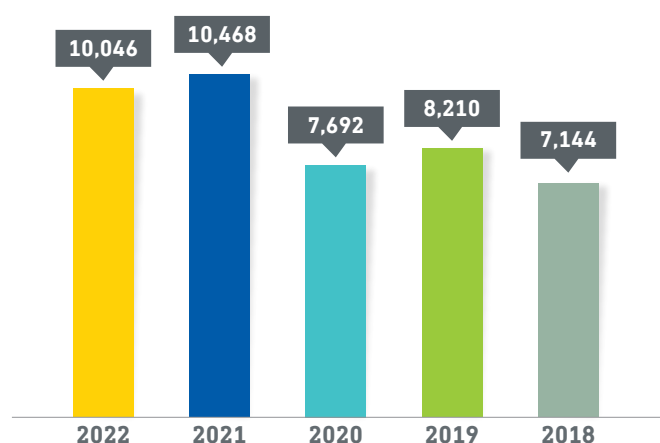
Operating income (BDT in million)



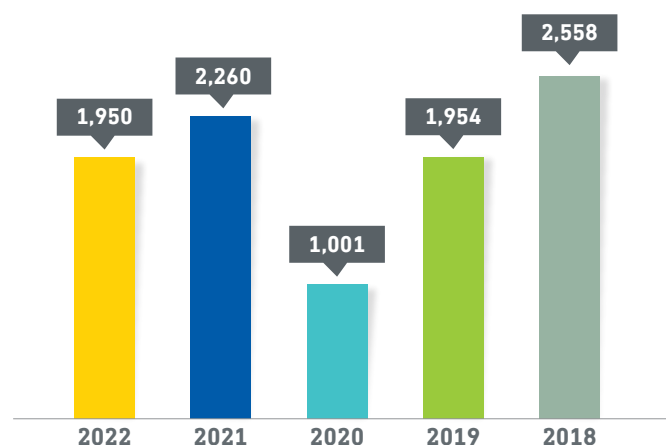
Operating expense (BDT in million)



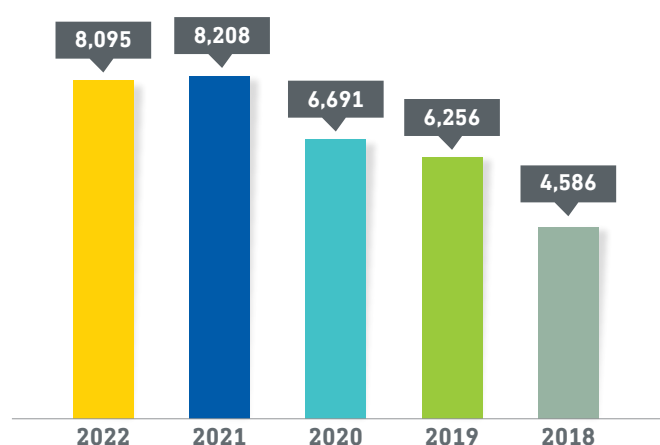
Operating profit (BDT in million)



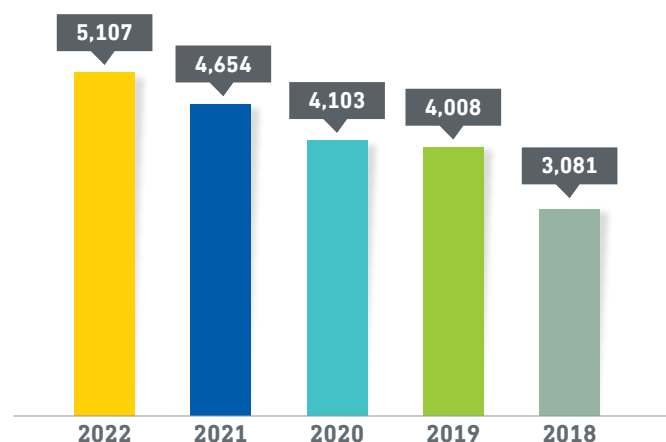
Total provision charged (BDT in million)



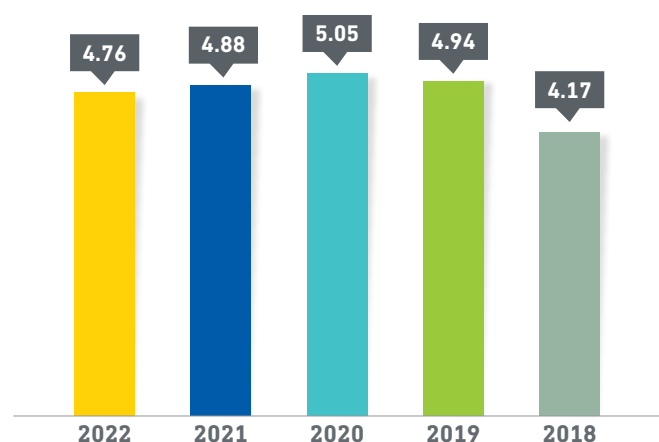
Profit before tax (BDT in million)



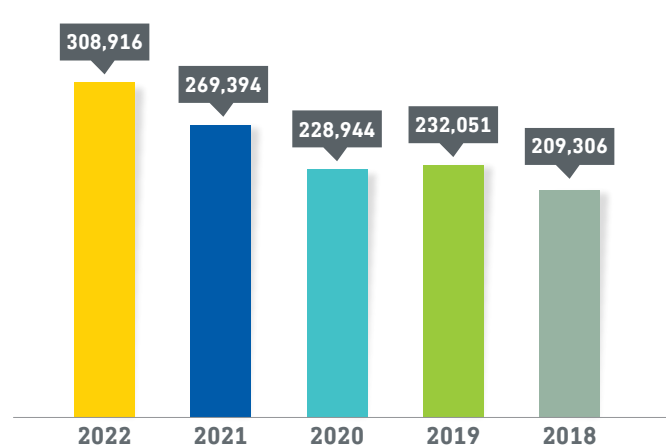
Profit after tax (BDT in million)



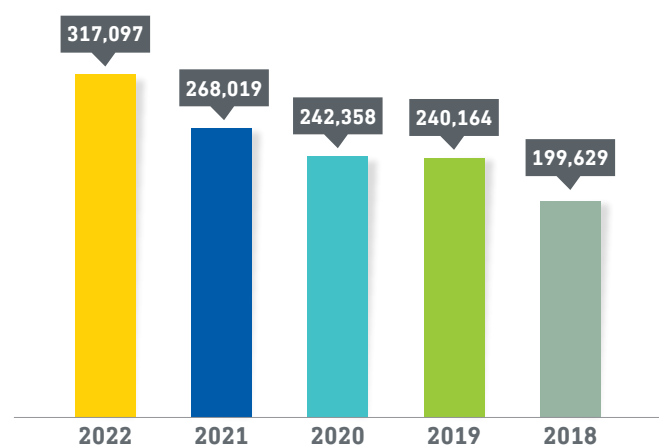
Earnings per share (not restated) (BDT)



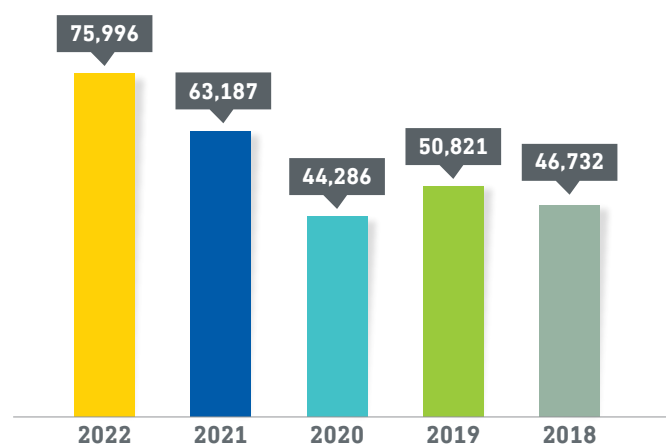
Loans and advances (BDT in million)



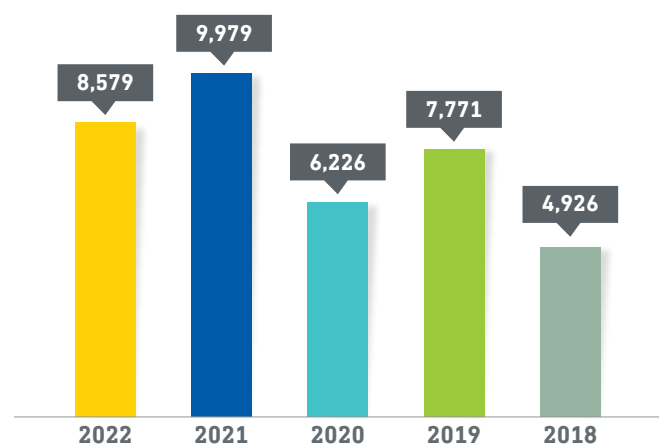
Deposits (BDT in million)



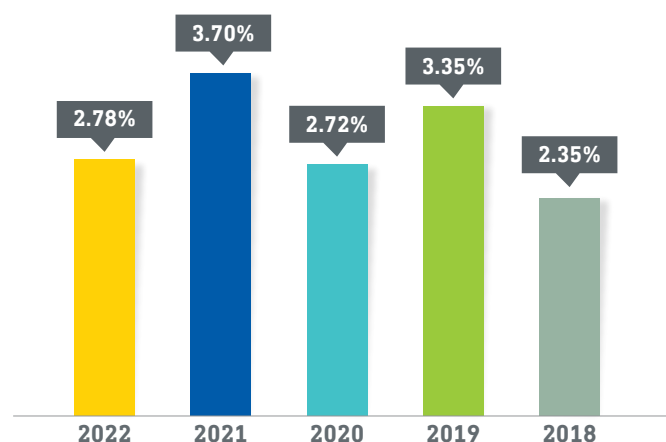
Borrowing (BDT in million)



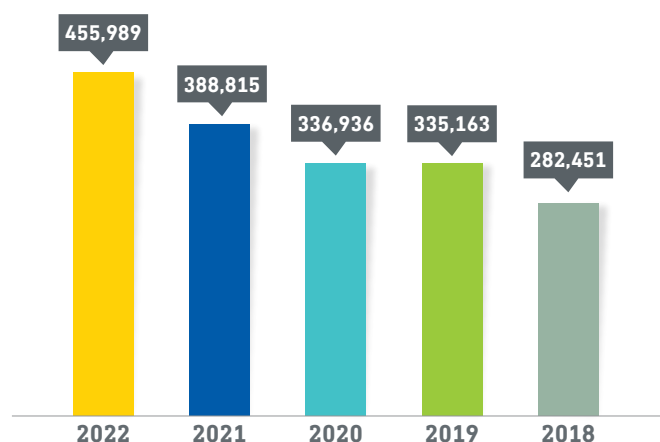
Non performing loan (BDT in million)



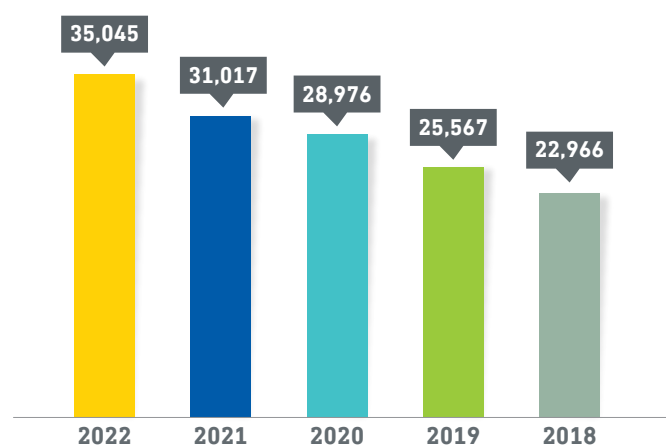
Non performing loan (Percentage)



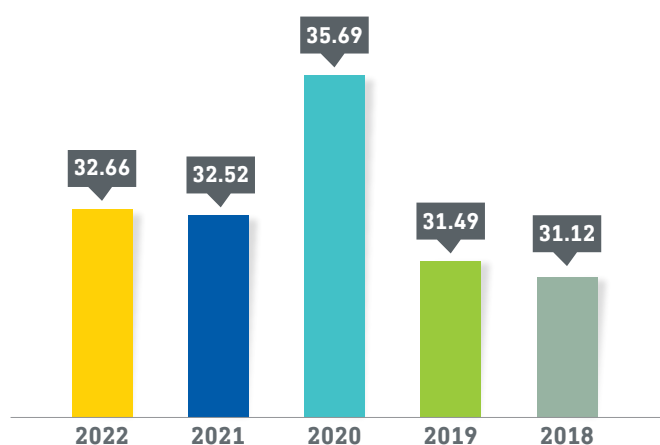
Total assets (BDT in million)



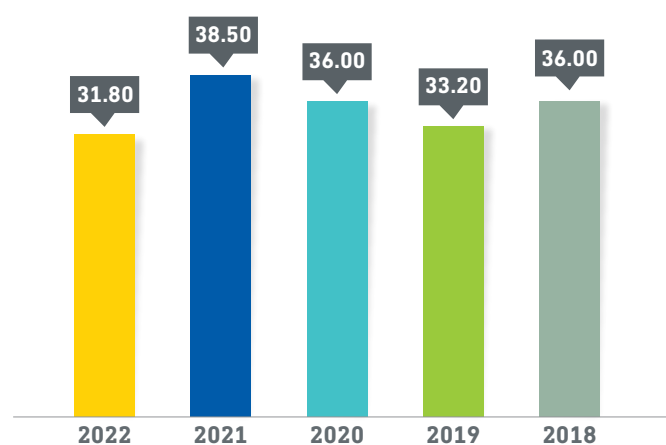
Shareholders' equity (BDT in million)



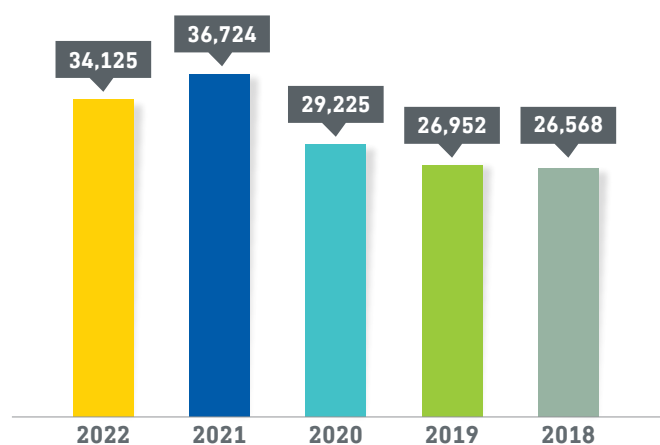
NAV per share (not restated) (BDT)



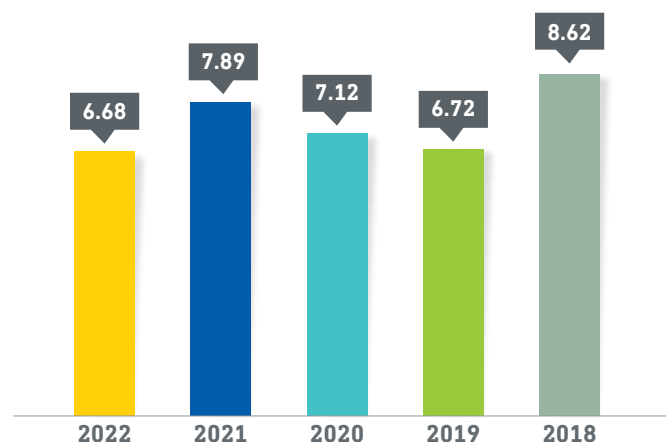
Market price per share (BDT)



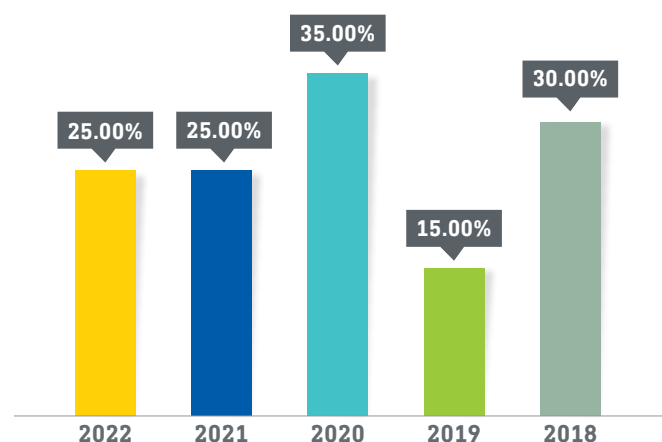
Market capitalization (BDT in million)



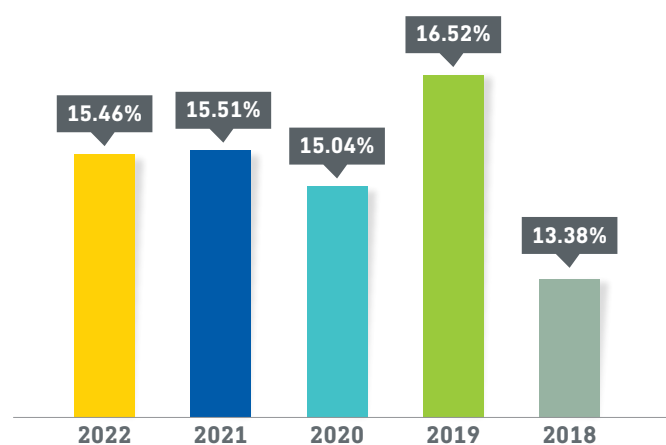
Price earnings ratio (not restated) (Times)



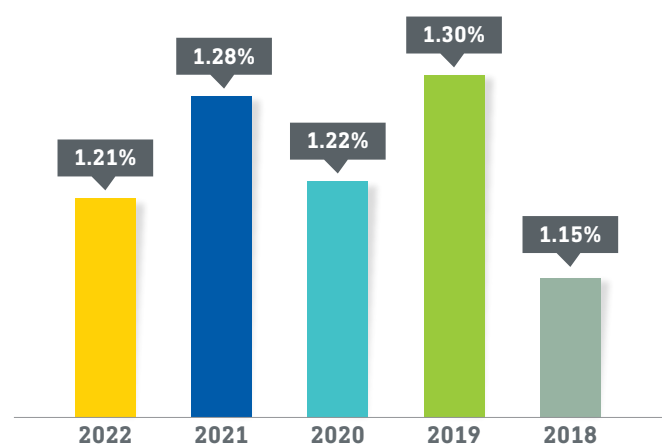
Dividend (Percentage)



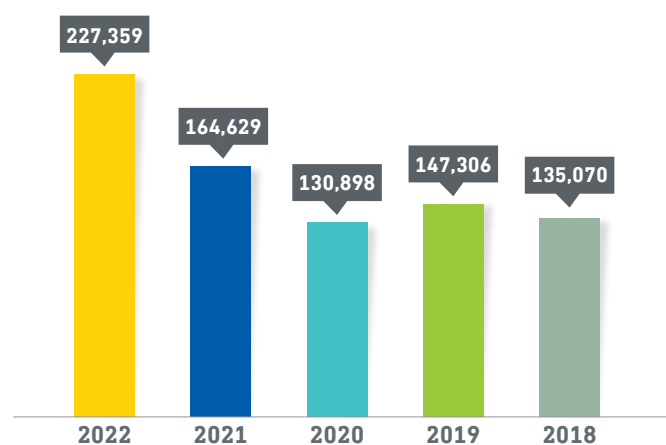
Return on average equity (Percentage)



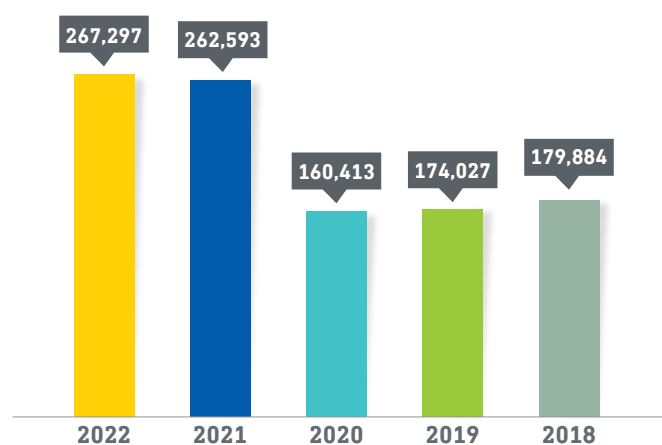
Return on average assets (Percentage)



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: shareddepartment@ebl-bd.com
Telephone: 9892260 (Direct)
Mobile No. 01819-412340

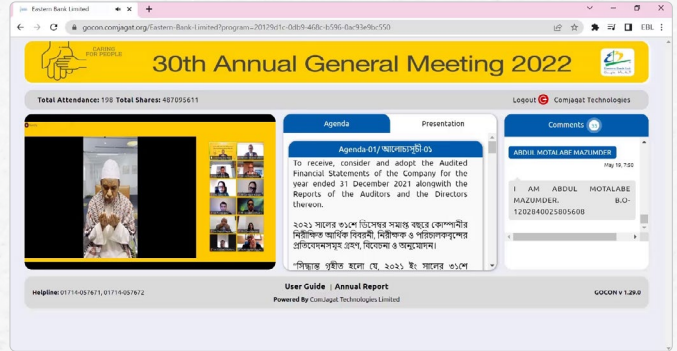
Accessibility of annual report 2022

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.

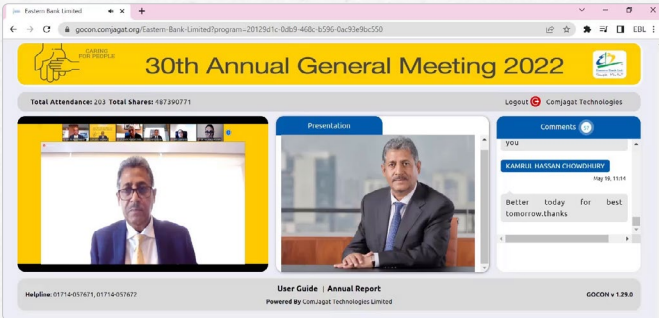
Glimpses from the 30th AGM



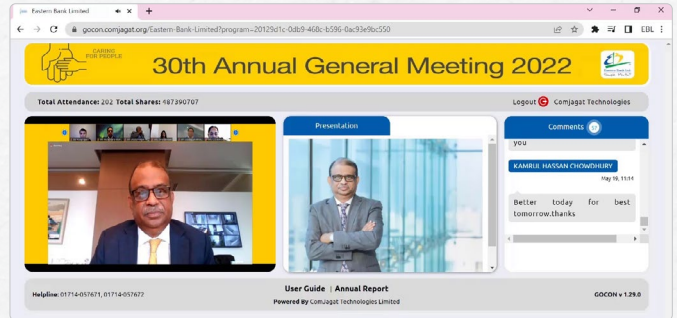
Md. Showkat Ali Chowdhury, Chairman of the Board of Directors of EBL, presides over 30th AGM of the Bank. EBL directors M. Ghaziul Haque, Mir Nasir Hossain, Salina Ali, Mufakharul Islam Khasru, Gazi Md. Shakhawat Hossain, K.J.S. Banu, Zara Namreen, Ashiq Imran, Dr. Toufic Ahmad Choudhury, Ruslan Nasir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



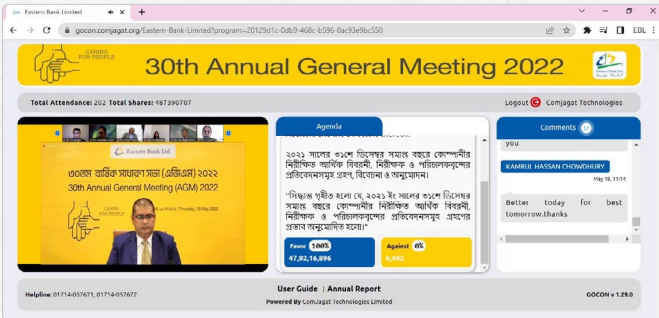
The deceased shareholders of EBL are remembered by offering dua at the 30th AGM of EBL



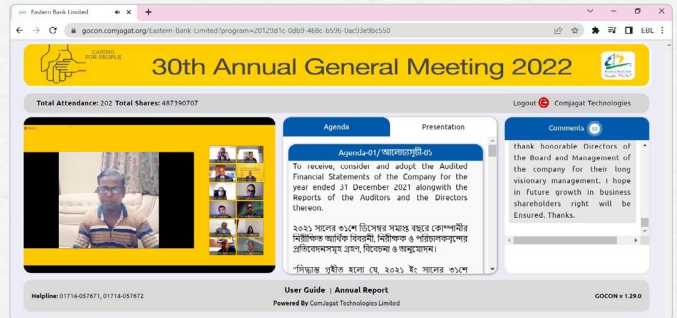
Chairman of EBL Md. Showkat Ali Chowdhury addresses the shareholders during the 30th AGM



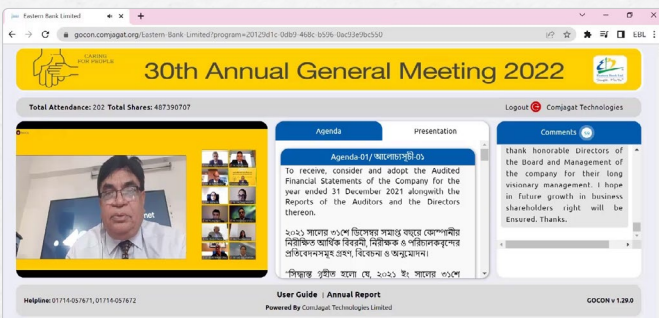
MD & CEO of EBL Ali Reza Iftekhar responds to the queries of shareholders at the 30th AGM



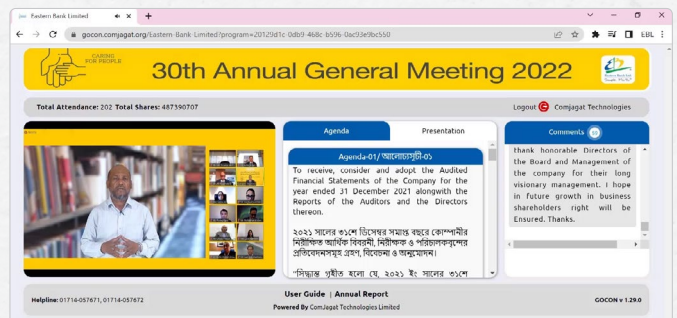
Company Secretary of EBL Md. Abdullah Al Mamun gives his welcome speech at the 30th AGM



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