

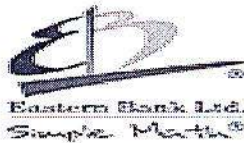
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[Draft]

Information Memorandum

Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable

3rd Subordinated Bond of EBL



Issuer: Eastern Bank Limited

Head Office: 100 Gulshan Avenue,
Dhaka-1212, Bangladesh

Trustee: UCB Investment Limited

Type of Issue: Unsecured Floating Rate Coupon Bearing Non-Convertible Fully Redeemable Subordinated Bond

Face Value of Each Bond: BDT 10,000,000

Issue Price of Each Bond: BDT 10,000,000

Total Face Value: BDT 5,000,000,000

Total Issue Size: BDT 5,000,000,000

Number of Securities: 500 Nos.

Tenor: 7 (Seven) Years from the date of issuance

Coupon rate: Reference Rate + Coupon Margin

Reference Rate: The average of most recent month's published fixed deposit rates (6-month tenor) of all Private Commercial Banks (excluding Islami Shariah based Commercial Banks & Foreign Banks) as published by Bangladesh Bank on the Quotation Day.

plus;

Coupon Margin: 2% p.a.

Coupon Floor Rate: 6% p.a.; **Coupon Ceiling Rate:** 9% p.a.

Credit Rating status of the Issuer: AA+ (Long Term) & ST-1 (Short Term)

Credit Rating status of the Issue: AA (Indicative)

Rating Company: Credit Rating Information and Services Limited ("CRISL")

Lead Arranger



EBL Investments Ltd.

"If you have any query about this document, you may consult the Issuer, Lead Arranger and the Trustee"

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Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

DISCLAIMER

Eastern Bank Limited (the "Issuer" or "Eastern Bank Limited") has authorized EBL Investments Limited (the "Arranger") to distribute this Information Memorandum in connection with the proposed transaction outlined in it (the "Transaction") and the bond proposed to be issued in the Transaction (the "Bond").

"EBL Investments Limited" means EBL Investments Limited and any group, subsidiary, associate or affiliate of EBL Investments Limited and their respective directors, representatives or employees and/or any persons connected with them.

Nothing in this Information Memorandum (the "IM") constitutes an offer of securities for sale of any jurisdiction where such offer or placement would be in violation of any law, rule or regulation.

The Issuer has prepared this Information Memorandum and the Issuer is solely responsible for its contents. The Issuer will comply with all laws, rules and Regulations and has obtained all regulatory, Governmental and corporate approvals for the issuance of the Bond. All the information contained in this Information Memorandum has been provided by the Issuer or is from publicly available information, and such information has not been independently verified by the Arranger. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or its affiliates for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arranger hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefrom. By accepting this Information Memorandum, you agree that the Arranger will not have any such liability.

You should carefully read and retain this Information Memorandum. However, you are not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice, and you should consult with clients' own advisors as to all legal, accounting, regulatory, tax, financial and related matters concerning an investment in the Bond.

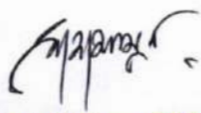
REPORT TO THE ELIGIBLE INVESTOR

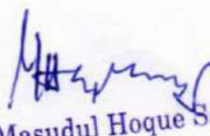
By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arranger, as set out below:


High risk: You are fully aware that investment in the Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, and investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the arranger.

No Reliance: You acknowledge and agree that you may not rely on any investigation that the arranger or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arranger nor its affiliates, employees, officers, directors,


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legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arranger only on behalf of the Issuer and that neither the Arranger nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks described herein. By investing in the Bonds, you have determined that:


- i. The Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions(corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. You have obtained all approvals and consents (weather internal or external) and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof

No representation or warranty: The Arranger has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arranger shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arranger shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whatever to you or otherwise.


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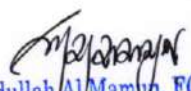
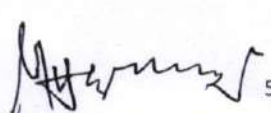


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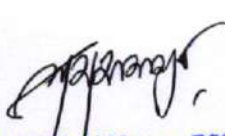

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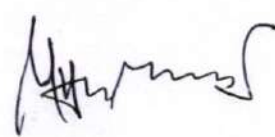

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1. RISK FACTORS AND MANAGEMENT'S PERCEPTION ABOUT THE RISKS

Following are certain issues for the investors to consider before taking an investment decision in the offer. In some of the risk factors and management proposals thereof, reference has been described below in addition to the other information contained in this Information Memorandum:

a. Interest Rate Risk

The banking book consists of assets and liabilities contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity/payment by counter party. The earnings or changes in the economic value are the main focus in banking book. Interest rate risk is the risk that a bank will experience deterioration in its financial position as interest rates move over time. Interest rate risk in the banking book arises from a bank's core banking activities

Risk management strategy of Eastern Bank Limited:

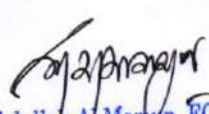
The Asset Liability Committee (ALCO) is assigned to monitor and review the interest rates of EBL on a monthly basis. The committee in its monthly meeting takes decision in respect of interest rates of the bank. The ALCO has established its own Interest Rate Policy to monitor and to minimize interest rate risks at an acceptable level. These guidelines and actions are taken in adherence to the policies issued by Bangladesh Bank from time to time. The Bank analyzes different factors such as Rate sensitive (RS) Gap Analysis and Duration Gap Analysis. ALM desk of Treasury Front Office and Risk Management Division of Head Office analyze and submits a proposal for review of interest rates considering previously mentioned factors, on deposit and loan respectively as and when necessary. EBL always observe market scenario and adjusts its interest rate accordingly to retain core depositors.

b. Foreign Exchange Risk

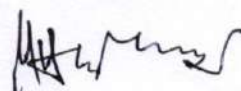
Foreign exchange risk is defined as the potential change in earnings due to change in foreign exchange rates. Exchange rate fluctuation may reduce the profitability of the bank because its trade commitments from various sources of foreign exchange like export proceeds and remittances.

Risk management strategy of Eastern Bank Limited:


Foreign Exchange Risks are measured and monitored by Treasury Division of the Bank. All foreign exchange activities have been segregated among front office, mid office and back office which are responsible for currency transactions, deal verification, limit monitoring and settlement of transaction separately. There is an internal audit system which controls key issues like FX dealing limits, compliance requirements and statutory management for foreign exchange dealing. EBL follows the prudential guidelines of foreign exchange risk management set by Bangladesh Bank. Treasury division always monitors the market scenario of risks and manages the foreign operations in such a way that earnings are not hampered against any adverse movement in market prices. All NOSTRO accounts are reconciled on monthly basis and outstanding entries beyond 30 days are appraised by the management for settlement. The NOSTRO accounts are verified by the external auditor and reports are submitted to Bangladesh Bank.



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c. Non-Repayment Risk (i.e. Credit risk)

It arises mainly from lending, trade finance, settlement and other financial transactions. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Bank. The failure may result from unwillingness of the counterparty or decline in his/her financial condition.

Risk management strategy of Eastern Bank Limited:

EBL Credit Policy Manual (CPM) is guided and prepared in line with Bangladesh Bank guideline. All the credit proposals are scrutinized with application of the yardsticks, techniques & judgments in line with CPM-and the execution aspects have been standardized in Credit Instruction Manual (CIM). The Bank also uses Credit Risk Grading Matrix (CRGM) and Internal Credit Risk Rating System (ICRRS) in line with the CRGM guideline and ICRRS guideline of Bangladesh Bank. EBL put emphasis for approval of credit facilities upon appraisal, scrutiny and due diligence on different aspects including security aspects. In case of extension of any facility, the bank carries out an analysis on the collateral securities i.e. nature of securities, its value, location of the properties, titles/ownership, enforceability etc. The bank's Risk Governance Structure is comprised of several committees namely Credit Risk Management Committee (CRMC), Credit Committee, Executive Risk Management Committee (ERMC), Asset Liability Committee (ALCO) etc. Their responsibilities are Credit approval, Credit Administration and Law & Recovery to maintain quality of credit through completion of documentation, monitoring, & follow up and early signaling system etc. all departments have been staffed with professionally experienced banker and law officers to expedite the legal and recovery process. Moreover, the functions of credit are handled at different levels by four departments/division namely Credit Risk Management (CRM), Collection Management, Credit Administration, and Special Asset Management.

d. Prepayment, Call or Refunding Risk

The risk associated with the early unscheduled return of principal on a fixed-income security.

Risk management strategy of Eastern Bank Limited:

No prepayment, call or refunding option shall be available to the Bondholder. The Bonds are redeemable in predetermined schedule. In case of early redemption, coupon rate is to be revised at 2.00% p.a. higher than the coupon rate paid during the last Coupon Payment Date.

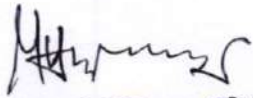
e. Security Risk


Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

Risk management strategy of Eastern Bank Limited:

The bond is an unsecured debt. No specific revenue sources or assets are not being pledged against the issuance of the bond. Investors will have the right on the EBL's cash flow to get repaid but rank of a subordinated bondholder is below than other loans or securities with regard to claims on assets or earnings.


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f. Liquidity Risk

Liquidity risk is the risk to the bank's earnings and capital arising from its inability to timely meet obligations. Liquidity risk primarily arises due to the maturity mismatch associated with assets and liabilities of the bank. Although liquidity risk dynamics vary according to a bank's funding market, balance sheet, and inter-corporate structure, the most common signs of possible liquidity problems include rising funding costs, a rating downgrade, decreases in credit lines, or reductions in the availability of long-term funding.

Risk management strategy of Eastern Bank Limited:

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in every month. Asset Liability Management (ALM) desk of the treasury function being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc. ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modelling, and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the bank and regulators.

g. Management Risk

Management risk refers to the chance that bank managers' inefficiency or under performance which will finally affect the shareholders. The bondholders may suffer financial losses in such an event.

Risk management strategy of Eastern Bank Limited:


Eastern Bank Limited is one of the leading banking institutions in Bangladesh with a track record of consistent performance achieved through effective leadership and corporate governance. EBL has a sound management structure that is not only efficient but also dynamic in taking relevant decision to make the organization more effective and results oriented. Therefore, with a strong leadership on the back, management risks are not a matter of concern or a vital risk factor for EBL.

h. Operational Risk

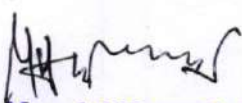
Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risk may also arise from error and fraud due to lack of internal control and compliance across the bank.

Risk management strategy of Eastern Bank Limited:

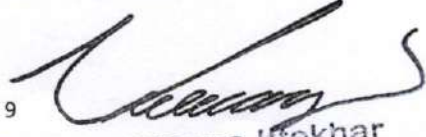
The policy for measuring and managing operational risks is approved by the Board in line with the relevant guidelines of Bangladesh Bank. Audit Committee of the Board directly oversees the activities of Internal Control and Compliance Division to protect against all operational risks. As a part of continued surveillance, the management committee (MANCOM), Executive Risk Management Committee (ERMC) and Risk Management Division (RMD) regularly review different aspects of operational risks and escalate the findings to appropriate authority while internal audit suggest formulating appropriate policies, tools & techniques for mitigation of operational risk of the bank.



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The bank captures some identified risk events associated with all functional departments of the bank through standard reporting format, Departmental Control Function Check List (DCFCL), Quarterly Operation Report (QOR), Key Risk Indicator (KRI), internal audit, monitoring, and system check etc. Internal Control and Compliance Division (ICCD) detecting 'High' Risk areas and finding mitigation of those risks. ERM also oversees the operational risk issues. ERM analyzes 'high' and 'moderate' risk indicators and sets responsibility for specific people to resolve the issues.

i. Business Risk

Business risk is the possibility that a company will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk is influenced by numerous factors, including business environment, economic situation and government regulations.

Risk management strategy of Eastern Bank Limited:

EBL has a robust risk management system to counter any adverse business risk and to maneuver in a hostile business environment. Most business risks have been covered in Credit, Liquidity and Interest rate Risk. To counter and mitigate business risk, the following mitigation measures are in place:

- ✓ Regular review of impact of global economic meltdown and taking appropriate measures
- ✓ Innovative and convenient financial products and services;
- ✓ Taking prompt action on customer complaints;
- ✓ Frequent assessment of clients satisfaction;
- ✓ Regular review of performance against budget and targets;
- ✓ Review and analysis of competitors' performance;


Prevention of risk by forecasting future market condition gives EBL competitive edge over other competitors in the local market. In order to mitigate prospective risks of the market, the equity and research team regularly assesses the market information. This assessment updates the Management about the current market situation, growth of certain industries, current global phenomena, price index of raw materials, refinance scheme taken by central bank and regulatory steps taken by various regulatory bodies. This also helps to make future prediction on any industry and the market as a whole.

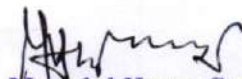
j. Industry Risk

Industry risk is the possibility that a specific industry will not perform up to the level or at par. When problems plague one industry, they affect the individual organization of that particular industry. They may also cross over into other industries. The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.


Risk management strategy of Eastern Bank Limited:

The Bank has an established broad-based presence and has been taking steps to enhance customer satisfaction by upgrading skills, systems and technology to meet such challenges. The Bank is attempting to add quality assets on competitive terms and also taking steps to broad base its product bouquet with a special emphasis on enhancement in the non-fund-based income. On the resource-raising front, the Bank is actively endeavoring to broaden its reach and raise resources through its wide distribution network of branches.


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k. Market and Technological Risks

Market Risk is defined as the possibility of loss to a Bank caused by changes or movements in the market variables such as interest rates, foreign currency exchange rates, equity prices and commodity prices. Bank's exposure to market risk arises from investments (interest related instruments and equities) in trading book and the Foreign Exchange positions. The objective of the market risk management is to minimize the impact of losses on earnings and equity.

Technological Risk is the risk that customers may suffer service disruptions, or that customers or the group may incur losses arising from system defect such as failures, faults, or incompleteness in computer operations, or illegal or unauthorized use of computer system. As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.


Risk management strategy of Eastern Bank Limited:

Risk Management Division (RMD) is responsible for overall monitoring, control, and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMD and periodically reported to Bank Risk Management Committee (BRMC).

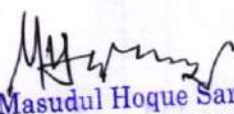
The bank has a comprehensive IT Security Policy and procedures which are formally documented and endorsed by top management. IT Division (hereinafter IT) has established standard Physical & Environmental Security Measures (e.g. Locked Door, Locked rack, CCTV, AC, Fire Extinguisher, etc.) to all Sensitive areas (e.g. Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.). IT has standard Logical Security Measures (e.g. Access card, Password Protected Server, Access Log, Measuring Device Logs, Periodic Testing Results, etc.) to all core devices (server, PC, etc.), connecting devices (switch, router, etc.), security devices (firewall, IDS, etc.), all applications (core banking system, antivirus, firewall, VPN, utilities, etc.), databases, networks and others. IT has standard design and practice in network connectivity, access, build-up, configuration, monitoring, maintenance and security. IT has Business Continuity Management (BCM) to support and handle any human made or natural incident/disaster; moreover regular backup schedule and retention avoids the risk of data loss based on the criticality of the system.

l. Risk Related to Potential or Existing Government Regulations


The company operates under, the Bank Companies Act-1991, Companies Act-1994, Income Tax Ordinance, 1984, Income Tax rules, 1984, Value Added Tax (VAT) Act, 1991, Value Added Tax (VAT) Rules, 1991, Customs Act, 1969, Bangladesh Securities and Exchange Rules, 1987 and other related regulations. The company also obtained license from Bangladesh Bank as a Bank under Bank Companies Act-1991. Any major changes in regulatory regime may cause the Bank to be a noncompliant one having adverse impact in the reputation of the Bank.



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka



Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited



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Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Risk management strategy of Eastern Bank Limited:

Internal Control and Compliance team of EBL works to achieve effectiveness and efficiency of operations, reliable financial reporting and compliance with laws and regulations. Pillar 1 and Pillar 2 of Basel-II Accord also focused on operational risk and supervisory review respectively attaching considerable importance to internal control & compliance and on supervision & monitoring. As prescribed in the Bangladesh Bank core risk guideline on Internal Control & Compliance, Management Committee (MANCOM) of EBL reviews the overall effectiveness of internal control system.

m. Risk Related to Potential Changes in Global or National Policies

Changes in existing global or national policies can have either positive or negative impacts for the Bank. The performance of the Bank will be hindered due to unavoidable circumstances both in Bangladesh and worldwide like political turmoil.

Risk management strategy of Eastern Bank Limited:

Since this security would be issued in the local market, potential global changes are unlikely to have any impact on the security issued. Moreover EBL has a robust risk management team and has the capability to adapt to any global scenario that might affect the local market.

2. DETAILED DESCRIPTION AND INFORMATION

PARTICULARS OF THE ISSUER		
Sl.	Particulars	Details
(a)	Name	Eastern Bank Limited
(b)	Legal Status	Public Limited Company, listed with both Dhaka Stock Exchange and Chittagong Stock Exchange
(c)	Contact Information	Mr. Masudul Hoque Sardar Chief Financial Officer Eastern Bank Limited 100 Gulshan Avenue, Dhaka 1212 Phone: 09666777325, Ext: 8300 Mobile: +8801720010579 Email: masudul.hoque@ebl-bd.com
		Mr. Md. Abdullah Al Mamun FCS Company Secretary Eastern Bank Limited 100 Gulshan Avenue, Dhaka 1212 Phone: 09666777325, Ext: 8202 Mobile: +8801817-543805 Email: abdullah.al.mamun@ebl-bd.com

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 Chief Financial Officer
 Eastern Bank Limited

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Ali Reza Iftokhar
 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

(d)	Date of Incorporation	8 August 1992
(e)	Date of Commencement of Business	16 August 1992
(f)	Authorized Capital	BDT 12,000 Million
(g)	Paid-up Capital	BDT 9,539 Million
(h)	Total Equity	BDT 31,017 Million
(i)	Total Liabilities	BDT 357,798 Million
(j)	Total Financial Obligations	BDT 357,798 Million
(k)	Total Assets	BDT 388,815 Million
(l)	Total Tangible Assets	BDT 388,048 Million
(m)	Net Worth	BDT 31,017 Million
(n)	Total Deposits	BDT 268,019 Million
(o)	EPS	BDT 4.88 (Solo); 5.03 (Consolidated)
(p)	NAV per share	BDT 32.52 (Solo); 33.17 (Consolidated)
(q)	Dividend (Declared for 2021)	Cash 12.50% & Stock 12.50%

PARTICULARS OF THE ISSUE MANAGER	N/A
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PARTICULARS OF THE ISSUE		
Sl.	Particulars	Details
(a)	Name of the Issue	Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3rd Subordinated Bond of EBL
(b)	Type of Instrument	Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable Subordinated Bond
(c)	Purpose of Issue	To raise Tier-II Regulatory Capital and thereby enhancing Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk Based Capital Adequacy" of Bangladesh Bank
(d)	Total Size of Issue	BDT 5,000,000,000.00 (Taka Five Billion)
(e)	Number of Securities	500 (Five Hundred) numbers of Bonds
(f)	Face Value	BDT 10,000,000 (Taka Ten Million) per bond
(g)	Issue Price	BDT 10,000,000 (Taka Ten Million) per bond
(h)	Coupon Rate	Coupon Rate = Benchmark Rate + Coupon Margin Benchmark Rate: The average of most recent month's published fixed deposit rates (6-month tenor) of all Private Commercial Banks (excluding Islami Shariah based Commercial Banks & Foreign Banks). The interest rates to be collected from 'Last announced

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Managing Director & CEO
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Eastern Bank Limited

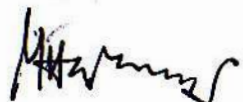
All Reza Iftakhar
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		Interest Rate Chart of the Scheduled Banks (Deposit Rate)' published by Bangladesh Bank on the Quotation Day. Coupon Margin: 2.00% p.a. Coupon Floor Rate: 6.00% p.a.; Coupon Ceiling Rate: 9.00% p.a.
(i)	Tenor	7 years from the Date of Issue of the Securities
(j)	Conversion & Exchange option	Non-convertible
(k)	Mode of Redemption	The principal of the Bonds to be redeemed equally on Redemption Dates during the last 5 (Five) years of the tenure. Principal Redemption shall 20% of Issue Amount at the End of 3 rd , 4 th , 5 th , 6 th and 7 th Anniversary of the Bond from the Date of Issue.
(l)	Mode of Option (Call/Put)	No Put Option/Call Option
(m)	Rate of Return	Equal to the Coupon Rate
(n)	Applicable Tax Rate	As per applicable laws and investors' self-tax bracket
(o)	Default Protection Mechanism	The Bond is Unsecured, However, the Issuer shall pay a late payment fee of 2% (two per cent) p.a. higher than the coupon rate payable on the amount not paid on the due date, from the due date up to the date of actual payment date.
(p)	Type of Collateral securities being offered	Unsecured
(q)	Status of securities holders in case of priority of payment	Subordinated after depositors, lenders, regulatory liabilities and other lenders, before any types of equity holders.
(r)	Period within which securities to be issued	Expected within CY2022, subject to the Approvals of Bangladesh Bank and Bangladesh Securities and Exchange Commission.
(s)	Nature of Tradability or listing	Non-listed, privately placed

PARTICULARS OF THE TRUSTEE		
Sl.	Particulars	Details
(a)	Name	UCB Investment Limited
(b)	Legal Status	Private Limited Company
(c)	Authorized Capital	BDT 1,000,000,000
(d)	Paid-up Capital	BDT 1,000,000,000
(e)	Net Worth	BDT 1,132,493,978


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Head Office, Dhaka.


Masudul Hoque Sardar¹⁴
Chief Financial Officer
Eastern Bank Limited


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Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

(f)	Name of Other Issues as Trustee	NRBC Bank Subordinated Bond-1, Bank Asia Perpetual Bond, Mercantile Bank Perpetual Bond, Mir Akhter Zero Coupon Bond, Envoy Secured Zero Coupon Bond
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PARTICULARS OF THE CREDIT RATING COMPANY

Sl.	Particulars	Details
(a)	Name	Credit Rating Information and Services Limited ("CRISL")
(b)	Credit Rating Status of the Issuer	Long Term: AA+, Short Term: ST-1
(c)	Credit Rating Status of the Issue	AA (Indicative)
(d)	Date & Validity of rating along with surveillance rating for the Issuer	Date of Rating: 17 June, 2021 Validity: 16 June, 2022
(e)	Date & Validity of rating along with surveillance rating for the Issue	Declaration Date: 25 April, 2022 Validity: 1 (One) year
(f)	Latest Default Rate of the Credit Rating Company	N/A
(g)	Average Time to Default of the Rated Category	N/A
(h)	Rating Trigger	Rating Trigger: "BBB" or equivalent. Coupon rate will be 0.50% higher, if rated below.

PARTICULARS OF OTHER CONTRACTUAL PARTIES


Sl.	Particulars	Details
(a)	Lead Arranger	Name: EBL Investments Limited Address: Bangladesh Shipping Corporation Tower (4th Floor), 2-3 RAJUK Avenue, Motijheel C/A, 1000
(b)	Common Legal Counsel	Name: Lex Juris Address: Flat: 601 & 602, House: 108, Road: 10/2, Block: D, Niketon, Gulshan-1, Dhaka-1212

3. DETAILS OF THE UTILIZATION OF PROCEEDS

Eastern Bank Limited (EBL) has planned to raise capital through issuance of 'Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3rd Subordinated Bond of EBL' in order to strengthen its capital base through enhancing Tier II Capital in accordance with Bangladesh Bank's Guidelines on Risk Based Capital Adequacy in line with BASEL III issued by Bangladesh Bank, which will ultimately increase Capital to Risk Weighted Asset Ratio (CRAR) as new Risk Based Capital Adequacy Framework under BASEL III.



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Managing Director & CEO
UCB Investment Limited

The proceeds will be used to fund as well as to act as a cushion against the growth of risk weighted assets in commensurate with the projected growth of loans and advances and expansion of businesses.

4. DETAIL FEATURES OF THE DEBT SECURITIES TO BE ISSUED

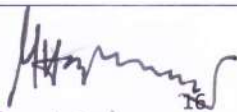
a. Basic features of the instrument

Name of the Issue	Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3 rd Subordinated Bond of EBL
Type of the instrument	Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable Subordinated Bond
Issuer	Eastern Bank Limited
Purpose of the issue	To raise Tier-II Regulatory Capital and thereby enhancing Capital to Risk-weighted Asset Ratio (CRAR) as per "Guidelines on Risk Based Capital Adequacy" of Bangladesh Bank
Lead Arranger	EBL Investments Limited
Trustee, Registrar, Transfer Agent & Paying Agent	UCB Investment Limited
Credit Rating Agency	Credit Rating Information and Services Limited ("CRISL")
Total Issue Size	BDT 5,000,000,000.00 (Taka Five Billion)
No. of bonds to be issued	500 (Five Hundred) numbers of Bonds
Face value of the bonds	BDT 5,000,000,000 (Taka Five Billion)
Face value per bond	BDT 10,000,000 (Taka Ten Million) per bond
Issue price per bond	BDT 10,000,000 (Taka Ten Million) per bond
Number of Bond in Each Lot	1 (One)
Total Number of Lots	500 (Five Hundred)
Minimum Denomination	Minimum denomination of each lot of bond is indicated at BDT 10,000,000 (Taka Ten Million) Face Value
Tenor	7 years from the Date of Issue of the Securities
Eligible Investors	Local banks and financial institutions, Insurance companies, corporates, high net-worth individuals etc.
Mode of Placement	Private Placement
Form/Registration & Listing	Registered. Unlisted.
Coupon Rate	Coupon Rate = Benchmark Rate + Coupon Margin Benchmark Rate: The average of most recent month's published fixed deposit rates (6-month tenor) of all Private Commercial Banks (excluding Islami Shariah based Commercial Banks & Foreign Banks). The interest rates to be collected from 'Last announced Interest Rate Chart of the

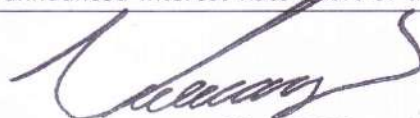
Tanzim Alamgir
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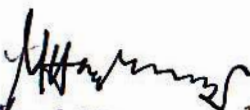


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Managing Director & CEO
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	<p>Scheduled Banks (Deposit Rate)' published by Bangladesh Bank on the Quotation Day.</p> <p>Coupon Margin: 2.00% p.a.</p> <p>Coupon Floor Rate: 6.00% p.a.</p> <p>Coupon Ceiling Rate: 9.00% p.a.</p>
Quotation day	5 business days before the first day of any period for which a coupon rate is to be determined.
Coupon payment	Semi-annual payment

b. Rate of return	Equal to the Coupon Rate																																																										
c. Transferability/Liquidity	Bonds are transferable subject to the terms and conditions set out in the Bond Documents.																																																										
d. Prepayment, Call, Refunding, Conversion or Exchange Option	Non-Callable, Non-Putable & Non-convertible in nature																																																										
e. Early redemption or late redemption	<p>In case of early redemption (to be decided by the Trustee along with required regulatory approval), coupon rate to be revised at 2.00% p.a. higher than the coupon rate paid during the last Coupon Payment Date.</p> <p>The issuer shall pay a late payment fee of 2% p.a. higher than the coupon rate and payable on the amount not paid on the due date till the date of actual payment.</p>																																																										
f. Tax features	As per applicable laws and investors' self-tax bracket																																																										
g. Cost related to the issue	Total Cost (Arrangement Fee, Application Fee to BSEC (BDT 10,000), Issue Consent Fee (0.10% of the Issue Amount), Trustee Services Fee to the Trustee, Annual Trustee Fee to BSEC, Rating Agency Fee, Legal Counsel Fee, Trust Deed Registration expenses etc.): BDT 27,100,000 (approximately)																																																										
h. Repayment Schedule	<p>EBL 3rd Subordinated Bond Face Value (Principal) Redemptions will be in 5 (five) Annual Tranches commencing at the end of 36th month from the date of drawdown in the following manner:</p> <p style="text-align: right;">Amount in BDT million</p> <table><tr><th rowspan="2">Year</th><th rowspan="2">End of Months</th><th rowspan="2">Beginning Balance</th><th colspan="2">Repayment</th><th rowspan="2">Ending Balance</th></tr><tr><th>% of Repayment</th><th>Amount</th></tr><tr><td rowspan="2">Year 1</td><td>6th</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td>12th</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td rowspan="2">Year 2</td><td>18th</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td>24th</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td rowspan="2">Year 3</td><td>30th</td><td>5,000</td><td></td><td></td><td>5,000</td></tr><tr><td>36th</td><td>5,000</td><td>20%</td><td>1,000</td><td>4,000</td></tr><tr><td rowspan="2">Year 4</td><td>42th</td><td>4,000</td><td></td><td></td><td>4,000</td></tr><tr><td>48th</td><td>4,000</td><td>20%</td><td>1,000</td><td>3,000</td></tr><tr><td>Year 5</td><td>54th</td><td>3,000</td><td></td><td></td><td>3,000</td></tr></table>	Year	End of Months	Beginning Balance	Repayment		Ending Balance	% of Repayment	Amount	Year 1	6 th	5,000			5,000	12 th	5,000			5,000	Year 2	18 th	5,000			5,000	24 th	5,000			5,000	Year 3	30 th	5,000			5,000	36 th	5,000	20%	1,000	4,000	Year 4	42 th	4,000			4,000	48 th	4,000	20%	1,000	3,000	Year 5	54 th	3,000			3,000
Year	End of Months				Beginning Balance	Repayment		Ending Balance																																																			
		% of Repayment	Amount																																																								
Year 1	6 th	5,000			5,000																																																						
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 Managing Director & CEO
 UCB Investment Limited

		60 th	3,000	20%	1,000	2,000
	Year 6	66 th	2,000			2,000
		72 th	2,000	20%	1,000	1,000
	Year 7	78 th	1,000			1,000
		84 th	1,000	20%	1,000	0
	Total			100%	5,000	
i. Call or put option	No Call Option or Put Option					
j. Credit Enhancement or Guarantee	The bond is superior to the claims of investors in equity shares of the bank. It is neither secured nor covered by any guarantee of the issuer or related entity or other arrangement that legally or economically enhance the seniority of the claim vis-s-vis bank creditors.					
k. Enforcement of charges over securities	At any time, after the bonds have become due and repayable, the Trustee may, at its sole discretion and without further notice in writing, take such proceedings against the Issuer as it may think fit to enforce repayment to the bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such proceedings unless (a) it shall have been so requested in written by the bondholders of not less than 66 2/3 percent in particular amount of bonds then outstanding or shall have been directed by an Extraordinary Resolution of the Bondholders, (b) it shall have been intimidated and/or secured to its satisfaction. No bondholder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.					

5. DESCRIPTION OF COLLATERAL SECURITY AND TYPE OF CHARGES TO BE CREATED AGAINST ISSUE

Since the issue is unsecured subordinated bond, hence there is no collateral security and no types of charge shall be created against the issuance.

6. RIGHTS & OBLIGATIONS OF THE ISSUER

6.1 Covenant to Repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with the Conditions, unconditionally pay or procure to be paid to or to the order of the Trustee in Bangladesh Taka in Dhaka in immediately available freely transferable funds the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to the provisions of the Conditions) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Conditions interest on the principal amount of the Bonds or any of them outstanding from time to time as set out in the Conditions provided that:

6.1.1 if any payment of principal or interest in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the

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Eastern Bank Limited

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Managing Director & CEO
UCB Investment Limited

Bondholders or, if earlier, the seventh day after notice has been given to the Bondholders in accordance with the Conditions that the full amount has been received by the Trustee to the extent that there is failure in the subsequent payment to the Bondholders under the Conditions; and

6.1.2 in any case where payment of the whole or any part of the principal amount due in respect of any Bond is improperly withheld or refused interest shall accrue at applicable interest rate for the Bond on the whole or such part of such principal amount from the date of such withholding or refusal until the date either on which such principal amount due is paid to the Bondholders or, if earlier, the seventh day after which notice is given to the Bondholders in accordance with the Conditions that the full amount payable in respect of the said principal amount is available for collection by the Bondholders such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 11.3 (Covenant to comply with Trust Deed, Conditions, and Schedules) and Clause 11.4 (Covenants by the Issuer) on trust for the Bondholders.

6.2 Following an Event of Default

At any time after any Event of Default shall have occurred, the Trustee may:

by notice in writing to the Issuer, require it to make all subsequent payments in respect of Bonds to or to the order of the Trustee and with effect from the issue of any such notice until such notice is withdrawn, sub-clause 11.1.1 of Clause 11.1 (Covenant to Repay) and (so far as it concerns payments by the Issuer) Clause 19.2 (Payment to Bondholders) shall cease to have effect.

6.3 Covenant to comply with Trust Deed, Conditions, Schedules and applicable law

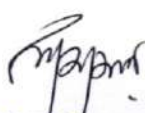
6.3.1 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of this Trust Deed the Conditions (including, without limitation, Condition 5 (Covenants)) and the other Schedules which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents applicable to them.

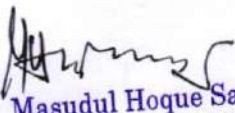
6.3.2 The Issuer hereby covenants with the Trustee to comply with, perform and observe all those provisions of the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021. The Issuer agrees that Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, the applicable law and will be deemed to have notice of all of the provisions of the applicable law applicable to them.

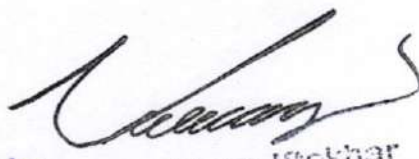
6.3.3 The Trustee shall itself be entitled to enforce the obligations of the Issuer under the Bonds and the Conditions and the applicable law as if the same were set out and contained in this Trust Deed which shall be read and construed as one document with the Bonds.

6.4 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:


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Managing Director & CEO
UCB Investment Limited

6.4.1 Books of account:

At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;

6.4.2 Event of Default:

Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;

6.4.3 Corporate Governance:

Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.

6.4.4 Information:

So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;

6.4.5 Execution of further Documents:

So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

6.4.6 Notices to Bondholders:

Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;

6.4.7 Notification of non-payment:

Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;

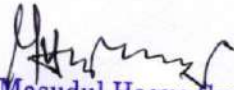
6.4.8 Notification of late payment:

In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;


6.4.9 Notification of redemption or repayment:

At least 21 (Twenty One) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Ali Reza Hossain
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

6.4.10 Authorised Signatories:

Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorised Signatories of the Issuer, together with certified specimen signatures of the same; and

6.4.11 Payments:

Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

7. RIGHTS & OBLIGATIONS OF THE TRUSTEE**7.1 Trustee's Rights**

7.1.1 Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021 and the Trust Act 1882.

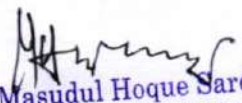
7.1.2 Advice: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;


7.1.3 Resolution or direction of Bondholders: the Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;

7.1.4 Trustee not responsible for investigations: save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;

7.1.5 Entry on the Register: the Trustee shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any entry on the Register later found to be forged or not authentic and can assume for all purposes in relation hereto that any entry on the Register is correct;


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7.1.6 Events of Default: save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable; and


7.1.7 Right to Deduct or Withhold: notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising therefrom or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

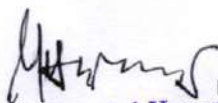
7.1.8 Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, willful default or fraud. This Clause 6.1.8 shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.

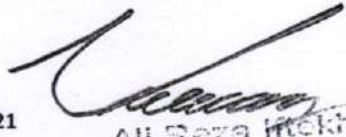
7.1.9 Force Majeure: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.

7.1.10 Immunities: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

7.1.11 Professional charges: any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);

7.1.12 Expenditure by the Trustee: nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it; and

7.1.13 Trustee may enter into financial transactions with the Issuer: no Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

7.1.14 Trustee Liability: The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.

7.1.15 Right to Sue: The Trustee may sue and may be sued on behalf of the Bondholders.

7.2 Trustee's powers and duties


7.2.1 Applicable Law: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such responsibility as set out in the applicable law including but is not limited to Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021.

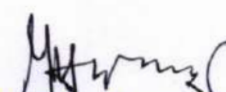
7.2.2 Act for Bondholders: Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;

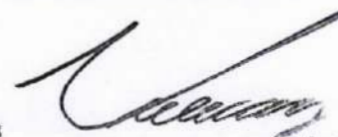
7.2.3 Monitoring: Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;

7.2.4 Report to BSEC: Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;

7.2.5 Grievances of the Bondholders: Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature


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Managing Director & CEO
UCB Investment Limited

and other particulars of the complaints received and the manner in which such complaints have been redressed;

7.2.6 Trustee's determination: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;

7.2.7 Determination of questions: the Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;

7.2.8 Trustee's discretion: the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;


7.2.9 Trustee's consent: any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;

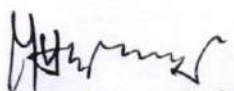
7.2.10 Application of proceeds: the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;

7.2.11 Error of judgment: the Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;

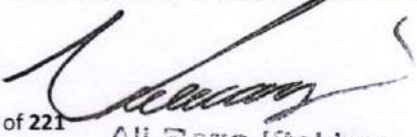
7.2.12 Agents: Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person;

7.2.13 Confidential information: the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.


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Chief Financial Officer
Eastern Bank Limited

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Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

7.2.14 Determination of Interest Rate: The Trustee shall determine Applicable Interest Rate in accordance with Condition of the Bond.

7.3 Exercise of Discretion

7.3.1 Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66 2/3 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution of Bondholders (subject in all cases to the Trustee having been indemnified or provided with security to its satisfaction and otherwise being satisfied that it is lawful for it to so exercise discretion, make a determination or otherwise take any action). Such direction shall specify the way in which the Trustee shall exercise such discretion or, as the case may be, make the determination or take the action to be taken by the Trustee.

7.3.2 The Trustee will be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.

8. RIGHTS & OBLIGATIONS OF THE INVESTORS

8.1 Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and the Condition attached in Schedule 1 Part (Terms and Conditions of the Bonds).

8.2 Each Bondholder has the right to receive payment of principal amount of the Bond on the Redemption Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).

8.3 Each Bondholder has the right to receive interest on the Bond on the Interest Payment Date as set out in the Condition attached in Schedule 1 (Terms and Conditions of the Bonds).

8.4 Each Bondholder has the right to attend meeting of the Bondholders and vote therein in accordance with Condition 12 (Meetings of Bondholders, Modification, Waiver and Substitution).

9. DESCRIPTION OF THE ISSUER: EASTERN BANK LIMITED

Authorized capital : BDT 12,000,000,000

Paid-up capital : BDT 9,538,644,670

a. Percentage of group wise shareholding-as on 31/12/2021:

Shareholders Group	Total No. of Shares	% of Shareholdings	Amount (BDT)
Directors	287,911,286	30.18%	2,879,112,860
General Public	539,089,564	56.52%	5,390,895,640
Financial Institutions	126,863,617	13.30%	1,268,636,170
Total	953,864,467	100.00%	9,538,644,670

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Chief Financial Officer 25
Eastern Bank Limited

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Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Capital to risk weighted asset ratio (CRAR)-Solo basis:

Particulars	Amount in BDT as on 2021
Common Equity Tier -1 Capital	
Paid up capital	9,538,644,670
Statutory reserve	9,538,644,670
General reserve	603,493,370
Dividend equalization reserve	356,040,000
Retained earnings	8,975,293,909
Regulatory adjustments:	29,012,116,619
Goodwill and all other intangible assets (WDV of Software)	(268,713,120)
Reciprocal crossholdings in the CET 1 capital	(356,836,600)
Investment in own CET1 capital (mutual fund)	(16,132,580)
Deferred tax asset (95% as per BB Circular)	(2,234,730,164)
Tier-1 Capital	26,135,704,155
Tier -2 Capital	
General provision	5,538,246,622
Subordinated debt	4,000,000,000
	9,538,246,622
Regulatory adjustment:	-
Tier-2 Capital	9,538,246,622
A. Total regulatory capital	35,673,950,777
B. Total risk weighted assets (RWA)	260,049,340,559
C. Minimum capital requirement (MCR) (10% on B)	26,004,934,056
D. Surplus/(deficiency) [A - C]	10,074,214,948

Capital to risk weighted assets ratio (CRAR)

Particulars	Minimum Requirement (2021)	Maintained-Solo (2021)
On Tier-1 capital to RWA	6.00%	10.31%
Capital to RWA ratio (CRAR)	Against standard of minimum 10% with capital conservation buffer 2.50%	14.08%

b. Business of Eastern Bank Limited

i. Corporate Banking

Overview

Bangladesh is now on an upward trajectory in attaining many of the targets set under the Sustainable Development Goals. With this momentum, the country is now working towards graduating from the LDC status to Developing Economy by 2026 towards the journey of joining in the club of Advanced Economy by year 2041. In the face of Covid-19 pandemic Bangladesh economy has demonstrated economic resilience registering GDP growth of 6.9% in fiscal year 2020 - 2021.

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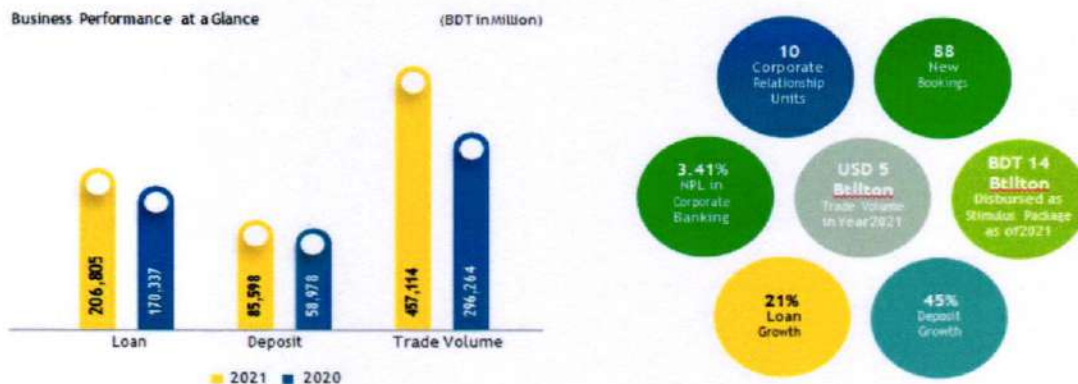
Eastern Bank Limited (EBL) is a pioneer in the financial industry of Bangladesh. The Corporate Banking Division is the forerunner of its achievement in various capacities and is expected to play the same vital role in the days to come. EBL Corporate Banking is widely known for Innovation and Corporate Solution which made EBL Corporate Banking unique in the industry as trendsetter. EBL Corporate Banking contributed in creation of the Brand “EBL – simple Math” in the customers’ mindset. With loan size of nearly BDT 207 Billion, deposit size of nearly BDT 86 Billion and trade volume of about 5 Billion USD concluding in the year 2021 and a growth rate of 21% in loan and 45% in deposit compared to last year, Corporate Banking has successfully managed to serve its valuable client base. Onboarding new customers has made the journey toward excellence possible with the support and contribution of 79 members of EBL Corporate Banking.

EBL Corporate Banking consists of 10 Relationship Units & 2 specialized units: Cash Management Unit & Structured Finance Unit. Relationship units focus on providing 360 degree solutions to the corporate customers including project finance, working capital finance, trade and all other corporate business services. 2 relationship units are stationed in Chattogram for catering services to the clients of that region. The partnership approach with customers has made the business growth of EBL Corporate Banking sustainable.

EBL Corporate Banking has its presence in all important sub- sectors of economy of Bangladesh, which includes, but not limited to, Readymade Garments, Textile, Pharmaceuticals, Commodities, Power, Aviation, Transportation, Ceramics, and Steel and provides solution to the customers involved in Government’s development initiatives. EBL Corporate Banking is proud to be a part with initiatives of different Government Owned Entities including, but not limited to, Bangladesh Petroleum Corporation, Bangladesh Telecommunication Regulatory Commission, Water Supply And Sewerage Authority, Power Grid Company of Bangladesh, and Civil Aviation Authority of Bangladesh.

Business Performance at a Glance

(BDT in Million)



Relationship units

The relationship units, as a whole, represent the backbone of Corporate Banking Division. Maintaining sustainable and profitable relationship with our valuable clients and providing them with financing solutions to facilitate their businesses are among the major responsibilities of the relationship units. Through working capital solutions, bridge financing, long term financing, and offshore financing, the relationship units cater various financial requirements of our esteemed clients.

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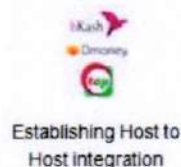
Masudul Hoque Sardar
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 Chief Financial Officer
 Eastern Bank Limited

Ali Reza Iftikhar
Ali Reza Iftikhar
 Managing Director & CEO
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Tanzim Alamgir
Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

Cash management unit

Cash Management Unit provides a comprehensive set of innovative products and services to our clients to maintain efficiency in their business operations by optimizing their cash flow position. The ultimate goal of this unit is maximizing liquidity to strengthen deposit base of the bank while minimizing the cost of fund so that it can efficiently cater to various corporate and institutional clients.

Major Initiatives**Structured finance unit**

Structured Finance Unit of EBL is recognized as one of the market top liners in providing full suite of services pertaining to fund arrangement, advisory, agency and account bank services and other innovative products and solutions for both corporate and public sector clients. This dedicated team comprises of skilled professionals having a combination of industry-specific skills that allow us to address the complex issues associated with transactions.

Noteworthy Deals

Bangladesh has made a successful U-turn in terms of economic activity from the pandemic that brought the whole world into a standstill. Credit growth in private sector, growth in public sector spending, acceleration in export earnings, and rise in inflow of foreign remittance have posed as the prime determinants of this positive comeback. However, world-wide increase of commodity prices due to supply chain disruptions, rising inflation, and weakening balance of payments, absence of unhindered remittance inflow through formal channel remained major internal and external economic challenges. Based on the positive bounce back of country's economy, the growth of banking sector is expected to continue in 2022, EBL Corporate Banking will explore opportunities

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on both public and private sector investment while managing its asset quality and pursuing the source of low cost funds.

Corporate Banking Event Highlights



Ali Reza Ullahkar, MD & CEO of EBL and Khondkar, Mashed Millat, GM of Sustainable Finance Department of Bangladesh Bank sign participation agreement



EBL signs Deal closing with Epsilon Group



UMPL Deal Closing Ceremony



TMSS Mandate Signing Ceremony



PPP MoU Signing Ceremony



MOU Signing Ceremony for Integration of Services with BIDA OSS



Meeting with Chairman, Civil Aviation Authority, Bangladesh (CAA)

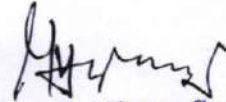


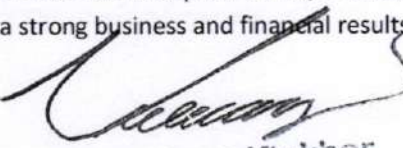
Congratulating Mr. Fazlur Rahman, Chairman, City Group for the prestigious award "Greatest Leaders 2020-21" by Asia One's

ii. Retail and SME Banking

In 2021, the common thread binding our experiences at a personal, national and global level was the COVID-19 pandemic. The pandemic as prevailed in 2021 was not a surprise for us; it was rather a challenge to outshine our 2020 performance and post a strong business and financial results.


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Managing Director & CEO
UCB Investment Limited



Key Highlights



Managing the deposit portfolio successfully—balancing the volatile asset demand and overall cost to the Bank.



Growth in loans and advances: 7% (2021 vs 2020).



Launching of EBL Insta Banking (Opening Account from Home using E-KYC Guideline).



Launching of EBL Digi Loan Portal- Country's first ever Digital Lending Solution.



Enabling transfer of money to any EBL CASA from bKash.

Retail & SME Deposit

21% year-on-year growth in number of accounts opened

Retail & SME Deposit strategy has been centering on customer and product centric approach, so as to have a sustainable growth in deposits from both existing and new customers. As COVID-19 continued to wreak havoc on the economy in 2021, our deposit mobilization strategies were molded accordingly. At the beginning of the year, there was more emphasis on cost optimization, with focus on CASA as a key driver of deposit growth. Consequently, as the year progressed, with the increase in credit demand as the economy recovered; there has been a paradigm shift and the focus turned to term deposits being the key driver for Deposits. In the last 4 months of 2021, our Retail and SME banking team went into full gear and ensured that Bank's overall need is fulfilled. There has been a 21% year-on-year growth in number of accounts opened even during the pandemic which was driven mainly by digital initiatives of inclusive banking - wherein 100% digital onboarding of Retail customers has been facilitated via EBL Self Service Hub and EBL Insta Banking.

Retail Loans

49% growth of Mortgage based loans

Tackling the challenges and obstacles of COVID-19 pandemic, EBL Retail Assets team has marked around 3.91% growth in 2021 mainly driven by mortgage-based loans such as Home Loan, Home Credit & Mortgage Loan Payment Protection. Surprisingly, in the midst of this pandemic, the portfolio of Mortgage Loans grew Almost by 49%. It holds about 23.5% of entire retail loan portfolio.

Strict monitoring and implementation of effective strategy also ensured that the quality of retail loan portfolio was maintained. EBL also launched Digi loan which is a complete online based loan for the customers. In the coming year, EBL Retail Assets is committed to building and maintaining a sustainable Retail portfolio.

SME Loans

10.5% Portfolio growth of SME Loans

EBL SME remained steadfast in 2021 and continued its effort to remain one of the leading financial partners for SMEs. A year which started with lot of promises as the havoc induced by the pandemic started to recede faced severe headwind when the country experienced second wave of the

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pandemic. Despite these impediments as the economy slowed down due to the lockdowns imposed, SME business finished the year with portfolio growth of 10.48% while number of disbursed loans increased by 30% from the previous year. EBL recognizes the growing impact of SMEs on the country's welfare and economic development in areas such as GDP contribution, poverty alleviation and employment generation. Therefore, EBL puts emphasis on activities for the advancement of the SME sector. The bank took extended measures to provide stimulus loans to SMEs and received recognition from the Central Bank for accomplishing the first phase stimulus loan target. EBL also introduced two new loan products for SMEs through which a customer can avail loan at one of the lowest rates in the market. Furthermore, particular focus is being given to women entrepreneurs, start-ups and businesses outside urban areas which will definitely pave the way for better financial inclusion.

Supply Chain Financing



Launching of EBL
Shomonnoy

Supply Chain Financing market in Bangladesh is still new. Dealers and suppliers still struggle to understand the financing process. In addition to that, companies with strong cash flows are not eager to help their dealers and suppliers financially through Supply Chain Financing from Banks. But things are gradually changing, and supply chain financing will achieve a big market in near future. However, to facilitate the dealers and suppliers where corporate anchors are not interested, EBL SCF launched an open market product named "EBL Shomonnoy" in 2021. It is a working capital financing for dealers and suppliers through demand loan without dependency on corporate anchors. EBL Shomonnoy has already gained popularity among the suppliers and dealers within a short span of time. It is expected to gain much more footprint in the coming years.

Cards Business

10.5% Portfolio growth of SME
Loans

In the face of numerous challenges due to COVID-19, EBL Cards Business successfully ended the year with significant growth across different parameters. At the end of the year, we were able to maintain one of the leading positions in the market in terms of our cards portfolio and transactions. Due to the pandemic, Point-of-Sale (POS) transactions declined and International Travel restrictions made cross-border transaction volume stagnant. In order to balance the impact, we heavily promoted e-commerce transactions and digital modes of payment through cards along with awareness campaigns to highlight the benefits of using card during the pandemic. EBL ensured year-long activities and campaigns to provide our cardholders with hassle-free cards services and useful offers on essential products and services. This resulted in a 30% increase in credit card transactions from 2020 and more than 5% growth in credit card outstanding Portfolio in 2021. The initiatives taken by cards business throughout the year also reflected in the total number of credit cards issuance in 2021, which increased by 40% from 2020.

EBL Cards Business rolled out an array of new products and services in 2021, including EBL GPL (General Pharmaceuticals Limited), Visa Employee Payroll Prepaid Card, EBL BDF (Bangladesh Doctor's Foundation) Co-brand Credit & Prepaid Card, Visa Contactless Classic & Gold Credit Cards, EBL Mastercard Women's Platinum Debit Card, the country's first mobile POS terminal and many more. Furthermore, EBL Cards Business was recognized with the Excellence in Mastercard Prepaid Business (Domestic)

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2020-21 and Excellence in Mastercard Prepaid Business (International) 2020- 21 awards for its contributions to the prepaid cards business of Bangladesh in 2021.

Priority Banking

41% deposit contribution by EBL
Priority Banking

EBL Priority Banking stepped into a new horizon in 2021 and produced a remarkable growth both in its deposit and asset portfolio. In the last 4 months of 2021, our Priority Banking deposit portfolio grew by 16%; whereas the overall Asset Portfolio grew by 28%, New Priority and Priority Plus customer Acquisition grew by 109% and 50% respectively.

With less than 1% of EBL's total customer base; EBL Priority Banking now holds over 41% deposit contribution and 8% asset contribution to the overall Retail Banking deposit and asset portfolio respectively.

While keeping pace with business, asset quality has never been compromised. Consequently EBL Priority Banking has been very prudent in ensuring Priority asset quality which resulted into less than 0.5% NPL. Alongside these, in its continuous effort of serving its ever growing customer base and to complement their lifestyle needs, EBL Priority Banking introduced 08 new reputed brands across the globe as lifestyle partners.

Women Banking

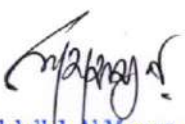
EBL Women Banking is persistently taking proactive initiatives to activate the latent market of female entrepreneurs in terms of building effective social awareness towards skill and entrepreneurship, ensuring more access to finance, addressing both professional and personal wellbeing. We have been empowering 70 plus women entrepreneurs by providing extensive business documentation support. We always believe, women's diverse lifestyle deserve better customized solutions and exclusive offers. In response to that, EBL Women Banking not only has enhanced its collaboration window with Country's Top brands but also has effectively justified a proper pool of diversification and uniqueness. In addition to lifestyle brands, EBL Women Banking has also raised the bar through effective collaboration with different prominent skill development partners i.e. Creative IT Institute, Women In Digital, WEAB.

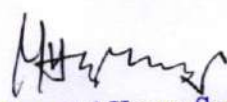
As the market is still facing different challenges due to lack of skill development programs, digital training and marketing, EBL Women Banking has not only ensured branch based entrepreneur training with 500 plus female customers but also provided extensive business documentation support to 70 plus women entrepreneurs with a vision to build an ecosystem where access to finance can be ensured, effective growth can be enhanced.

Agent Banking

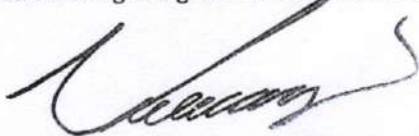
17 new Outlets Year-on-Year Account
launched in 2021 growth of **86%**

By adapting the motto of "সহজেই সব ব্যাংকিং সেবা", EBL Agent Banking has taken modern and simplified solutions to the doorsteps of the underserved population. Within a short span of time since its inception, EBL Agent Banking has already gained massive popularity among the banking community due to its unique branch-like ambience and service excellence; while ensuring the growth and inclusive development of the rural segment population.


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Excellence has always been the key focus point of EBL. EBL Agent Banking is also advancing its journey while keeping service excellence as its top most priority. Unlike others, EBL Agent Banking is striving to achieve quality not quantity. Qualified Agent Owners, robust business locations, sustainable business growth and 360 degree transformation of the community are the desirable features of EBL Agent Banking. All EBL Agent Outlets are equipped with our state of the art Agent Banking software and latest IT devices, which ensures real time smooth transactional experience for the customers. In this way, EBL is revolutionizing the remote level banking scenario of the country.

Establishing digital and cashless connection between businesses is the new project of EBL Agent Banking. EBL Agent Banking has taken initiative to make its Outlets as a digital hub to establish relationship between rural small and medium segments businesses with the large industrial businesses.

Payroll Banking

Over **300** businesses signed up in 2021


Payroll Banking mainly manages salary of the employees of our clients and provides other financial services. The department has the capacity to cater financial services to mid to large corporates. It was a very challenging year for the team as several changes were adopted due to COVID-19 pandemic and the fierce interest rate competition and its impact on the overall portfolio. Regardless of all the obstacles, Payroll Banking has managed to ensure growth. Our account growth for the year was 28.8%, which includes MNC and Large Corporates. Moreover, our digital innovation to cater the diverse financial and non-financial needs of our customer has made us more resilient and has given us a distinctive spot in the Employee Banking segment. The team has signed up 308 businesses for the year, which contributed deposit growth of 15.41%. Throughout the year the team conducted several Roadshows to promote Digital Services, Loan, and Credit Card Campaigns. The Loan outstanding growth was about 1.2% by reducing NPL to 1.64%, which is remarkable considering the market scenario.

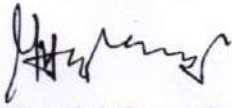
Student Banking


EBL Student Banking offers dedicated banking service for the students with a range of banking products and specialized banking services. With a view to promote financial literacy among the students this year we have published digital contents on financial literacy in social media platforms. In addition to this our branches have also encouraged students in their locality to open student banking accounts. Online onboarding of EBL Campus account has also been introduced. We also provide Student File Service – a specialized banking service for the students opting for studying abroad. We have catered uninterrupted student remittance processing even within the challenging times of ongoing pandemic. The service has contributed to our Bank's financials by exploring the avenue of fee income and foreign exchange gains. Student File Service is provided through: four (4) dedicated student centers; three (3) in Dhaka and one (1) in Chattogram along with a dedicated student desk at Upashahar branch, Sylhet and through other AD branches.

Retail Propositions

Retail Propositions ensures that EBL clients enjoy exciting benefits at all possible ranges of their spending points using EBL cards throughout the year. Accordingly we promote the finest benefits that are aligned with upscale lifestyle for our cardholders; arrange events, value added services and freebies; followed by EBL Skylounge in Dhaka and Chattogram for our Retail & SME Banking customers- with the view to enhance their banking experience to the fullest. Currently, we have more than 300


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renowned brands as alliance (discount) partner, covering a wide array of customers' consumption touch points.

This year the Retail Propositions team has carried out the highest number of campaigns in the history of EBL Retail Propositions. The year 2021 started with possibility but the grim of pandemic was still there. Throughout 2021, there were several online based healthcare events and special offerings which surely helped to keep customer attached to the brand. We have initiated propositions (offering) which have been unique in nature and implemented for the first time in EBL, such as – Ekushey Offer, Father's Day Celebration, Celebration of Golden Jubilee of our Independence and 50th Victory Day Celebration. Also this year the team was focused on catering special need based aspects, like – Breast Cancer Awareness and Access to Diabetes Care.

Digital Banking



Fastest Growing digital Bank in Bangladesh
awarded by International Finance
Magazine

BDT 10,000 Crore Transaction
Volume

6 New EBL 365 launched

97 Lac Total transactions

As the unforeseen pandemic in 2020 led to rippling challenges for the overall banking industry; 2020 was all about quick fixes and survival mechanism to salvage the best out of the pandemic situation. The year 2021 was far different. As the pandemic panic gradually settled down, people started to mature around the COVID lifestyle. It was the time to re-think, re-evaluate and transform those challenges into business opportunities strategically. From the beginning of 2021, EBL's Digital Banking has been at the heroic forefront with revolutionary solutions to fulfill the abruptly spurring needs of its customers to do banking from anywhere at any time.

From the perspective of EBL's customers, the term digital banking often resonates Skybanking at the top of their mind. In recent years, Skybanking has been growing popularity for providing customers with instant banking features and services at the peak of times. In 2021, EBL digital banking team in collaborated efforts, took Skybanking to newer heights steadily. With timely introduction of app based features such as, Skybanking Web Version, RTGS Fund Transfer from Skybanking, Credit Card Statement View and Download using Skybanking Web, Account statement View and Download using Skybanking Web, Instant Execution of Positive Pay Instruction, EBL Insta Banking, bKash to EBL account transfer, Self Service Portal, EBL Digi Loan, Self Service Card Currency Control (credit card foreign part enable/ disable and limit conversion from BDT to USD/USD/BDT) and Other Bank Credit Card Bill Payment (CCBP).

Several other digital banking initiatives were designed and renovated in light of the COVID quarantine periods while banking staying at home. Such as: EBL DIA, Query and Complaint Management Cell, Customer Due Diligence Review (CDD), Paperless POS Terminal, Automated Challan System and Net Banking. Moreover, EBL has successfully implemented six new EBL365s across the country in 2021. ATM cash management team has ensured regular night visits at different EBL365s as a part of ensuring safety and security during the COVID phase. Despite the COVID pandemic, 5% ATM transactions have increased in 2021 compared to 2020. Dropbox transactions have increased by 14%

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since 2020. In 2021, necessary initiatives were taken to implement and upgrade all terminals with latest operating systems and anti-malware solution along with existing security solution, as per directives in order to secure ATM network.

All of these coming together have made EBL stand out as a Bank which has strengthened its digital capabilities with successful outcomes during adverse situations. With a record transaction volume of BDT 10,000 Crore and over 97,00,000 transactions across both ATM and Digital platforms, it was another testament as to how transformed customers became in terms of performing their banking transactions. This yielded EBL an award from International Finance as the Fastest Growing Digital Bank, being the only bank in Bangladesh to win the award.

E-Commerce


2021 has been a remarkable year for EBL E-commerce team as it has generated more than BDT 36 crore revenue through both POS terminals and EBL SKYPAY, the online payment gateway of EBL. To achieve this milestone, a total transaction volume of BDT 4,771 crore has been processed through EBL SKYPAY. We have seen a year-on-year increment of 214% in terms of transaction volume while increment of revenue was 209% compared to the previous year. More than 15.7 million online transactions have been processed in 2021 by EBL SKYPAY making it the most frequently used payment gateway and as a result the year-on-year increment in terms of number of transactions processed is 195%. By processing this huge number of transactions for the merchants like bKash, Nagad, Daraz, Foodpanda, Chaldal and others; EBL SKYPAY possesses 76% of the market share of total E-commerce transactions of the country. We have participated in 220 campaigns in last year which also included a special "Visa card save campaign", to ensure higher number of transactions and volume through our payment gateway enabling us to strengthen our footsteps in the industry.

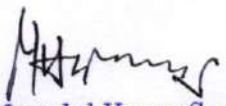
M-Commerce

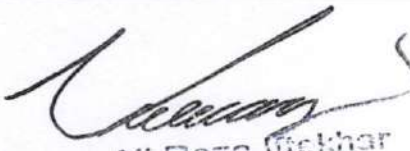
M-Commerce has always focused on the innovation and implementation of new products and services. The department looks after the promotion of products and services in digital platform which generate views, communication, new leads and improve conversion rate. Team M-Commerce leveraged Social Media to reach users in 2021 resulting in 41 million+ impressions on Facebook. Social Media opened newer avenues of customer interaction which is evident by the 14,000+ leads generated through it. Through Google Display Network (GDN) Ad campaigns, 25 million+ impressions were created across the internet. The Fund Transfer and Bill Payment services, a collaboration with the biggest names in MFS like bKash and Nagad and our own digital app solution EBL Skybanking leveraging Visa Direct technology, have generated more than BDT 650+ crore in transaction and BDT 2.80+ crore in revenue. Through Tokenization solution, a volume of BDT 13+ crore has been processed. The many avenues that we are exploring converges on the ideas such as tech based solutions that rely heavily on innovation and automation of processes that ensures convenience for overall payment scenario.

Challenges and our approach

Challenges	Our approach
Series of Lockdowns continued to impact SMEs.	EBL took extended measures to provide stimulus loans to SMEs.


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Due to the pandemic, Point-of-Sale (POS) transactions declined and International Travel restrictions made cross-border transaction volume stagnant.

Heavily promoting e-commerce transactions and digital modes of payment through cards.

Way forward

- Ensuring robust growth in deposits by focusing on complementing a digital eco-system for customer on-boarding with a product centric approach.
- In the coming year, EBL Retail Assets is committed to building and maintaining a sustainable Retail portfolio.
- EBL aims to continue to being part of the success stories of promising and aspiring SMEs in the upcoming days.
- Introducing more digital innovations for Payroll Banking customers to ensure a smoother customer experience.
- Transforming EBL Agent Outlets into a Social Hub for the rural community.

Retail & SME Banking Event Highlights



Zara Nazim, Director of EBL formally inaugurates the relocated Khulshi branch in Chittagong.



M. Khurshed Anwar, DMD and Head of Retail and SME Banking of EBL and Imran Mazhar Huda, Deputy Managing Director of SPIL sign a payroll banking agreement.



M. Khurshed Anwar, DMD and Head of Retail & SME Banking, EBL and Fayez Nicholas, Head of Teaching Centre, British Council sign the deal.



EBL and Women Entrepreneurs Association of Bangladesh sign an agreement.




EBL and Bangladesh Satellite Company Limited sign a payroll banking agreement.




EBL and G&S Secure Solutions Bangladesh (P) Ltd. sign a payroll banking agreement.

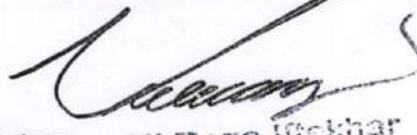


EBL and Best Western Plus Maya sign a deal.


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iii. Treasury, FI and Offshore Banking

Adverse effect of COVID-19 pandemic on world economy slowed down business activities and disrupted global economic recovery in 2021. The Banking sector of Bangladesh went through a roller coaster ride this year. Bangladesh economy started to reinstate from the first wave of COVID-19 pandemic with rising forex reserve and significant supply of government stimulus loans. However as the second wave of COVID-19 hit, it put the economic progressions at standstill. Private sector credit growth which faced sluggishness due to economic uncertainties, started to pick momentum in the last quarter of 2021 and stood at 10.68% in December 2021. Non-performing loan, escalation of loan write-offs, lack of corporate governance and increasing capital shortfall all these have already been part of irregularities and snags of banking industry of our country. Increased import payment along with declining trend of remittance inflow, caused the foreign exchange reserve to stand at USD 46.15 billion in December 2021. Excess liquidities caused the deposit rates to decline sharply. Slow credit expansion of private sector and surplus liquidity increased banking industry's focus on alternative investments such as government treasury bill-bonds, corporate bonds, Sukuk bonds, etc.

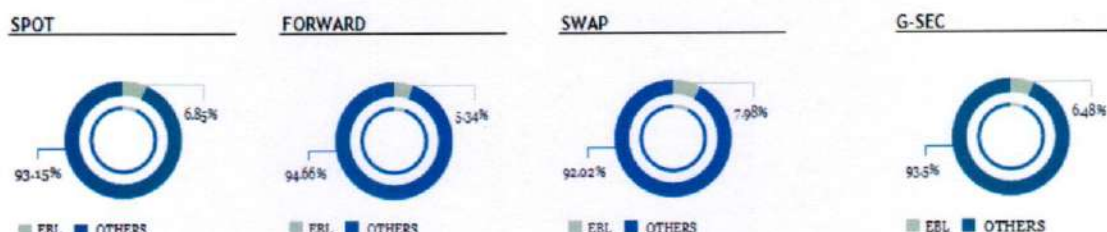
We remained vigilant and upbeat with the market changes during the year. As the overall credit growth of the economy was declining, we shifted our focus towards alternative investments and kept the revenue stream unharmed. In 2021, our investment in different perpetual bonds, sub-debt, zero-coupon bonds, etc. increased significantly to utilize the bank's accumulated liquidity.

Key facts & figures (2021 vs. 2020)

+19.71% Money market income growth	+3.45% Investment income growth	+3.31% Treasury income growth
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Milestone in 2021

First mover in executing government Bond Forward Deal: transaction between two parties to buy or sell Government Securities at a specified future time at a price agreed today.

EBL's Market Share**Our market performance in 2021**

Money Market: Money market condition in 2021 was less vibrant because of the declining credit growth and surplus liquidity condition. The prime challenge of 2021 in the banking sector was managing the surplus liquidity and maintaining a steady revenue generation. We were able to conserve the liquidity condition of the Bank prudently in compliance with the regulator's requirement and were able to increase the money market income by 19.71%.

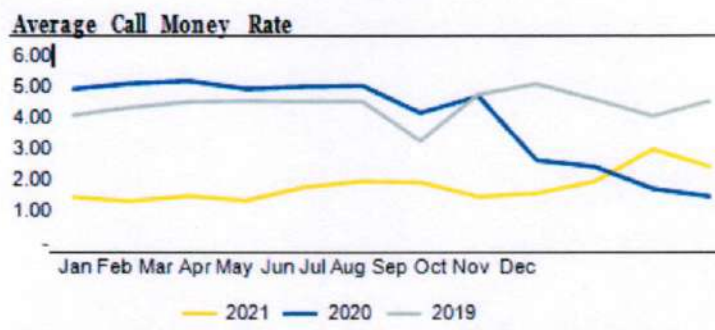
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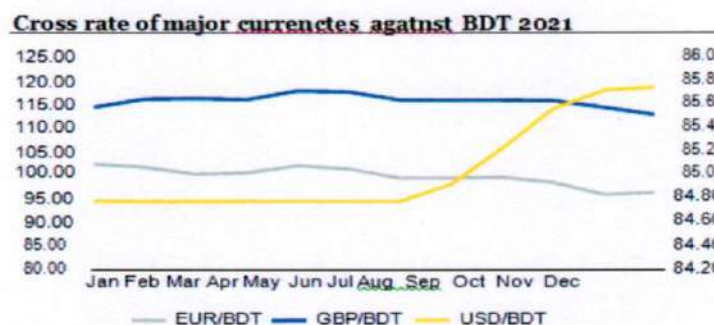
During the first three quarters of 2021, the average call money rate was flat and floated around 1.50% to 2.00%. However, in the last quarter, as the country started to recover from the second wave of COVID-19, the interest rate started to rise along with the overall credit growth.



Source: Bangladesh Bank website

Foreign exchange market: Bangladesh's forex reserve rose to USD 48.06 billion in August 2021 setting a new record for the first time in the history of Bangladesh amidst COVID-19 crisis. However, during the last two quarters of 2021, settlement of import LCs increased by 52.91% and was mostly driven by petroleum & petroleum products, capital machinery, and intermediate goods. This particular situation causes the US dollar price to hike skywards as the demand for the dollar increased enormously. As the inward remittance started to decline and the demand for the US dollar kept increasing, Bangladesh Bank sold approximately USD 2.03 billion to different banks as a part of active intervention to stabilize the market. From January to December of 2021, the US dollar price moved from BDT 84.80 to BDT 85.80.

As the foreign exchange market went through severe liquidity crisis, like others EBL faced difficulty in managing its foreign exchange liquidity and position. However, we were able to keep the Bank's liquidity level at optimum and maintain regulatory position within the prescribed limit along with substantial profit contribution.



Source: Bangladesh Bank website

Fixed income securities market: Negative private sector growth led to vibrant fixed income securities market in 2021. Throughout the year average yield of government securities dropped significantly. Available excessive liquidity plunged by heavy stimulus fund disbursement, and downward credit growth forced the banks to invest in government securities at a lower yield.

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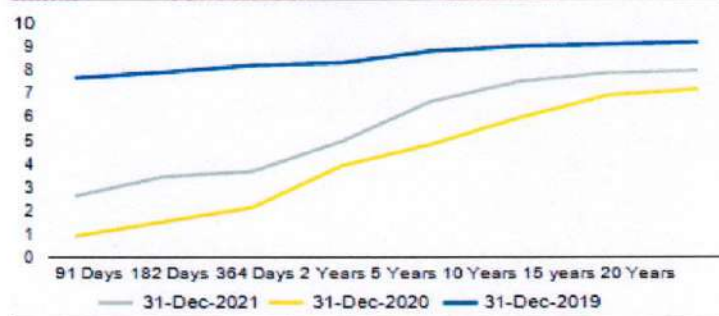
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According to Bangladesh Bank statistics, trading turnover volume of tradable government securities jumped by 22.14% percent in 2021. Total Treasury bill and Treasury bond trading turnover volume was BDT 1,377.73 billion in 2021, which was BDT 1,127.96 billion in 2020. As opportunity for investment shrank alongside credit growth, Bank's demand for government securities increased significantly and impacted the yield curve negatively. However, in 2021, EBL did well in both investing and trading of government securities and was able to generate 3.45% more profit from the fixed income securities market compared to previous year.

Yield Curve Comparison of Govt. Securities

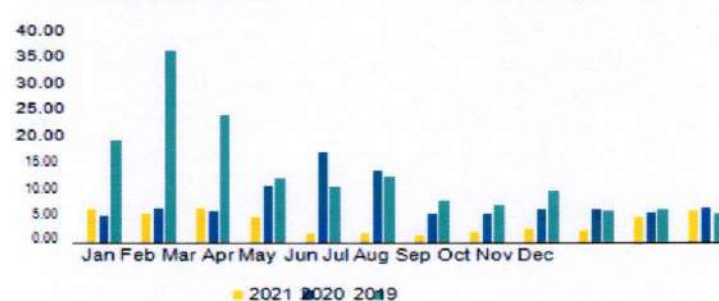


Source: Bangladesh Bank website

NRB Business

In 2021, EBL sourced inward remittance of USD 46.06 million through NRB business which was 18.68% of Bank's total inward remittance.

Inward remittance-NRB



Asset-liability Management (ALM)

Asset Liability Committee (ALCO) is one of the core decision-making committees of the Bank which primarily focuses on positioning the Bank's overall asset and liability. In 2021, EBL was able to maintain its asset-liability position swiftly to conserve a healthy balance sheet and helped to generate a noticeable amount of revenue for the Bank. Because of the ongoing progression of the pandemic, overall market condition was mostly liquid and loan growth was sluggish. ALCO was able to forecast the market condition in advance and able to diversify the investment portfolio for maximum return. Apart from these, the committee regularly monitored the various regulatory requirements such as Maximum Cumulative Outflow (MCO), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), etc. to ensure the overall financial stability of the Bank.

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Major areas focused by ALCO in 2021

- Investment in other banks Tier-II subordinate bond
- Focusing on alternative investment such as perpetual bond and zero coupon bond.
- Taking advantage from Money market Liquidity

International Business & Offshore Banking

Major achievements in 2021 are mentioned below:

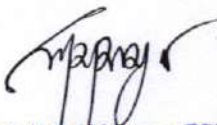
- Received 2021 US Dollar Clearing Elite Quality Recognition Award for Outstanding Achievement of Best in Class MT 202 STP Rate 99.98% from JP Morgan.
- Became the first Bangladeshi bank to conclude SOFR-based trade loan arrangement from Wells Fargo Bank.
- Sourced USD 603 million FCY fund in the year 2021 from foreign banks & DFIs for Off-shore Banking. Master Trade Loan Agreement (MRTA) signed with JP Morgan, Bank Muscat, Doha Bank and Citibank NA.
- Signed a 'Confirming Bank' agreement as the first bank in Bangladesh with the Asian Development Bank (ADB) under their Trade Finance Program.
- Signed an agreement with the Bangladesh Bank, under which EBL can give loan to export-oriented businesses for their technological development and up-gradation.
- Arranged LC Confirmation and Financing for 358 LCs for USD 780.99 million from foreign banks and LC Financing for 1949 LCs for USD 299.53 million from EBL Offshore banking.
- Issued Bank Guarantee of BDT 258.64 million favoring Power Grid Company of Bangladesh against counter guarantee of Export-Import Bank of India.

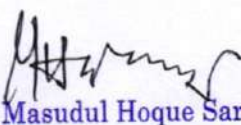
Challenges and our standpoint

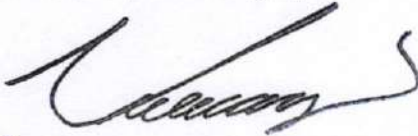
The banking sector faced several challenges in 2021 due to pandemic induced economic disruptions. This has further weakened the financial system of the country. Regardless of these, EBL has been able to continue the growth trend and increased total profitability. Along with that, continuous monitoring of asset- liability management along with future investment opportunities helped us in maintaining favourable regulatory liquidity ratios throughout the year.

Way forward

- Offering customized products to corporate customers for finding synergy effect.
- Digitization of treasury product and services.
- Efficient management of fund mobilization through effective asset-liability pricing.
- Offering customized derivative products.
- Becoming more vibrant in fixed income securities market to explore trading opportunities.


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Mr. Ali Reza Iftekhar

Managing Director & CEO

The longest serving Managing Director of the banking industry, Mr. Ali Reza Iftekhar is an ardent promoter of sustainable growth. As the Managing Director & CEO of EBL, he has successfully introduced international best practices and ethical banking and transformed the organization into a leading financial brand in the country. Under his leadership, the bank has achieved many a laurel including the Bank of the Year awarded by the Banker Magazine for two consecutive years, Best Retail Bank in Bangladesh awarded by The Asian Banker for six consecutive years 2013 - 2018; Euromoney Best Bank in Bangladesh for three consecutive years, Asiamoney Best Corporate and Investment Bank of Bangladesh for four consecutive years, FinanceAsia Best Bank of Bangladesh in 2017 and 2019, the IFC Global Award for the Best Partner for Working Capital Systemic Solution; ICSB National Award for Corporate Governance Excellence; the Best Financial Institution 2010 at the DHL-Daily Star Bangladesh Business Award.

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

An achiever throughout his career spanning over three decades, he was awarded CEO of the Year 2012 at Asian HR Leadership Award held in Dubai.

Mr. Ahmed Shaheen

Deputy Managing Director and Head of Corporate Banking

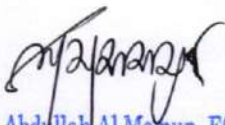
Mr. Ahmed Shaheen has around 27 years of professional exposure to Bangladesh banking industry. He started his career with IFIC Bank and served in important roles at different senior positions. He joined EBL in 2005 as Head of Trade Services. At EBL he successfully headed International Banking and Corporate Relationship Unit, Structured Finance & Relationship Unit and played the role of Area Head, Corporate Banking - Dhaka. He briefly served as Deputy Managing Director & Chief Business Officer at Prime Bank Ltd. from April 1, 2015 to July 31, 2016 before rejoining EBL as Deputy Managing Director.

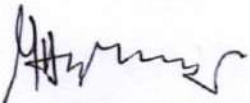
Mr. Shaheen was awarded Certified Documentary Credit Specialist certification by International Chamber of Commerce (ICC) Institute of Financial Services (IFS, UK) and International Financial Services Association (IFSA) - USA. He is also a certified graduate in Finance of International Trade & UCP 600 IFC Scheme. He completed his graduation from University of Dhaka. He is instrumental in designing many innovative structured corporate and trade products for Bangladesh financial market. He was a member of banking Commission of ICC Bangladesh.


Mr. M. M. Haikal Hashmi

Deputy Managing Director and Head of ICC and CAMLCO

Mr. Muhammad Mustafa Haikal Hashmi has more than 35 years of professional experience in the banking sector. He started his career with IFIC Bank Ltd. Prior to joining EBL, he was the Deputy Managing Director and Head of ICC and CAMLCO at IFIC Bank Ltd. He was also the Deputy Managing Director and Chief Risk Officer at Trust Bank Ltd. and Head of Credit Risk Management at Dhaka Bank Ltd. He has professional exposure in foreign banks in various capacities including ANZ Grindlays Bank, Standard Chartered Bank and Mashreq Bank, Dubai, UAE. Mr. Hashmi completed his Master's in Banking and Finance from 'Istituto Giordano Dell'amore', Italy and obtained M.Com and B. Com in Management from University of Dhaka.


Md. Abdullah Al Mamun, FCS
 Company Secretary
 Eastern Bank Limited
 Head Office, Dhaka.


Masudul Hoque Sardar
 Chief Financial Officer⁴¹
 Eastern Bank Limited


Ali Reza Iftekhar
 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.


Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

Mr. Mahmoodun Nabi Chowdhury

Deputy Managing Director and Chief Risk Officer

Mr. Chowdhury has almost 25 years of professional experience. He has started his banking career with Standard Chartered Bank in 1997. After working there for almost 14 years in different crucial roles he joined BRAC Bank as Head of Corporate Banking Division. Prior to joining EBL, he was the Deputy Managing Director and Head of Corporate Asset Marketing in ONE Bank Ltd. Mr. Chowdhury has completed his MBA from the Institute of Business Administration, Dhaka University and B.Com from Chittagong University.

Mr. M. Khurshed Alam

Deputy Managing Director and Head of Planning and Strategy

M. Khurshed Alam has 25 years of experience in Commercial Banking in Bangladesh. He started his banking career as 2nd batch Management Trainee of EBL in 1996. During his long 22 years with EBL, he has worked in various capacities including branch manager in Dhaka and Chattogram, Head of SME Risk under Credit Risk Management Department, Head of SME Banking Division and Head of Special Asset Management Division. Prior to joining EBL, he was the Deputy Managing Director of NRB Bank Limited and was assigned to look after Retail Banking, SME Banking, Agent Banking, Credit Card Division and Training Institute of NRB Bank Limited.

He is a Certified Credit Specialist CSA from Omega UK. He is a Senior Faculty Member of Workplace Skill Development Academy, New Zealand. He has conducted and facilitated a number of seminars, workshops and trainings for commercial bankers and SME entrepreneurs in cooperation with BIBM, BBTA, IFC and EU. Mr. Alam did his MSS and BSS in Public Administration from the University of Dhaka.

Mr. Mehdi Zaman

Deputy Managing Director and Head of Treasury, Offshore Banking and Financial Institutions

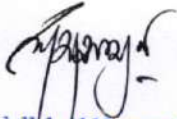
Mr. Mehdi Zaman started his career with EBL in 1999 as 4th batch Management Trainee. He is the 2nd MANCOM member from the EBL Management Trainee. During his 21-year of banking career, Mehdi has experience in working in Branches and International Division before working as a Foreign Exchange Dealer in Treasury Department. At EBL Treasury, he graduated himself from a Dealer to the Head of Treasury. He is also a member ALCO, BRMC, and Basel II Committee.

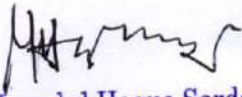
Mr. Mehdi is working as a core member of yearly survey "Review of Treasury Operations in Banks" of BIBM and regularly speaks on the field of Foreign Exchange, Risk Management, Dealing Room Operations and Assets Liability Management to various Banks and BIBM. He is the arranger of first ever "Foreign Exchange Bourse Game" in collaboration with BIBM for Bangladesh Bank and various local Bank officials. He is also instrumental in automating entire Treasury Front Office Operations with in-house IT solutions. Mr. Mehdi completed his Master's in Bank management (MBM) from BIBM.


Mr. Riad Mahmud Chowdhury

Deputy Managing Director and Head Corporate Business, Dhaka

Mr. Riad has around 20 years of professional exposure in banking industry in various capacities. He started his career with IFIC Bank and worked in Project Finance Division. In 2003 he joined AB Bank as Relationship Manager of Corporate Banking Division. He has been working with EBL since 2004 as Relationship Manager in Corporate Banking in different capacities. From 2008 he has successfully headed the Relationship team before becoming Deputy Managing Director and Head Corporate Business, Dhaka. He has been awarded Credit Skills Assessment certification by Omega Performance


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Masudul Hoque Sarwar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Corporation. He did his graduation from University of Dhaka in Finance and did his MBA from IBA in Finance.

Mr. Mahiuddin Ahmed

Deputy Managing Director and Head of Operations

Mr. Mahiuddin Ahmed's professional banking career spans over 33 years. He began his banking career at Standard Chartered Bank (SCB) Bangladesh in 1988 and served at various units until 2005. He then moved to SCB's regional headquarter in Singapore to oversee the implementation of Core Banking System (CBS) in major markets across Asia and Africa, where he served up to 2010. Prior to joining EBL, Ahmed was managing the Sanction Operations Advisory team under Group Financial Crime Compliance in Singapore, responsible for embedding sanctions policy, country deployment models and service metrics across 40 countries until 2016. He joined EBL the same year and became Head of Operations Division in 2017.

Mr. Ahmed has expertise in change management, projects, CBS implementation, process re-engineering, capacity and resource planning, compliance, control standards and risk management, etc. He had significant contribution in system migration when SCB acquired ANZ Grindlays Bank's Bangladesh operations in 2001 and American Express Bank's Bangladesh business in 2005. He was also involved in Grindlays Bank's integration project in Nepal and Jordan and acquisition projects and operational implementation in SCB Lebanon and Pakistan.

In 2016, Mr. Ahmed exercised a reassessment of EBL Operations' deliverables across the board, followed by process reengineering in 2017, improving efficiency and productivity in addition to eliminating tedious routine practices, old-fashioned processes and functional imbalances. In 2017, EBL Operations received ISO 9001:2015 certification, a testimony of his leadership excellence and organized teamwork. Mr. Ahmed obtained a Bachelor and Master's in Economics from Jahangirnagar University, Dhaka. He attended formal training in advanced Sanction Compliance, Operational Risk, Technology Projects and many other courses in Singapore, India, Hong Kong and the UK.

Mr. M. Khorshed Anwar

Deputy Managing Director and Head of Retail and SME Banking

M. Khorshed Anwar is currently the Head of Retail & SME Banking. He has more than 25 years of experience in Electronics, Trading, Logistics, Telecom and Banking industries. He joined EBL in 2010. Before being promoted to DMD he was heading Retail and SME Banking and has successfully accomplished his assignments as Head of Cards Business, Head of Cards, Head of Payroll Banking & Customer Proposition, Head of Direct Business and Head of Business in the same bank. In his career he has also worked for Rangs Group and global multinational companies like DHL Express & Airtel. He has also worked abroad with different companies.

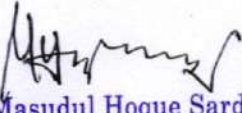
Mr. Khorshed holds a Bachelor degree in Commerce from University of Dhaka. He has obtained his Master degree in Business Administration with Major in Marketing from NIMM, India. He attended many training programs, workshops, seminars and conferences on different areas throughout his career at home and abroad.

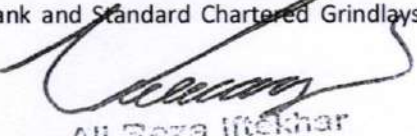
Mr. S M Akhtaruzzaman Chowdhury

Head of Governance, Risk and Control

Mr. S M Akhtaruzzaman Chowdhury has over 37 years of professional exposure in banking industry both in local and multinational banks in various capacities. He started his career with Grindlays Bank Limited in 1982 and continued with ANZ Grindlays Bank and Standard Chartered Grindlays Bank till


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Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

2002. He joined EBL in 2003. Before taking over the charge as Head of Governance, Risk and Control, he worked as Head of Internal Control & Compliance Division and acting chief of Anti Money Laundering & Compliance Officer, Head of Service Delivery, Head of Operations and Head of Risk Management Department. He did his Master's in Marketing from University of Dhaka. He is a certified AML professional by Fintelekt India. He attended many training programs on Operational Risk Management, Fraud Risk Management, and Financial Crime Compliance at home and abroad.

Mr. Iftekhar Uddin Chowdhury

Head of Special Asset Management

Mr. Iftekhar has 28 years of professional experience in banking industry in various capacities. He began his career with UCBL and served at different positions before joining EBL in 2000. At EBL he has successfully headed Trade Service Division and served as Area Head Retail Banking, Chattogram and Area Head Corporate Banking, Chattogram. Currently, he is serving as Head of Special Asset Management. He did his B.A (Hons) and MA from Chittagong University.

Mr. Masudul Hoque Sardar

Chief Financial Officer

Mr. Masudul Hoque Sardar has around 20 years' experience in the Bank and Non-bank financial institutions (NBFIs) in the areas of financial reporting and analysis, asset liability management, tax and financial management, regulatory reporting and compliance, Basel III and capital adequacy assessment, review and supervision of risk management and asset finance and leasing. Prior to joining EBL in August 2005, he worked for United Leasing Company Limited for more than four years.

Having a sound academic track record, Mr. Hoque obtained his MBA from Institute of Business Administration (IBA) and BBA (Major in Accounting) from Department of Accounting, both under University of Dhaka. He attended several trainings, workshops, seminars on the above mentioned areas both at home and abroad. He is the member of almost all the committees of management including MANCOM, ALCO, Executive Risk Management Committee (ERMC), Credit Risk Management Committee (CRMC), Purchase Committee (PC) and President of Cost Olympic Committee (CoC).

Mr. Zahidul Haque

Chief Technology Officer

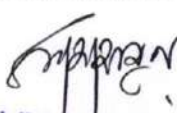
Mr. Zahidul Haque has over 20 years of experience in Information and Communication Technology and Banking industries. He joined EBL in 2011. Before taking over the charge of Information Technology Division, he has successfully accomplished his assignments as Head of Alternative Distribution Channels, Head of Digital Banking & Payments, and Head of Liability and Wealth Management.

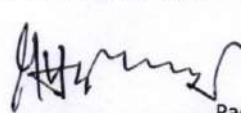
Having a sound academic track record, Mr. Zahid earned a Bachelor of Business Administration degree jointly with Assumption University (ABAC), Bangkok, Thailand and IUBAT—International University of Business Agriculture and Technology, Dhaka, Bangladesh. He has obtained his Master in Business Administration degree from IUBAT. He attended many training programmes, workshops, seminars and conferences on ICT and Banking at home and abroad.

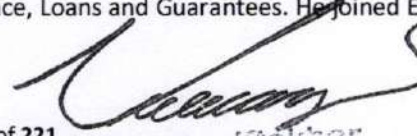
Mr. Ashraf Uz Zaman

Head Corporate Business, Chattogram

Ashraf uz Zaman has more than 25 years of banking experience to his credit. He began his career as a Management Trainee Officer with American Express Bank Limited in 1994 and served in different mid-level positions in Customer Service, Foreign Remittance, Loans and Guarantees. He joined Eastern Bank


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Ali Raza Iftekhar
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Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Limited in 2000 and served in various departments and positions of the Bank including Branch Manager and Cluster Head, Retail Banking, Chattogram, Head of Branch Operations and Support of Retail Banking at Head Office. Before taking the charge of Head Corporate Business, Chattogram he has worked as Area Head, Chattogram, Corporate Banking, Head of Special Asset Management, Head of Compliance, Head of Monitoring and Deputy Chief Anti Money Laundering Compliance officer of EBL.

He obtained his Master's degree in Accounting from University of Chittagong and completed Chartered Accountancy Course from Rahman Rahman Huq, Chartered Accountants. He has attended many training programs, workshops, seminars and conferences on Leadership Developments, Communications Skills, Operational Risk Management, Fraud Risk Management, Financial Crime Compliance, Compliance & Risk, Trade and Compliance and Managing Loan Recovery and Restructuring at home and abroad.

Mr. Monjurul Alam

Head of Human Resources

Human Resources generalist working in HR for more than 20 years with a proven track record of working at MANCOM level in a diverse range of commercial and industrial environment. With all round HR skills delivering effective solutions to meet strategic business objectives and to build consistently improved business performance. A strong pro-active leader, empowering staff to take ownership, providing coaching, training and mentoring to build cohesive teams working together to achieve individual targets and company objectives. A credible HR professional with significant exposure to delivering business relevant HR initiatives within dynamic environments.

During his career he has worked for Eastern Bank, City Bank, British High Commission Dhaka, RANGS Group and RAK Ceramics. He teaches pupils also at the top business schools and a very good trainer. Apart from delivering in-house and freelance courses he has also delivered courses at different training institutes in India and Singapore. He is a member of one of the national committees of Bangladesh Scouts and a proud volunteer of the Bangladesh Red Crescent Society.

Fellow of the CIPD (UK) and Certified Strategic Human Resources Professional (USA) striving for excellence and continuously aiming to improve business performance through world class interventions. With a firm emphasis on: people potential and capability, leveraging skills and knowledge and providing a clear return on investment, global experience has been gained through working with more than 14 nations professionals. Key strengths include forward thinking, strategic planning and driving productivity in major projects, with an impressive background in organizational design and high quality development. An ambitious, motivated and resilient individual with an ever expanding network and proven interpersonal skills.

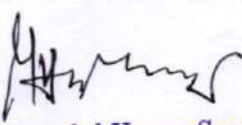
Mr. Md. Abdul Matin

Head of Credit Risk Management

Mr. Md. Abdul Matin has a professional career of more than 25 years in leading commercial banks in different capacities and assignments. He started his career with Southeast Bank Limited in 1996 as a probationary officer and served in different positions including Head of Credit and Foreign Trade of different large corporate branches. In his long banking career, he held senior positions with Prime Bank Limited and National Bank Limited.

He completed Certified Expert in Risk Management [CERM] Program jointly conducted by Frankfurt School of Finance & Management, Germany and Bangladesh Institute of Bank Management [BIBM],


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Head Office, Dhaka.


Masudul Hoque Sardar⁴⁵
Chief Financial Officer
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Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

b Disclosure regarding overall transaction of REPO and reverse REPO.

Particulars	Min Outstanding during the year	Max Outstanding during the year	Daily average outstanding during the year
Securities sold under REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	343,572,703	3,094,664,082	151,729,520
Securities purchased under Reverse REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	301,935,080	3,599,855,855	90,429,836

ii. Unencumbered Assets with Value thereof:

Held for Trading (HFT)	12/31/2021	12/31/2020
Figures are in BDT		
91 days T-Bill	-	
182 days T-Bill	-	499,917,500.00
364 days T-Bill	-	8,247,601,000.00
2 Years T- Bond	-	2,895,098,672.70
5 Years T- Bond	-	2,906,837,758.80
10 Years T- Bond	-	5,733,163,000.50
15 Years T- Bond	-	
20 Years T- Bond	-	1,242,820.70
Total		20,283,860,752.70

Held to Maturity (HTM)	12/31/2021	12/31/2020
Figures are in BDT		
91 days T-Bill	-	
182 days T-Bill	-	
364 days T-Bill	-	
2 Years T- Bond	-	1,387,465,540.35
5 Years T- Bond	411,644,630.73	1,506,171,145.72
10 Years T- Bond	27,658,406,013.60	22,728,700,276.28
15 Years T- Bond	9,085,106,633.72	3,140,909,790.84
20 Years T- Bond	4,069,576,634.51	1,467,546,108.44
Total	41,224,733,912.57	30,230,792,861.63

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e. Brief Profile of the Board of Directors**Mr. Md. Showkat Ali Chowdhury**

Chairman

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

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

Mr. M. Ghaziul Haque

Director

Mr. M. Ghaziul Haque joined the EBL Board in 1993 and ever since serving the Board except a brief absence of five years from 2006 to 2011. He has served as the Chairman of EBL for two terms from 2000-2006, and 2013-2018. He graduated from Chittagong Government College under University of Dhaka in 1955 and began his career with the reputed British company Bird & Co. Ltd. and rose to the position of the Managing Director in 1976 when the company was changed to Birds Bangladesh Ltd.

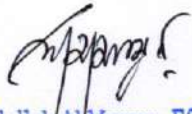
In 1980, he left the company to start his business and partnered with Aquamarine Limited, a Chattogram based Shipping Company. Later, he formed a joint venture company Maersk Bangladesh Limited of Maersk Lines, Copenhagen, Denmark. He served as the Chairman of the company until 1997 with an excellent track record. Currently, he is the Chairman of MGH Group, a sprawling conglomerate headquartered in Singapore and spanning over 21 countries in Integrated Supply Chain, Total Cargo Management (TCM) for Low Cost Carriers (LCC), Global Distribution Systems for Airlines, Cross Border Freight Trains, and Satellite Fulfilment Centre (SFC) operators, FM Radio Stations, Tea and Rubber Plantations, Food & Beverage Retail, and Retail & Commercial Banking.


Mr. Mir Nasir Hossain


Director

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

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


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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

He led the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade organization of the country, as its President from 2005 to 2007, and served the organization prudently with commitment and dedication. He held many important positions in various regional businesses and trade bodies including Senior Vice President of SAARC Chamber of Commerce and Industry (SCCI) and Vice President of Confederation of Asia Pacific Chambers of Commerce and Industry (CACCI). Currently, he is the President of Faridpur Diabetic Association and Chairman of the Governing Body of Faridpur Diabetic Association Medical College. He is the Chairman of Mir Securities Ltd. He is the Chairman of both the Executive Committee (EC) and Risk Management Committee (RMC) of the Board of EBL and member of EBL Shariah Supervisory Committee of EBL Islamic Banking. He is actively engaged in various social works, most notably Bangladesh Red Crescent Society as life time member.

Ms. Salina Ali

Director

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

She is a member of the Executive Committee (EC) of the Board. She is also the chairman of EBL Asset Management Limited, a fully owned subsidiary of EBL. She did her Honours and Master's in Sociology from the University of Dhaka. She is involved in many social and philanthropic works and committed to make positive changes in the society.

Mr. Anis Ahmed

Director

Mr. Anis Ahmed, Founder and Group CEO of MGH Group, a sprawling conglomerate headquartered in Singapore and spanning over 21 countries in Integrated Supply Chain, Total Cargo Management (TCM) for Low Cost Carriers (LCC), Global Distribution Systems for Airlines, Cross Border Freight Trains, and Satellite Fulfilment Centre (SFC) operators, FM Radio Stations, Tea and Rubber Plantations, Food & Beverage Retail, and Retail & Commercial Banking, and valuable startups.

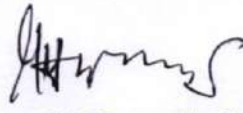
He is a member of the Executive Committee (EC) of the Board of Directors of EBL. He earned his Bachelor of Science (Finance) from the University of Utah and MBA from Arkansas State University, USA, and began his career with A.P. Moller Maersk as an Intern at its Morristown, New Jersey Headquarters. He later joined his father's business, an A.P. Moller Maersk joint venture in Bangladesh (Maersk Bangladesh Ltd) and left after four years to establish his own start-up, MGH, named after his father M. Ghaziul Haque, current Director of EBL and Chairman of the MGH Group.

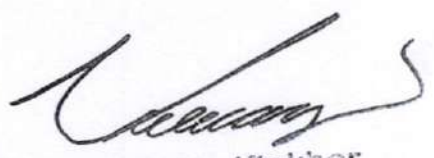
He along with his wife Suhana is the Co-Founder, Co-Chair and a Trustee member of 'Suhana & Anis Ahmed Foundation' (SAAF) and have recently launched 16 scholarships for meritorious but underprivileged students at BRAC University pursuing Computer Sciences (CSE) degrees. The SAAF's long list of initiatives include supporting Monwara Islam Tajul Islam Welfare Trusts to establish "Shailan Probeen Nibash", an old home for senior citizens; providing support to BSMMU's 31-bed Children Leukemia ward. During COVID-19 lockdown period, with SAAF's financial contributions Bidyanondo Foundation delivered staple food to over 40,000 families, approximately over 250,000 individuals in Bangladesh, and Bhalo (Valo) Kajer Hotel (Meal for Good work), a community project, delivering over 30,000 meals during the month of Ramadan in 2022.

Mr. Mufakkharul Islam Khasru

Director


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Chief Financial Officer
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Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mr. Mufakkharul Islam Khasru did his B.Com from Chattogram Commerce College and MBA from Institute of Business Administration (IBA), University of Dhaka. Currently, he is the Managing Director of Finlay Properties Ltd., an affiliate of JF (Bangladesh) Ltd. Before taking up the current responsibilities at Finlay Properties in 2010, he was the CEO of SANMAR, a leading business house with diversified interests in property development, custom brokerage, stevedoring, and commodity trading.

He is a member of both the Audit Committee (AC) and Risk Management Committee (RMC) of the Board of EBL. He is also a Director of EBL Securities Limited, a fully owned Subsidiary of EBL. He is an avid reader and has a strong impulse to travel and explore the world. A sport enthusiast, he enjoys socializing. He is an active member of a number of clubs including Chittagong Club Ltd., Bhatary Golf & Country Club, Chittagong Boat Club, and a life member of Bangladesh Diabetic Society.

Mr. Gazi Md. Shakhawat Hossain

Director

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

He is a member of both the Audit Committee (AC) and Risk Management Committee (RMC) of the Board of EBL. He is also a Director of EBL Asset Management Limited, a fully owned subsidiary of EBL. He obtained his Master's degree in Accounting from the University of Dhaka. He is well known for his expertise in the areas of financial reporting and management, insurance, power plant, and hospitality industry.

Mrs. K.J.S Banu

Director

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

She has been actively involved with the Inner Wheel Club of Dhaka Midtown for a number of years. She has also been an active member of Gulshan Ladies Club, Uttara Ladies Club, Dhaka Ladies Club, Baridhara Diplomatic Club and Gulshan Club. A connoisseur of art, she is popular among the arts circle for her patronage of talented and promising young artists. She is a Director of EBL Investments Limited, a fully owned subsidiary of EBL. Previously, she was a member of the Board of Directors of EBL for a three-year term from 2003 to 2006.

Ms. Zara Namreen

Director

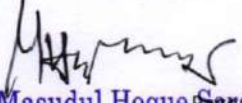
Ms. Zara Namreen is currently the Executive Director of JF (Bangladesh) Limited and associated with Namreen Enterprise Limited, Z.N. Enterprise Limited and M/S. S.N. Corporation. She is a member of the Risk Management Committee (RMC) of the Board of EBL. She did her Bachelor of Science from University of Hull, UK and Master of Science from Queen Mary University of London. She is a member of Chittagong Club Limited.

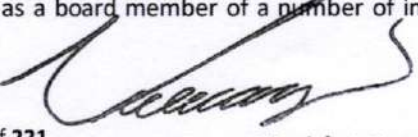
Dr. Toufic Ahmad Choudhury

Independent Director

A renowned economist, Dr. Toufic Ahmad Choudhury did his Ph.D. from Himachal Pradesh University, Shimla, India under Indian commonwealth scholarship. He is currently serving as the Director General of Bangladesh Academy for Securities Markets and also as a board member of a number of institutions


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque, FCS
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

including Palli Karma Sahayak Foundation (PKSF) and Institute for Inclusive Finance and Development (InM). He was Director General of Bangladesh Institute of Bank Management (BIBM) from 2010 to 2019. He also served as the General Secretary of Bangladesh Economic Association (BEA) for consecutive two terms 2010-2014.

Dr. Toufic started his professional career as a Research Associate with Bangladesh Institute of Development Studies (BIDS). In 1981 he joined Bangladesh Institute of Bank Management (BIBM) as a lecturer and became professor in 1997. He received numerous professional trainings organized by IMF Training Institute, Toronto Centre, Standard Chartered Bank, USAID and World Bank. He is a member of EBL Shariah Supervisory Committee (EBL-SSC) of Islamic Banking. He is a member of both the Audit Committee (AC) and Risk Management Committee (RMC) of the Board of Directors of EBL. He is also a Director of EBL Asset Management Limited, a fully owned subsidiary of EBL. An expert in financial institution management, risk management, international trade payment and finance, he has over fifty publications in national and international journals.

Mr. Ashiq Imran

Independent Director

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


He is the elected chairman of Institute of Architects Bangladesh (IAB) for a two-year term 2021-22. Currently, he is the CEO and principal architect of the Chattogram-based architectural consulting firm Fialka. He is associated with numerous organizations as member/adviser including member of Chittagong Chamber of Commerce and Industry (CCCI); Board member of Chattogram Development Authority; Adviser of Suchinta Bangladesh, Chattogram Division; General Secretary of Soviet Alumni Association (SAAB), Chattogram and other prestigious organizations. He is a member of the Audit Committee (AC) of the Board of EBL. He is also a Director of EBL Investments Limited and EBL Securities Limited, both are fully owned subsidiaries of EBL.

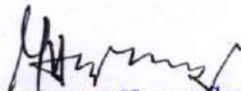
Mr. Ruslan Nasir


Director

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

His vast experience in wide range of businesses include ceramic tiles, construction, telecom, ICT, real estate, food chain and banking. He is also serving as the Director of Bangladesh Chamber of Industries (BCI) and sits on the board of Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA). He did his MBA from Rotman School of Management, University of Toronto, and a Bachelor of Engineering, Electrical and Electronic Engineering from Carleton University, Canada. His philanthropic works include social development projects of Faridpur Diabetic Association and patronage of a number of hospitals and orphanages.


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Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Mr. Ali Reza Iftekhar

Managing Director & CEO

The longest serving Managing Director of the banking industry, Mr. Ali Reza Iftekhar is an ardent promoter of sustainable growth. As the Managing Director & CEO of EBL, he has successfully introduced international best practices and ethical banking and transformed the organization into a leading financial brand in the country. Under his leadership, the bank has achieved many a laurel including the Bank of the Year awarded by the Banker Magazine for two consecutive years, Best Retail Bank in Bangladesh awarded by The Asian Banker for six consecutive years 2013 - 2018; Euromoney Best Bank in Bangladesh for three consecutive years, Asiamoney Best Corporate and Investment Bank of Bangladesh for four consecutive years, FinanceAsia Best Bank of Bangladesh in 2017 and 2019, the IFC Global Award for the Best Partner for Working Capital Systemic Solution; ICSB National Award for Corporate Governance Excellence; the Best Financial Institution 2010 at the DHL-Daily Star Bangladesh Business Award.

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

An achiever throughout his career spanning over three decades, he was awarded CEO of the Year 2012 at Asian HR Leadership Award held in Dubai.

f. Description of Assets and Liabilities (consolidated)**Assets***Loans and advances/Investments*

Particulars	Amount in BDT
Investments	
Government	
Treasury Bills	-
Treasury Bonds	41,224,733,913
Prize Bonds	4,696,900
	41,229,430,813
Others (Investment in securities other than govt)	
Corporate bond (non-convertible)	1,000,000,000
Subordinated bonds (issued by other banks)	10,420,000,000
Perpetual Bond	5,000,000,000
Zero Coupon Bond	553,609,362
Preference Shares	4,190,000,000
Ordinary Shares & Mutual Funds (MFs)-(Quoted and Unquoted)	6,507,969,656
	27,671,579,018
Total	68,901,009,831
Loans and advances	
Loans, cash credits, overdraft etc.	
Inside Bangladesh	
Loans – general	195,151,411,436
Cash credit	1,919,846,190
Overdraft	35,555,793,477
Less: Inter-company elimination (with EBLSL borrowings)	(1,527,653,859)
	231,099,897,244

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Managing Director & CEO
UCB Investment Limited

Outside Bangladesh	
Overdraft-EBL Finance (HK) Limited	5,313,927,553
Less: Inter-company elimination (with borrowing)	(5,313,927,553)
	-
Bills purchased and discounted	
Inside Bangladesh	
Local bills /documents	35,198,112,487
Foreign bills /documents	157,010,482
	35,355,122,969
Outside Bangladesh	
Bills financed & UPAS (by EBL Finance HK Ltd)	5,147,143,445
	40,502,266,414
Total	271,601,663,658

Fixed assets including land, building, furniture and fixtures

Particulars	Amount in BDT
Freehold lands and land development	4,060,205,301
Buildings and floor spaces	1,407,955,522
Capital work in progress *	127,218,237
General machineries and equipment's	699,691,494
Computer and network equipment's	1,078,011,559
Digital banking equipment's	271,103,920
Electromechanical equipment's	343,783,516
Furniture and fixtures	714,069,946
Vehicles	231,297,494
Right of use assets (Lease assets)	1,736,408,856
Software	770,963,709
Total cost	11,440,709,555
Accumulated depreciation and amortization	(3,772,698,804)
Written down value at 31 December	7,668,010,751

Liabilities

Borrowing from banks, financial institutions and agents

Particulars	Amount in BDT
Non-convertible subordinated bond	5,500,000,000
Borrowing from other Banks, Fls, Agents etc.	59,796,372,676
Total	65,296,372,676

Deposits and Other Accounts

Deposits and Other Accounts	Amount in BDT
Current deposits & other accounts, etc.	32,298,170,288
Bills payable	1,155,851,680
Savings bank deposits	70,403,378,712

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Managing Director & CEO
UCB Investment Limited

Fixed deposits	101,607,706,168
Other deposits- special notice (SND) account	61,982,493,378
Bearer certificates of deposits	-
Total	267,447,600,226

Other Liabilities

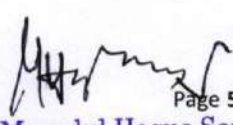
Particulars	Amount in BDT
Privileged creditors	809,991,826
Acquirer liabilities	1,286,229,244
Sundry creditors	210,513,976
Security deposit	5,797,180
Current tax liability/(assets)	3,368,573,510
Provision for loans, advances and OBS exposures (excluding OBO)	12,310,907,332
Provision for loans, advances and OBS exposures (OBO)	1,332,329,766
Special general provision -Covid 19	756,003,206
Interest suspense account	2,939,008,519
Provision for protested bill and others	219,304,150
Provision for non-banking assets	-
Provision for start-up fund	87,805,631
Provision for rebate to good borrowers	46,100,257
Provision for loss on revaluation of shares (net)	408,519,732
Advance interest/commission received	47,469,311
Expenses payable	846,890,274
Interest payable on borrowing	266,192,477
Miscellaneous liabilities/payables	982,488,812
Lease liabilities (present value of lease payments)	752,382,202
Net Benefit Obligation	650,816,131
Other liabilities of subsidiaries	477,042,127
Total	27,804,365,660


g. Description of previously issued debt securities

Issue	: EBL 1 st Subordinated Bond
Issue Size	: BDT 2,500 Million
Issued Date	: 19 February, 2015
Nature of the Bond	: Non-Convertible Floating Rate Unsecured Subordinated Bond
Tenure of Bond	: 7 Year
Listing	: Unlisted
Coupon Rate	: Benchmark Rate + 2.75% p.a. Coupon Floor Rate: 11.50% p.a. Coupon Ceiling Rate: 14.00% p.a.
Redemption as on December 31, 2021	: BDT 2000 Million
Outstanding Amount as on December 31, 2021	: BDT 500 Million

Issue	: EBL 2 nd Subordinated Bond
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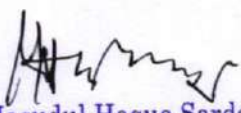
Issue Size	:	BDT 5,000 Million
Issued Date	:	08 April, 2019
Nature of the Bond	:	Non-Convertible Floating Rate Unsecured Subordinated Bond
Tenure of Bond	:	7 Year
Listing	:	Unlisted
Coupon Rate	:	Benchmark Rate + 2.50% p.a. Coupon Floor Rate: 7.50% p.a. Coupon Ceiling Rate: 10.50% p.a.
Redemption as on December 31, 2021	:	NIL
Outstanding Amount as on December 31, 2021	:	BDT 5,000 Million

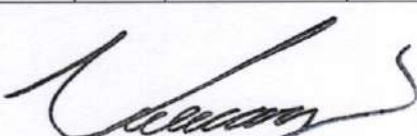
Description of Equity Securities

As per Audited Financial Statements as on December 31, 2021, the bank had paid up capital of BDT 9,538,644,670.

For the year	AGM Date	Particulars	No. of Share	Face Value in Taka	Total Value in Taka	Cumulative Paid-up Capital in Taka
Incorporation in 1992	09 Dec 1993	As per MOA & AOA	6,000,000	100	600,000,000	600,000,000
1999	5 Aug 2001	20% Bonus Share	1,200,000	100	120,000,000	720,000,000
2002	08 Dec 2003	15% Bonus Share	1,080,000	100	108,000,000	828,000,000
2006	12 Jun 2007	25% Bonus Share	2,070,000	100	207,000,000	1,035,000,000
2007	25 May 2008	34% Bonus Share	3,519,000	100	351,900,000	1,386,900,000
2007	25 May 2008	Right Share 2:1 at Par	6,934,500	100	693,450,000	2,080,350,000
2008	28 Apr 2009	20% Bonus Share	4,160,700	100	416,070,000	2,496,420,000
2009	30 Mar 2010	17% Bonus Share	4,243,914	100	424,391,400	2,920,811,400
2010	30 Mar 2011	55% Bonus Share	160,644,627	10	1,606,446,270	4,527,257,670
2011	28 Mar 2012	35% Bonus Share	158,454,018	10	1,584,540,180	6,111,797,850
2015	19 May 2016	15% Bonus Share	91,676,967	10	916,769,670	7,028,567,520
2016	27 Apr 2017	5% Bonus Share	35,142,837	10	351,428,370	7,379,995,890
2018	23 May 2019	10% Bonus Share	73,799,958	10	737,999,580	8,117,995,470
2020	30 May 2021	17.5% Bonus Share	142,064,920	10	1,420,649,200	9,538,644,670


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Chief Financial Officer
Eastern Bank Limited


Ali Reza Intekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

10. AUDITOR'S REPORT (DECEMBER 31, 2021) ALONG WITH AUDITED FINANCIAL STATEMENTS OF THE ISSUER

*Complete Auditor's Report has been attached as Appendix-1 at the end of the Information Memorandum (IM)

a) Consolidated Balance Sheet

Eastern Bank Limited and its subsidiaries Consolidated Balance Sheet as at 31 December 2021			
Amount in BDT			
	Note	2021	2020
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	3,710,909,855	3,218,511,774
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,957,829,541	12,480,410,176
		18,668,739,396	15,698,921,950
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	15,358,095,560	12,728,955,558
Outside Bangladesh	4.2	1,527,361,769	664,331,925
		16,885,457,329	13,393,287,483
Money at call and short notice	5	1,573,200,000	60,000,000
Investments	6		
Government	6.1	41,229,430,813	50,517,783,114
Others	6.2	27,671,579,018	15,498,577,951
		68,901,009,831	66,016,361,065
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	231,099,397,244	212,083,018,369
Bills discounted and purchased	7.2	40,502,266,414	18,462,037,803
		271,601,663,658	230,545,056,172
Fixed assets including land, building, furniture and fixtures	8	7,668,010,751	7,772,646,971
Other assets	9	6,889,182,751	5,916,516,734
Non banking assets	10	-	105,576,495
TOTAL ASSETS		392,187,263,713	339,508,366,870
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,500,000,000	6,000,000,000
Borrowing from other Banks, FIs, Agents etc.		59,796,372,676	40,281,080,617
		65,296,372,676	46,281,080,617
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	32,298,170,288	27,698,304,935
Bills payable	12.2	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,168	111,289,608,129
Other deposits- special notice (SND) account		61,982,493,378	37,090,361,579
Bearer certificates of deposits			
		267,447,600,226	241,295,379,865
Other liabilities	13	27,804,365,660	22,482,811,084
TOTAL LIABILITIES		360,548,338,562	310,059,271,566
SHAREHOLDERS' EQUITY			
Paid-up capital	14	9,538,644,670	8,117,995,470
Statutory reserve	15	9,538,644,670	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Land and other assets)	17	2,501,893,279	3,492,079,880
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(406,049,063)	(209,986,561)
Foreign currency translation gain/(loss)	19	1,996,272	2,405,658
Surplus in profit and loss account	20	9,504,261,953	8,969,072,019
TOTAL SHAREHOLDERS' EQUITY		31,638,925,151	29,449,095,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		392,187,263,713	339,508,366,870



Md. Abdullah Al Mamun, FCS
Company Secretary
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Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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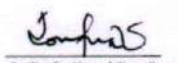
Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

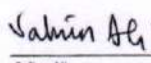
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

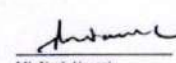
		Amount in BDT	
	Note	2021	2020
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21	-	-
Letters of guarantees	21.1	53,047,505,500	42,593,184,478
Irrevocable letters of credit	21.2	31,749,649,918	27,229,615,956
Bills for collection	21.3	46,268,850,715	26,084,696,594
Others	21.4	10,647,181,021	8,032,352,776
		141,713,187,154	103,939,849,804
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	118,101,190	120,428,481
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		118,101,190	120,428,481
TOTAL OFF-BALANCE SHEET ITEMS		141,831,288,344	104,060,278,285

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Iftakhar
Managing Director & CEO
Dhaka, 31 March 2022


Dr. Toufic Ahmad Choudhury
Director


Salina Ali
Director


Mir Nasir Hossain
Director

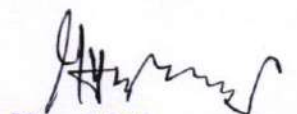
Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants

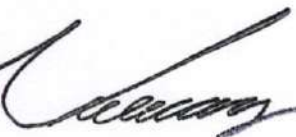

Md. Jahidur Rahman FCA
Partner, Enrolment No: 860

Dated: Dhaka,
DVC No: 2204050860AS516571

05 APR 2022


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
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Ali Reza Iftakhar
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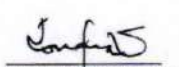

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

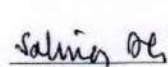
b. Consolidated Profit & Loss Account

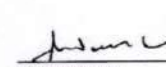
Eastern Bank Limited and its subsidiaries			
Consolidated Profit and Loss Account			
for the year ended 31 December 2021			
Amount in BDT			
Particulars	Note	2021	2020
Interest income	22	16,535,769,415	20,011,368,328
Interest paid on deposits and borrowings	23	(8,601,126,650)	(13,959,493,914)
Net interest income		7,934,642,765	6,051,874,414
Income from investments	24	5,996,842,333	5,101,545,522
Fees, commission and brokerage	25	3,623,741,723	3,067,368,036
Other operating income	26	287,206,430	345,885,248
Total operating income		9,907,790,486	8,514,798,806
17,842,433,251		14,566,673,219	
Salary & allowances (excluding those of MD)	27	4,263,549,170	4,073,299,850
Rent, taxes, insurance, utilities etc.	28	427,243,019	440,047,713
Legal & professional expenses	29	87,507,746	64,899,448
Postage, stamp, telecommunication etc.	30	155,475,165	138,968,011
Stationery, printing, advertisement, business promotion etc.	31	275,000,463	296,837,619
Managing Director's salary and allowances (Bank only)	32	28,441,208	26,328,372
Directors' fees & expenses	33	3,372,804	3,179,506
Audit fees	34	2,530,051	2,472,615
Depreciation and repair of bank's assets	35	1,044,994,764	1,010,715,838
Other operating expenses	36	688,797,665	614,810,771
Total operating expenses		6,976,912,056	6,671,559,741
Profit before provisions		10,865,521,195	7,895,113,478
Provision for loans and off-balance sheet exposures:	13.4.1		
Specific provision (net off w/o recovery)		1,733,791,900	928,245,166
General provision for loans & advances		475,235,139	(293,454,371)
Special general provision for Covid 19		152,926,606	602,388,520
General provision for off balance sheet exposures		368,073,261	19,415,553
		2,730,026,906	1,256,594,868
Other provision	37	(395,908,014)	(101,490,592)
Total provisions		2,334,118,892	1,155,104,276
Profit before tax for the year		8,531,402,303	6,740,009,203
Current tax expense for the year	13.3.1	4,021,028,809	2,709,205,926
Deferred tax income (net)	38	(289,850,900)	(149,577,739)
Total provision for taxation		3,731,177,909	2,559,628,187
Profit after tax for the year		4,800,224,394	4,180,381,016
Appropriation			
Statutory reserve	15	(1,420,649,200)	-
General reserve		(1,420,649,200)	-
Retained earnings carried forward		3,379,575,194	4,180,381,016
Earnings per share (EPS) (restated 2020)	39	5.03	4.38

These financial statements should be read in conjunction with the annexed notes.

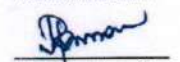

 Ali Reza Hekkar
 Managing Director & CEO
 Dhaka, 31 March 2022


 Dr. Toufic Ahmad Choudhury
 Director


 Salina Ali
 Director


 Mr. Nasir Hossain
 Director

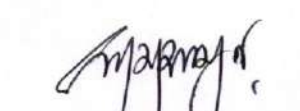
Signed as per our annexed report:
 Howladar Yunus & Co.
 Chartered Accountants



 Md. Jahidur Rahman FCA
 Partner, Enrolment No: 860

Dated: Dhaka,
 DVC No: 220405 0860 AS 516 571

05 APR 2022

12


 Md. Abdullah Al Mamun, FCS
 Company Secretary
 Eastern Bank Limited
 Head Office, Dhaka.


 Masudul Hoque Sardar
 Chief Financial Officer
 Eastern Bank Limited

Page 58 of 221


 Ali Reza Hekkar
 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.


 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

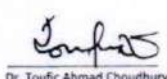
c. Consolidated Cash Flow Statement

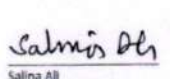
Eastern Bank Limited and its subsidiaries
Consolidated Cash Flow Statement
for the year ended 31 December 2021

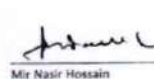
		Amount in BOT	
Note	2021	2020	
A) Cash flows from operating activities			
Interest receipts in cash	16,643,441,262	18,524,486,123	
Interest payments	(10,149,631,198)	(15,396,039,685)	
Dividend receipts	230,973,031	153,019,086	
Fees and commission receipts in cash	3,317,944,639	2,954,139,616	
Income from investment (other than dividend received)	5,849,819,097	4,518,552,742	
Recoveries on loans previously written off	363,274,439	725,759,332	
Cash payment to employees (including directors)	(4,173,353,626)	(4,060,915,412)	
Cash payment to suppliers	(1,249,822,276)	(1,228,511,398)	
Income taxes paid	(2,420,046,758)	(3,690,357,073)	
Receipts from other operating activities	287,206,430	345,885,248	
Payments for other operating activities	(688,797,665)	(614,810,771)	
Cash from operating profit before changes in operating assets and liabilities	8,011,007,375	2,231,207,808	
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase-net) of trading securities	18,651,991,769	(10,558,729,038)	
Loans and advances to customers (other than banks)	(41,085,874,502)	10,227,596,106	
Recovery from non banking assets	12,345,330	-	
Other assets	(829,223,559)	(694,487,760)	
Deposits from other Banks	(262,280,684)	(1,786,223,237)	
Deposits from customers (other than banks)	27,932,297,188	4,289,418,612	
Liability for tax	(1,311,131,151)	1,130,728,886	
Liabilities for provision	(2,697,293,332)	(1,880,863,607)	
Other liabilities	5,031,660,875	3,066,459,100	
Cash generated from changes in operating assets and liabilities	5,442,391,934	3,793,899,062	
Net cash received from operating activities	13,453,399,308	6,025,106,870	
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities	(22,343,168,875)	(12,655,242,003)	
(Purchase-net) of property, plant and equipment	(724,622,359)	(1,088,471,897)	
Net cash (used in) investing activities	(23,067,791,233)	(13,743,713,900)	
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents	19,015,292,055	(6,567,155,371)	
Dividend paid (cash dividend)	(1,420,649,200)	(1,217,699,321)	
Net cash received from/(used in) financing activities	17,594,642,855	(7,784,854,692)	
D) Net increase/(decrease) in cash (A+B+C)	7,980,250,930	(15,503,461,722)	
E) Effects of exchange rate changes on cash and cash equivalents	(3,496,235)	652,532	
F) Opening cash and cash equivalents	29,155,338,931	44,658,148,121	
G) Closing cash and cash equivalents (D+E+F)*	37,132,093,625	29,155,338,931	
*Closing cash and cash equivalents			
Cash in hand (including foreign currencies)	3,710,909,855	3,218,511,774	
Balances with Bangladesh Bank and its agent bank (s)	14,957,829,541	12,480,410,176	
Balances with other Banks and Financial Institutions	16,885,457,325	13,393,287,481	
Money at call and short notice	1,573,200,000	60,000,000	
Prize bonds	4,606,900	3,129,500	
	37,132,093,625	29,155,338,931	

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Iftakhar
Managing Director & CEO

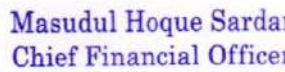

Dr. Toufic Ahmad Choudhury
Director

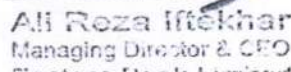

Salma Ali
Director


Mir Nasir Hossain
Director

Dhaka, 31 March 2022


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



d. Consolidated Statement of Changes in Equity

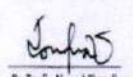
Eastern Bank Limited and its subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

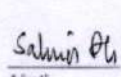
Amount in BDT

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial re-measurement (loss)	Foreign currency translation difference	Surplus in profit and loss account	Total
Balance as on 1 January 2021	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,986,563)	2,405,658	8,969,072,019	29,449,095,304
Bonus share issued for 2020	1,420,649,200	-	-	-	-	-	-	(1,420,649,200)	-
Cash dividend paid for 2020	-	-	-	-	-	-	-	(1,420,649,200)	(1,420,649,200)
Profit after tax for the year	-	-	-	-	-	-	-	4,800,224,393	4,800,224,393
Transfer to statutory reserve	-	1,420,649,200	-	-	-	-	-	(1,420,649,200)	-
Adjustment of revaluation of treasury securities (HFT)	-	-	-	(817,134,941)	-	-	-	-	(817,134,941)
Reserve for amortisation of treasury securities (HTM)	-	-	-	9,039,202	-	-	-	-	9,039,202
Adjustment of reserved for non banking assets	-	-	-	(93,231,165)	-	-	-	-	(93,231,165)
Re-measurement (loss) on defined benefit plans	-	-	-	-	-	(196,062,500)	-	-	(196,062,500)
Reserve for revaluation of land properties	-	-	-	(88,859,697)	-	-	-	-	(88,859,697)
Foreign currency translation difference	-	-	-	-	-	-	(409,387)	-	(409,387)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(3,086,859)	(3,086,859)
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,501,893,278	603,493,370	(406,049,063)	1,996,271	9,504,261,952	31,638,925,151
Balance as at 31 December 2020	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,986,563)	2,405,658	8,969,072,019	29,449,095,304

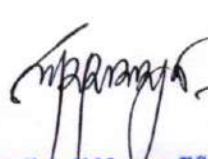
These financial statements should be read in conjunction with the annexed notes.

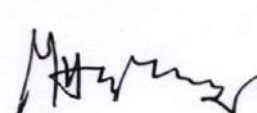

 Al Reza Iftakhar
 Managing Director & CEO
 Dhaka, 31 March 2022



 Dr. Toufik Ahmed Choudhury
 Director


 Salina Ali
 Director


 Mir Nasir Hossain
 Director


 Md. Abdullah Al Mamun, FCS
 Company Secretary
 Eastern Bank Limited
 Head Office, Dhaka.


 Masudul Hoque Sardar
 Chief Financial Officer
 Eastern Bank Limited


 Al Reza Iftakhar
 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.


 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

e. Balance sheet (Solo)

Eastern Bank Limited
Balance Sheet
as at 31 December 2021

Amount in BDT

	Note	2021	2020
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	3,710,774,087	3,218,381,880
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,957,829,541	12,480,410,176
		18,668,603,628	15,698,792,056
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	15,005,092,489	12,444,848,375
Outside Bangladesh	4.2	1,264,597,790	558,299,302
		16,269,690,279	13,003,147,677
Money at call and short notice	5	1,573,200,000	60,000,000
Investments	6		
Government	6.1	41,229,430,813	50,517,783,114
Others	6.2	25,423,718,052	13,431,621,587
		66,653,148,865	63,949,404,701
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	234,038,851,242	214,171,172,833
Bills discounted and purchased	7.2	35,355,122,969	14,772,690,062
		269,393,974,211	228,943,862,895
Fixed assets including land, building, furniture and fixtures	8	7,632,189,734	7,710,898,017
Other assets	9	8,623,907,370	7,463,906,711
Non banking assets	10	-	105,576,495
TOTAL ASSETS		388,814,714,087	336,935,588,555
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,500,000,000	6,000,000,000
Borrowing from other Banks, FIs, Agents etc.		57,686,515,851	38,286,389,129
		63,186,515,851	44,286,389,129
Deposits and other accounts	12		
Current deposits & other accounts etc.	12.1	32,747,951,058	28,274,075,619
Bills payable	12.2	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,168	111,289,608,129
Other deposits- special notice (SND) account		62,103,962,762	37,516,986,909
Bearer certificates of deposits		-	-
		268,018,850,380	242,357,774,879
Other liabilities	13	26,592,772,458	21,315,844,877
TOTAL LIABILITIES		357,798,138,689	307,960,008,885
SHAREHOLDERS' EQUITY			
Paid-up capital	14	9,538,644,670	8,117,995,470
Statutory reserve	15	9,538,644,670	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Land & others)	17	2,416,474,912	3,406,661,513
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(406,049,063)	(209,986,563)
Foreign currency translation gain/(loss)	19	(5,967,070)	(326,701)
Surplus in profit and loss account	20	8,975,293,909	8,583,707,111
TOTAL SHAREHOLDERS' EQUITY		31,016,575,398	28,975,579,670
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		388,814,714,087	336,935,588,555



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

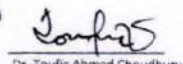
All Roza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

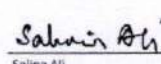
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

		Amount in BDT	
Note	2021	2020	
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21.1	53,047,505,500	42,593,184,478
Letters of guarantees	21.2	31,749,649,918	27,229,615,956
Irrevocable letters of credit	21.3	46,268,850,715	26,084,696,594
Bills for collection	21.4	10,647,181,021	8,032,352,776
Other liabilities		-	-
		141,713,187,154	103,939,849,804
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	118,101,190	120,428,481
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		118,101,190	120,428,481
TOTAL OFF-BALANCE SHEET ITEMS		141,831,288,344	104,060,278,285

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Iftekhar
Managing Director & CEO
Dhaka, 31 March 2022



Dr. Toufic Ahmad Choudhury
Director



Salina Ali
Director

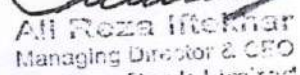

Mir Nasir Hossain
Director

Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants


Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka,
DVC No: 220405 0860AS 516571
05 APR 2022


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited
Page 62 of 221


Ali Reza Iftekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

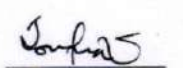

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

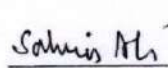
f. Profit and Loss account (Solo)

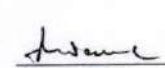
Eastern Bank Limited Profit & Loss Account for the year ended 31 December 2021			
Amount in BDT			
Particulars	Note	2021	2020
Interest income	22	16,206,209,303	19,667,413,756
Interest paid on deposits and borrowings	23	(8,444,976,493)	(13,737,063,652)
Net interest income		7,761,232,810	5,930,350,104
Income from investments	24	6,088,639,366	5,048,674,967
Fees, commission and brokerage	25	3,040,479,254	2,823,051,316
Other operating income	26	267,799,268	331,681,115
Total operating income		17,158,150,697	14,133,757,502
Salary & allowances (excluding those of MD)	27	4,100,539,805	3,923,591,968
Rent, taxes, insurance, utilities etc.	28	415,353,404	430,005,846
Legal & professional expenses	29	86,483,565	63,853,652
Postage, stamp, telecommunication etc.	30	148,308,477	131,767,614
Stationery, printing, advertisement, business promotion etc.	31	271,160,246	292,012,702
Managing Director's salary and allowances	32	28,441,208	26,328,372
Directors' fees & expenses	33	2,771,554	2,717,506
Audit fees	34	1,190,312	1,202,057
Repairs, maintenance and depreciation	35	1,001,833,059	970,168,499
Other operating expenses	36	634,250,171	599,828,196
Total operating expenses		6,690,331,802	6,441,476,411
Profit before provisions		10,467,818,895	7,692,281,091
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net off w/off recovery)		1,655,381,613	764,801,333
General provision for loans		475,235,139	(293,454,371)
Special general provision for Covid 19		152,926,606	602,388,520
General provision for off-balance sheet exposures		388,073,261	19,415,553
		2,651,616,619	1,093,151,035
Other provision	37	(391,478,235)	(91,661,695)
Total provisions		2,260,138,385	1,001,489,340
Profit before tax for the year		8,207,680,510	6,690,791,751
Current tax expense for the year	13.3.1	3,855,014,674	2,640,680,434
Deferred tax income (net)	38	(301,198,890)	(52,451,737)
Total provision for taxation		3,553,815,784	2,588,228,698
Profit after tax for the year		4,653,864,726	4,102,563,054
Appropriation			
Statutory reserve	15	(1,420,649,200)	-
General reserve		(1,420,649,200)	-
Retained earnings carried forward		3,233,215,526	4,102,563,054
Earnings per share (EPS) (restated 2020)	39	4.88	4.30

These financial statements should be read in conjunction with the annexed notes.

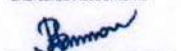

Ali Reza Iftikhar
Managing Director & CEO
Dhaka, 31 March 2022


Dr. Toufic Ahmad Choudhury
Director


Salina Ali
Director


Mir Nasir Hossain
Director


Signed as per our annexed report:
Howlader Yunus & Co.
Chartered Accountants


Md. Jahidur Rahman FCA
Partner, Enrolment No: 860

Dated: Dhaka,
DVC No: 2204050860AS516571

05 APR 2022


Md. Abdullah M Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque, 63
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

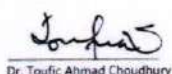
g. Cash flow statement (Solo)

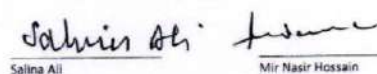
Eastern Bank Limited
Cash Flow Statement
for the year ended 31 December 2021

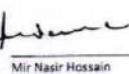
		Amount in BDT	
	Note	2021	2020
A) Cash flows from operating activities			
Interest receipts in cash		16,284,739,074	18,243,372,761
Interest payments		(9,993,443,560)	(15,172,791,349)
Dividend receipts		199,399,208	138,078,576
Fees and commission receipts in cash		2,732,231,871	2,709,822,896
Income from investment (other than dividend)		5,973,189,953	4,480,622,697
Recovery on loans previously written off	13.4.1	363,274,439	725,759,332
Cash payment to employees (including directors)		(4,017,539,129)	(3,912,637,846)
Cash payment to suppliers		(1,217,480,524)	(1,201,000,079)
Income taxes paid	13.3.2	(2,290,690,848)	(3,584,048,614)
Receipts from other operating activities		267,799,268	331,681,115
Payments for other operating activities		(634,250,171)	(599,828,196)
Cash generated from operating activities before changes in operating assets and liabilities		7,667,229,580	2,159,031,293
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase)/sale of trading securities		18,835,036,031	(10,760,662,458)
Loans and advances to customers (other than banks)		(40,449,552,103)	4,785,116,138
Recovery from non banking assets		12,345,330	-
Other assets	40	(1,014,792,055)	(558,391,547)
Deposits from other Banks	12.b.1	(262,280,684)	(1,785,223,237)
Deposits from customers (other than banks)		27,441,152,328	5,167,653,008
Liability for tax		(1,263,124,936)	995,819,917
Liabilities for provision		(2,623,412,824)	(1,727,248,670)
Other liabilities	41	4,996,132,255	2,701,535,895
Cash generated from changes in operating assets and liabilities		5,671,503,343	(1,182,400,954)
Net Cash received from operating activities		13,338,732,922	976,630,339
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities		(22,345,308,535)	(12,655,811,043)
(Purchase-net) of property, plant and equipment		(715,809,642)	(1,048,655,020)
Net cash (used in) investing activities		(23,061,118,176)	(13,704,466,063)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents		18,900,126,722	(6,534,399,079)
Dividend paid (cash dividend)		(1,420,649,200)	(1,217,699,321)
Net cash received from/(used in) financing activities		17,479,477,521	(7,752,098,400)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		7,757,092,264	(20,479,934,124)
E) Effects of exchange rate changes on cash and cash equivalents		(5,970,692)	(778,208)
F) Opening cash and cash-equivalents		28,765,069,234	49,245,781,566
G) Closing cash and cash-equivalents (D+E+F)*		36,516,190,806	28,765,069,234
*Cash and cash-equivalents consists of:			
Cash in hand (including foreign currencies)	3.1	3,710,774,087	3,218,381,880
Balances with Bangladesh Bank and its agent bank (s)	3.2	14,957,829,541	12,480,410,176
Balances with other Banks and Financial Institutions	4	16,269,690,279	13,003,147,677
Money at call and short notice	5	1,573,200,000	60,000,000
Prize bonds	6.1	4,696,900	3,129,500
		36,516,190,806	28,765,069,234

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Ittekkhar
Managing Director & CEO
Dhaka, 31 March 2022


Dr. Toufic Ahmad Choudhury
Director


Salina Ali
Director


Mir Nasir Hossain
Director



19

Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Ittekkhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

h. Statement of Changes in Equity (Solo)

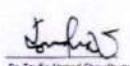
Eastern Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2021

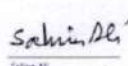
Amount in BDT

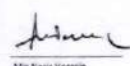
Particulars	Paid-up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial remeasurement (loss)	Foreign currency translation difference	Retained earnings	Total
Balance as at 1 January 2021	8,117,995,470	8,117,995,470	356,040,000	3,406,661,512	603,493,370	(209,986,563)	(326,701)	8,583,707,111	28,975,579,670
Bonus share issued for 2020	1,420,649,200	-	-	-	-	-	-	(1,420,649,200)	-
Cash dividend paid for 2020	-	-	-	-	-	-	-	(1,420,649,200)	(1,420,649,200)
Profit after tax for the year	-	-	-	-	-	-	-	4,653,864,727	4,653,864,727
Transfer to statutory reserve	-	1,420,649,200	-	-	-	-	-	(1,420,649,200)	-
Adjustment for revaluation of treasury securities (HTT)	-	-	-	(817,134,941)	-	-	-	-	(817,134,941)
Reserve for amortisation of treasury securities (HTM)	-	-	-	9,039,202	-	-	-	-	9,039,202
Remeasurement (loss) on defined benefit plans	-	-	-	-	-	(156,062,500)	-	-	(156,062,500)
Adjustment on revaluation of lands	-	-	-	(88,859,697)	-	-	-	-	(88,859,697)
Adjustment of reserved for non banking assets	-	-	-	(93,231,165)	-	-	-	-	(93,231,165)
Currency translation difference	-	-	-	-	-	-	(5,640,368)	-	(5,640,368)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(330,128)	(330,128)
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,416,474,811	603,493,370	(406,049,063)	(5,967,069)	8,975,293,910	31,016,575,398
Balance as at 31 December 2020	8,117,995,470	8,117,995,470	356,040,000	3,406,661,512	603,493,370	(209,986,563)	(326,701)	8,583,707,111	28,975,579,670

These financial statements should be read in conjunction with the annexed notes.

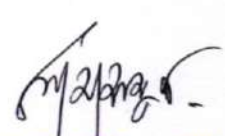

Ali Reza Iftekhar
Managing Director & CEO
Dhaka, 31 March 2022



Dr. Toufic Ahmad Choudhury
Director



Salina Ali
Director


Mr. Nasir Hossain
Director




Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

11. BRIEF OVERVIEW AND COMPARATIVE FINANCIAL STATEMENTS

Balance Sheet (Consolidated)

Particulars	2021	2020	2019
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	3,710,909,855	3,218,511,774	3,088,367,831
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	14,957,829,541	12,480,410,176	16,601,918,975
	18,668,739,396	15,698,921,950	19,690,286,806
Balance with other banks and financial institutions			
In Bangladesh	15,358,095,560	12,728,955,557	19,963,271,483
Outside Bangladesh	1,527,361,769	664,331,924	4,405,925,232
	16,885,457,329	13,393,287,481	24,369,196,715
Money at call and on short notice	1,573,200,000	60,000,000	594,300,000
Investments			
Government	41,229,430,813	50,517,783,115	31,927,657,257
Others	27,671,579,018	15,498,577,951	10,138,813,514
	68,901,009,831	66,016,361,066	42,066,470,771
Loans and advances			
Loans, cash credits, overdraft etc.	231,099,397,244	212,083,018,369	218,070,540,410
Bills discounted and purchased	40,502,266,414	18,462,037,803	21,024,167,598
	271,601,663,658	230,545,056,172	239,094,708,008
Fixed assets including land, building, furniture and fixtures	7,668,010,751	7,772,646,970	7,407,132,303
Other assets	6,889,182,751	5,916,516,734	4,869,888,925
Non-banking assets	-	105,576,495	108,736,495
TOTAL ASSETS	392,187,263,713	339,508,366,868	338,200,720,022
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents			
Non-convertible subordinated bond	5,500,000,000	6,000,000,000	6,500,000,000
Borrowing from other Banks, FIs, Agents etc.	59,796,372,676	40,281,080,617	46,348,235,988
	65,296,372,676	46,281,080,617	52,848,235,988
Deposits and other accounts			
Current deposits & other accounts, etc.	32,298,170,288	27,698,304,935	24,837,018,432
Bills payable	1,155,851,680	1,492,231,668	1,131,830,685
Savings bank deposits	70,403,378,712	63,784,873,554	50,214,304,541
Fixed deposits	101,607,706,168	111,289,608,129	131,735,401,586
Other deposits- special notice (SND)	61,982,493,378	37,030,361,579	32,061,412,240

Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

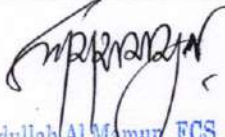
Ali Reza Iftokhar
Managing Director & CFO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Particulars	2021	2020	2019
account			
Bearer certificates of deposits		-	-
	267,447,600,226	241,295,379,865	239,979,967,484
Other liabilities	27,804,365,660	22,482,811,081	19,410,763,266
TOTAL LIABILITIES	360,548,338,562	310,059,271,563	312,238,966,738
SHAREHOLDERS' EQUITY			
Paid-up capital	9,538,644,670	8,117,995,470	8,117,995,470
Statutory reserve	9,538,644,670	8,117,995,470	8,117,995,470
Dividend equalization reserve	356,040,000	356,040,000	356,040,000
Assets revaluation reserve (Land and other assets)	2,501,893,279	3,492,079,880	2,758,085,527
General reserve	603,493,370	603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	(406,049,063)	(209,986,563)	-
Foreign currency translation gain/(loss)	1,996,272	2,405,658	5,365,748
Surplus in profit and loss account	9,504,261,953	8,969,072,019	6,002,777,699
TOTAL SHAREHOLDERS' EQUITY	31,638,925,151	29,449,095,305	25,961,753,284
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	392,187,263,713	339,508,366,868	338,200,720,022

Profit and Loss Statement (Consolidated)

Particulars	2021	2020	2019
Interest income	16,535,769,415	20,011,368,328	23,583,269,636
Interest paid on deposits and borrowings	(8,601,126,650)	(13,959,493,913)	(15,306,369,064)
Net interest income	7,934,642,765	6,051,874,415	8,276,900,572
Income from investments	5,996,842,333	5,101,545,522	2,699,084,429
Fees, commission and brokerage	3,623,741,723	3,067,368,036	3,785,461,173
Other operating income	287,206,430	345,885,248	258,386,812
	9,907,790,486	8,514,798,806	6,742,932,414
Total operating income	17,842,433,251	14,566,673,221	15,019,832,985
Salary & allowances (excluding those of MD)	4,263,549,170	4,073,299,849	3,895,272,859
Rent, taxes, insurance, utilities etc.	427,243,019	440,047,713	615,896,173
Legal & professional expenses	87,507,746	64,899,448	118,015,990
Postage, stamp, telecommunication etc.	155,475,165	138,968,011	145,322,841
Stationery, printing, advertisement, business promotion etc.	275,000,463	296,837,619	358,335,602
Managing Director's salary and allowances (Bank only)	28,441,208	26,328,372	24,618,065
Directors' fees & expenses	3,372,804	3,179,506	5,144,029
Audit fees	2,530,051	2,472,615	2,344,092


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Ittekkhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
Depreciation and repair of bank's assets	1,044,994,764	1,010,715,838	781,598,098
Other operating expenses	688,797,665	614,810,771	695,313,413
Total operating expenses	6,976,912,056	6,671,559,742	6,641,861,161
Profit before provisions	10,865,521,195	7,895,113,479	8,377,971,824
Provision for loans and off-balance sheet exposures:			
Specific provision (net off w/o recovery)	1,733,791,900	928,245,166	1,254,816,341
General provision for loans & advances	475,235,139	(293,454,371)	174,331,665
Special general provision for Covid 19	152,926,606	602,388,520	-
General provision for off balance sheet exposures	368,073,261	19,415,553	(117,854,862)
	2,730,026,906	1,256,594,868	1,311,293,145
Other provision	(395,908,014)	(101,490,592)	723,320,311
Total provisions	2,334,118,892	1,155,104,276	2,034,613,456
Profit before tax for the year	8,531,402,303	6,740,009,203	6,343,358,369
Current tax expense for the year	4,021,028,809	2,709,205,926	3,017,426,997
Deferred tax income (net)	(289,850,900)	(149,577,739)	(664,461,960)
Total provision for taxation	3,731,177,909	2,559,628,187	2,352,965,037
Profit after tax for the year	4,800,224,394	4,180,381,016	3,990,393,333
Appropriation			
Statutory reserve	(1,420,649,200)	-	(737,999,580)
General reserve	-	-	-
	(1,420,649,200)	-	(737,999,580)
Retained earnings carried forward	3,379,575,194	4,180,381,016	3,252,393,753
Earnings per share (EPS)	5.03	4.38	4.92

Cash Flow Statement (Consolidated)

Particulars	2021	2020	2019
A) Cash flows from operating activities			
Interest receipts in cash	16,643,441,262	18,524,486,123	23,102,781,408
Interest payments	(10,149,631,198)	(15,396,039,685)	(14,130,563,008)
Dividend receipts	230,973,031	153,019,086	166,905,205
Fees and commission receipts in cash	3,317,944,639	2,954,139,616	3,746,487,786
Income from investment (other than dividend received)	5,849,819,097	4,518,552,742	2,391,733,141
Recoveries on loans previously written off	363,274,439	725,759,332	635,666,487
Cash payment to employees (including directors)	(4,173,353,626)	(4,060,915,412)	(3,834,141,757)
Cash payment to suppliers	(1,249,822,276)	(1,228,511,398)	(1,512,903,210)
Income taxes paid	(2,420,046,758)	(3,690,357,073)	(1,739,041,304)
Receipts from other operating activities	287,206,430	345,885,248	258,386,812
Payments for other operating activities	(688,797,665)	(614,810,771)	(695,313,413)
Cash from operating profit before changes in operating assets and liabilities	8,011,007,375	2,231,207,808	8,389,998,147

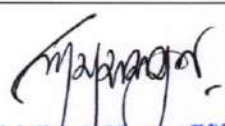
Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

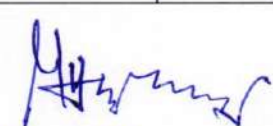
Masudul Hoque Sarwar
Chief Financial Officer
Eastern Bank Limited

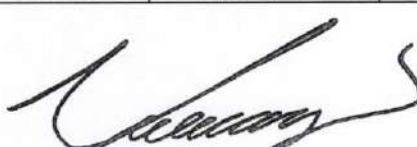
Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase-net) of trading securities	18,651,991,769	(10,558,729,038)	(8,685,063,525)
Loans and advances to customers (other than banks)	(41,085,874,502)	10,227,596,106	(21,382,230,138)
Recovery from non-banking assets	12,345,330		
Other assets	(829,223,559)	(694,487,760)	(910,559,581)
Deposits from other Banks	(262,280,684)	(1,786,223,237)	(4,172,637,504)
Deposits from customers (other than banks)	27,932,297,188	4,289,418,612	43,837,336,146
Liability for tax	(1,311,131,151)	1,130,728,886	(613,923,734)
Liabilities for provision	(2,697,393,332)	(1,880,863,607)	(2,670,279,943)
Other liabilities	5,031,660,875	3,066,459,100	5,398,474,549
Cash generated from operating assets and liabilities	5,442,391,934	3,793,899,062	10,801,116,270
Net Cash received from operating activities	13,453,399,308	6,025,106,869	19,191,114,417
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities	(22,343,168,875)	(12655242003)	(3402335600)
(Purchase-net) of property, plant and equipment	(724,622,359)	1088471897)	(1231425798)
Net cash (used in) investing activities	(23,067,791,233)	(13743713900)	(4633761398)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents	19,015,292,059	(6567155371)	3782140342
Dividend paid (cash dividend)	(1,420,649,200)	(1217699321)	(1475999178)
Net cash (used in) / received from financing activities	17,594,642,858	(7784854692)	2306141164
D) Net (decrease) / increase in cash (A+B+C)	7,980,250,934	(15,503,461,723)	16,863,494,183
E) Effects of exchange rate changes on cash and cash equivalents	(3,496,239)	652,535	6,907,889
F) Opening cash and cash-equivalents	29,155,338,931	44,658,148,121	27,787,746,049
G) Closing cash and cash-equivalents (D+E+F)*	37,132,093,625	29,155,338,932	44,658,148,121
*Closing cash and cash-equivalents			
Cash in hand (including foreign currencies)	3,710,909,855	3,218,511,774	3,088,367,831
Balances with Bangladesh Bank and its agent bank (s)	14,957,829,541	12,480,410,176	16,601,918,975
Balances with other Banks and Financial Institutions	16,885,457,329	13,393,287,481	24,369,196,715
Money at call and short notice	1,573,200,000	60,000,000	594,300,000
Prize bonds	4,696,900	3,129,500	4,364,600
	37,132,093,625	29,155,338,932	44,658,148,121


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Miskhan
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Balance Sheet (Solo)

Particulars	2021	2020	2019
PROPERTY AND ASSETS			
Cash			
Cash in hand (including foreign currencies)	3,710,774,087	3,218,381,880	3,088,303,685
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	14,957,829,541	12,480,410,176	16,601,918,975
	18,668,603,628	15,698,792,056	19,690,222,660
Balances with other banks and financial institutions			
In Bangladesh	15,005,092,489	12,444,848,375	19,309,748,914
Outside Bangladesh	1,264,597,790	558,299,302	9,647,145,392
	16,269,690,279	13,003,147,677	28,956,894,306
Money at call and short notice	1,573,200,000	60,000,000	594,300,000
Investments			
Government	41,229,430,813	50,517,783,115	31,927,657,257
Others	25,423,718,052	13,431,621,587	7,869,354,690
	66,653,148,865	63,949,404,702	39,797,011,947
Loans and advances			
Loans, cash credits, overdraft etc.	234,038,851,242	214,171,172,833	216,620,580,285
Bills discounted and purchased	35,355,122,969	14,772,690,062	15,430,454,478
	269,393,974,211	228,943,862,895	232,051,034,763
Fixed assets including land, building, furniture and fixtures	7,632,189,734	7,710,898,017	7,349,051,230
Other assets	8,623,907,370	7,463,906,712	6,616,216,325
Non-banking assets	-	105,576,495	108,736,495
TOTAL ASSETS	388,814,714,087	336,935,588,554	335,163,467,726
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents			
Non-convertible subordinated bond	5,500,000,000	6,000,000,000	6,500,000,000
Borrowing from other Banks, FIs, Agents etc.	57,686,515,851	38,286,389,129	44,320,788,208
	63,186,515,851	44,286,389,129	50,820,788,208
Deposits and other accounts			
Current deposits & other accounts etc.	32,747,951,058	28,274,075,619	24,936,423,379
Bills payable	1,155,851,680	1,492,231,668	1,131,830,685

Md. Abdullah Al Mamin, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Alli Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
Savings bank deposits	70,403,378,712	63,784,873,554	50,214,304,541
Fixed deposits	101,607,706,168	111,289,608,129	131,735,401,586
Other deposits- special notice (SND) account	62,103,962,762	37,516,985,909	32,146,167,911
Bearer certificates of deposits		-	-
	268,018,850,380	242,357,774,879	240,164,128,102
Other liabilities	26,592,772,458	21,315,844,876	18,611,065,065
TOTAL LIABILITIES	357,798,138,689	307,960,008,884	309,595,981,375
SHAREHOLDERS' EQUITY			
Paid-up capital	9,538,644,670	8,117,995,470	8,117,995,470
Statutory reserve	9,538,644,670	8,117,995,470	8,117,995,470
Dividend equalization reserve	356,040,000	356,040,000	356,040,000
Assets revaluation reserve (Land & others)	2,416,474,912	3,406,661,513	2,672,667,160
General reserve	603,493,370	603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	(406,049,063)	(209,986,563)	-
Foreign currency translation gain/(loss)	(5,967,070)	(326,701)	2,050,701
Surplus in profit and loss account	8,975,293,909	8,583,707,111	5,697,244,179
TOTAL SHAREHOLDERS' EQUITY	31,016,575,398	28,975,579,670	25,567,486,350
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	388,814,714,087	336,935,588,554	335,163,467,726

Profit and Loss Statement (Solo)

Particulars	2021	2020	2019
Interest Income	16,206,209,303	19,667,413,756	23,163,605,820
Interest paid on deposits and borrowings	(8,444,976,493)	(13,737,063,652)	(15,004,895,176)
Net Interest Income	7,761,232,810	5,930,350,104	8,158,710,643
Income from investments	6,088,639,366	5,048,674,967	2,751,634,005
Fees, commission and brokerage	3,040,479,254	2,823,051,316	3,448,216,291
Other operating income	267,799,268	331,681,115	238,812,687
	9,396,917,887	8,203,407,398	6,438,662,983
Total operating income	17,158,150,697	14,133,757,502	14,597,373,626
Salary & allowances (excluding those of MD)	4,100,539,805	3,923,591,968	3,739,079,717
Rent, taxes, insurance, utilities etc.	415,353,404	430,005,846	598,044,720
Legal & professional expenses	86,483,565	63,853,652	117,123,508
Postage, stamp, telecommunication etc.	148,308,477	131,767,614	136,968,876
Stationery, printing, advertisement,	271,160,246		353,473,079

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Company Secretary
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Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
business promotion etc.		292,012,702	
Managing Director's salary and allowances	28,441,208	26,328,372	24,618,065
Directors' fees & expenses	2,771,554	2,717,506	4,956,529
Audit fees	1,190,312	1,202,057	1,367,345
Repairs, maintenance and depreciation	1,001,833,059	970,168,499	740,495,162
Other operating expenses	634,250,171	599,828,196	671,284,857
Total operating expenses	6,690,331,802	6,441,476,412	6,387,411,859
Profit before provisions	10,467,818,895	7,692,281,090	8,209,961,768
Provision for loans and off-balance sheet exposures			
Specific provision (net off w/off recovery)	1,655,381,613	764,801,333	1,254,816,341
General provision for loans	475,235,139	(293,454,371)	174,331,665
Special general provision for Covid 19	152,926,606	602,388,520	-
General provision for off-balance sheet exposures	368,073,261	19,415,553	(117,854,862)
	2,651,616,619	1,093,151,035	1,311,293,145
Other provision	(391,478,235)	(91,661,696)	642,503,542
Total provisions	2,260,138,385	1,001,489,339	1,953,796,686
Profit before tax for the year	8,207,680,510	6,690,791,751	6,256,165,081
Current tax expense for the year	3,855,014,674	2,640,680,434	2,912,484,915
Deferred tax income (net)	(301,198,890)	(52,451,737)	(664,461,960)
Total provision for taxation	3,553,815,784	2,588,228,697	2,248,022,955
Profit after tax for the year	4,653,864,726	4,102,563,054	4,008,142,126
Appropriation			
Statutory reserve	(1,420,649,200)	-	(737,999,580)
General reserve	-	-	-
	(1,420,649,200)	-	(737,999,580)
Retained earnings carried forward	3,233,215,526	4,102,563,054	3,270,142,546
Earnings per share (EPS)	4.88	4.30	4.94

Cash Flow Statement (Solo)

Particulars	2021	2020	2019
A) Cash flows from operating activities			
Interest receipts in cash	16,284,739,074	18,243,372,761	22,578,916,030
Interest payments	(9,993,443,560)	(15,172,791,349)	(13,827,167,931)
Dividend receipts	199,399,208	138,078,576	254,384,533
Fees and commission receipts in cash	2,732,231,871	2,709,822,896	3,409,242,904
Income from investment (other than	5,973,189,953	4,480,622,697	2,356,803,389

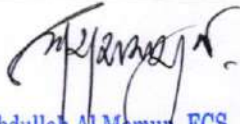
Md. Abdullah Al Maqan, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

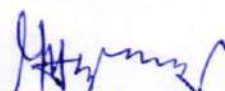
Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

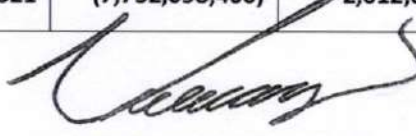
Alli Roza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
dividend received)			
Recovery on loans previously written off	363,274,439	725,759,332	635,666,487
Cash payment to employees (including directors)	(4,017,539,129)	(3,912,637,846)	(3,674,574,810)
Cash payment to suppliers	(1,217,480,524)	(1,201,000,079)	(1,452,167,776)
Income taxes paid	(2,290,690,848)	(3,584,048,614)	(1,683,595,759)
Receipts from other operating activities	267,799,268	331,681,115	238,812,687
Payments for other operating activities	(634,250,171)	(599,828,196)	(671,284,857)
Cash generated from operating activities before changes in operating assets and liabilities	7,667,229,580	2,159,031,292	8,165,034,897
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase)/sale of trading securities	18,835,036,031	(10,760,662,458)	(8,598,344,096)
Loans and advances to customers (other than banks)	(40,449,552,103)	4,785,116,138	(22,371,888,375)
Other assets	12,345,330	(558,391,547)	(867,873,731)
Deposits from other Banks	(1,014,792,055)	(1,786,223,237)	(4,172,637,504)
Deposits from customers (other than banks)	(262,280,684)	5,167,653,008	43,548,178,422
Liability for tax	27,441,152,328	995,819,917	(564,427,197)
Liabilities for provision	(1,263,124,936)	(1,727,248,670)	(2,589,463,173)
Other liabilities	(2,623,412,824)	2,701,535,895	5,373,686,014
Cash generated from operating assets and liabilities	4,996,132,255	(1,182,400,955)	9,757,230,360
Net Cash from operating activities	5,671,503,343	976,630,337	17,922,265,257
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities			
Net cash (used in) investing activities	(22,345,308,535)	(12,655,811,043)	(3,387,266,595)
(Purchase-net) of property, plant and equipment	(715,809,642)	(1,048,655,020)	(1,206,371,630)
Net cash (used in) investing activities	(23,061,118,176)	(13,704,466,063)	(4,593,638,225)
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents	18,900,126,722	(6,534,399,079)	4,088,886,409
Dividend paid (cash dividend)	(1,420,649,200)	(1,217,699,321)	(1,475,999,178)
Net cash (used in) / received from financing activities	17,479,477,521	(7,752,098,400)	2,612,887,231


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Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	2021	2020	2019
D) Net increase in cash and cash equivalents (A+B+C)	7,757,092,264	(20,479,934,129)	15,941,514,263
E) Effects of exchange rate changes on cash and cash equivalents	(5,970,692)	(778,204)	4,092,885
F) Opening cash and cash-equivalents	28,765,069,234	49,245,781,566	33,300,174,418
G) Closing cash and cash-equivalents (D+E+F)*	36,516,190,806	28,765,069,234	49,245,781,566
*Cash and cash-equivalents consists of:			
Cash in hand (including foreign currencies)	3,710,774,087	3,218,381,880	3,088,303,685
Balances with Bangladesh Bank and its agent bank (s)	14,957,829,541	12,480,410,176	16,601,918,975
Balances with other Banks and Financial Institutions	16,269,690,279	13,003,147,677	28,956,894,306
Money at call and short notice	1,573,200,000	60,000,000	594,300,000
Prize bonds	4,696,900	3,129,500	4,364,600
	36,516,190,806	28,765,069,234	49,245,781,566

12. RATIO ANALYSIS OF THE ISSUER FOR LAST 3 (THREE) ACCOUNTING YEARS-SOLO

Particulars	2021	2020	2019
Statutory liquidity reserve ratio (SLR) (at close of the year)	17.86%	21.84%	13.97%
Cash reserve ratio (CRR) (at close of the year)	5.22%	4.56%	5.63%
Debt Equity Ratio	203.72%	152.84%	198.77%
Liabilities to shareholders' equity (times)	11.54	10.63	12.11
Net Interest Margin (NIM)	4.00%	3.28%	3.83%
Capital to risk weighted assets ratio (CRAR)	14.08%	15.23%	14.74%
Leverage Ratio	5.69%	5.97%	5.28%
AD Ratio – DBO	74.71%	74.13%	77.20%
Government securities to total loan ratio	15.30%	22.07%	13.76%
Liquidity Coverage Ratio (LCR) – DBO	144.97%	210.90%	338.22%
Net Stable Funding Ratio (NSFR) - DBO	104.40%	105.49%	114.45%
NPL Ratio	3.70%	2.72%	3.35%
NPL coverage ratio (Specific provision + General Provision) / Gross NPL	141.31%	179.51%	120.42%

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Managing Director & CEO
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Return on average risk weighted assets	1.98%	1.93%	1.95%
Return on average equity (ROE)	15.51%	15.04%	16.52%
Return on average assets (ROA)	1.28%	1.22%	1.30%
Cumulative recovery ratio	27.26%	25.18%	23.81%
Cost to income ratio	38.99%	45.58%	43.76%
Net Profit Margin	27.12%	29.03%	27.46%
Return on Investment (ROI) in capital market	12.95%	3.44%	4.37%
Earnings per share (EPS) in BDT (Not restated)	4.88	5.05	4.94
Price earnings ratio (times)	7.89	7.12	6.72
Dividend Cover (times)	1.95	1.44	3.29
Dividend Pay-out ratio (DPS / EPS) (%)	51.24%	69.26%	30.38%
Dividend Yield (%)	6.49%	9.72%	4.52%

13. CREDIT SUMMARY WITH RATING RATIONALE OF THE ISSUE AND THE ISSUER


Credit Rating of the Issuer-Eastern Bank Limited

Date of Declaration	17 June, 2021
Validity	16 June, 2022
Long Term Rating	AA+
Short Term Rating	ST-1
Rated by	Credit Rating Information & Services Limited (CRISL)
Outlook	Stable

Credit Rating of the Issue-'Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3rd Subordinated Bond of EBL'

Date of Rating Declaration	25 April, 2022
Rating Validity	1 (One) year
Rating (Long Term)	AA (Indicative)
Rated by	Credit Rating Information & Services Limited (CRISL)


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Tanzim Alamgir
Managing Director & CEO
UCS Investment Limited

Rating Rationale:

CRISL has assigned the issue rating "AA" (Indicative), (pronounced as "double A" Indicative) to "Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3rd Subordinated Bond of Eastern Bank Limited". The above rating has been assigned in consideration of the inherent 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 issuer's profile while assigning the rating as other than the sole commitment of the issuer, the instrument is not backed by any security or counter guarantee by any third party. While assigning the rating CRISL duly factored issuer's strength as a scheduled bank, which encompasses sound credit profile and diversified business mix, good financial performance, good capital adequacy, good liquidity, experienced top management etc. However, the above factors are constrained, to some extent, by the feature of the bond which inter alia includes the nature of the bond being unsecured and non-convertible debt instrument, subordination to depositors and other bank liabilities, absence of resources to the trustee in managing event of default etc.

Bond rated in this category are adjudged to be high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

Indicative rating means the instrument has been rated based on draft legal documents and projections. However, after the issuance of bond and finalization of legal documentations, final rating will be assigned.

14. LATEST DEFAULT MATRIX AND TRANSITION STATISTICS OF CRC

Calculation of Weighted Average MDR (wMDR) for 2015, 2016, 2017			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
Se/ Me1	0.00%	0.00%	0.00%
Se/ Me2	0.00%	0.00%	0.00%
Se/ Me3	1.22%	0.00%	0.00%
Se/ Me4	3.39%	0.14%	0.18%
Investment Grade (Se/ME1-Se/Me4)	2.85%	0.11%	0.14%
Se/Me-5	59.49%	2.39%	2.48%
Se/Me-6	76.92%	0.00%	0.00%
Se/Me-7	100.00%	0.00%	0.00%
Se/Me-8	0.00%	0.00%	0.00%
Se/Me 9	0.00%	0.00%	0.00%

Md. Abdullah Al Mamun, FCS
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Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

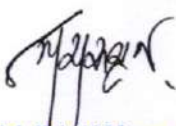
Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

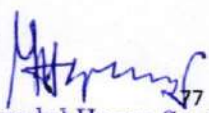
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

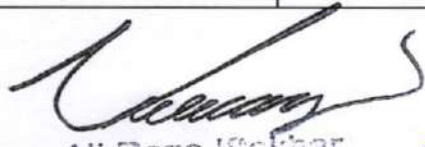
Calculation of 3-years Cumulative Default Rate (CDR3) for 2015, 2016, 2017	
	CDR3
Se/ Me1	0.00%
Se/ Me2	0.00%
Se/ Me3	1.22%
Se/ Me4	3.71%
Investment Grade (Se/ME1-Se/Me4)	3.090%
Se/Me-5	61.44%
Se/Me-6	76.92%
Se/Me-7	100.00%
Se/Me-8	0.00%
Se/Me 9	0.00%

Calculation of Weighted Average MDR (wMDR) for 2011, 2012, 2013			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
AAA	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%
A	0.30%	0.77%	0.47%
BBB	0.91%	1.58%	0.94%
Investment Grade (AAA-BBB)	0.57%	1.08%	0.65%
BB	0.00%	0.00%	5.71%
B	0.00%	10.00%	0.00%
CCC	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%
C	50.00%	50.00%	0.00%

Calculation of 3-years Cumulative Default Rate (CDR3) for 2011, 2012, 2013	
	CDR3
AAA	0.00%


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Managing Director & CEO
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AA	0.00%
A	1.53%
BBB	3.39%
Investment Grade (AAA-BBB)	2.283%
BB	5.71%
B	10.00%
CCC	0.00%
CC	0.00%
C	75.00%

Calculation of Weighted Average MDR (wMDR) for 2014, 2015, 2016			
	wMDR for year 1	wMDR for Year 2	wMDR for Year 3
AAA	0.00%	0.00%	0.00%
AA	0.00%	0.00%	0.00%
A	0.35%	0.23%	0.12%
BBB	0.80%	0.88%	0.57%
Investment Grade (AAA-BBB)	0.55%	0.56%	0.34%
BB	2.99%	4.69%	1.59%
B	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%
C	0.00%	0.00%	100.00%
Calculation of 3-years Cumulative Default Rate (CDR3) for 2014, 2015, 2016			
	CDR3		
AAA	0.00%		
AA	0.00%		
A	0.69%		
BBB	2.23%		

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Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Investment Grade (AAA-BBB)	1.444%		
BB	9.01%		
B	0.00%		
CCC	0.00%		
CC	0.00%		
C	100.00%		

Corporate Rating Transition Matrix (2014-2019)

	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	7.58%	84.85%	7.57%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	14.77%	81.82%	2.65%	0.38%	0.00%	0.38%	0.00%	0.00%	0.00%
BBB	0.00%	0.33%	18.33%	76.67%	4.34%	0.33%	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	9.09%	81.82%	9.09%	0.00%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CRISL Corporate Rating Transition Matrix (2016-2020)

	AAA	AA	A	BBB	BB	B	CCC	CC	C	D
AAA	100%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
AA	0.00%	91.86%	8.14%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
A	0.00%	8.98%	%	4.19%	0.30%	0.00%	0.00%	0.00%	0.00%	0.00%
BBB	0.00%	0.00%	12.93%	85.36%	1.71%	0.00%	0.00%	0.00%	0.00%	0.00%
BB	0.00%	0.00%	0.00%	14.29%	80.95%	0.00%	4.76%	0.00%	0.00%	0.00%
B	0.00%	0.00%	0.00%	0.00%	0.00%	80%	20.00%	0.00%	0.00%	0.00%
CCC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CC	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

C	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
D	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

15. DESCRIPTION OF THE TRUSTEE

Description of the Trustee

UCB Investment Limited is acting as Trustee of Unsecured Floating Rate Coupon Bearing Non-convertible Fully Redeemable 3rd Subordinated Bond of EBL subject to regulatory approval. UCB Investment Limited (UCBIL) is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial bank in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Security and Exchange Commission on 5th October, 2020. The head office of UCB Investment Limited is located at BULUS Center, Plot- CWS (A)-1 Road: 34, Gulshan Avenue Dhaka- 1212, Bangladesh.

- Authorized capital as of 31 Dec 2021: 100,00,00,000/- (One Hundred Crore Taka)
- Paid-up capital as of 31 Dec 2021: 100,00,00,000/- (One Hundred Crore Taka)
- Net worth as of 31 Dec 2021: 1,132,493,978/- (One Hundred and Thirteen Crore Twenty-Four Lacs Ninety-Three Thousand Nine Hundred and Seventy-Eight)
- Shareholding Details:

Share Holding Position		
Shareholders	% of Share Holdings	No. of Shares
United Commercial Bank Limited	99.999999%	99,999,999
Mohammed Habibur Rahman	0.000001%	1
	100%	100,000,000

Brief on Board of Directors:

Mr. Mohammed Habibur Rahman
Chairman

Mr. Habibur Rahman is acting as the Chairman of UCB Investment Limited. He has recently joined United Commercial Bank Ltd. (UCB) as the Deputy Managing Director. Prior to joining UCB, he was Senior Executive Vice President at Corporate Banking division of Eastern Bank Limited.

Mr. Mohammed Habibur Rahman having vast experience in home and abroad in diverse sectors of banking for over 24 years worked in different financial institutions like Bank Indosuez, ANZ Grindlays, Standard Chartered, Toronto Dominion (TD), HSBC, City and EBL. He played a very important role in

Md. Abdulah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Corporate Banking division of EBL and was also the Head of Credit Risk management division. Earlier, he was involved with City Bank Ltd where his contribution was on review of credit policies, procedures, tools and supervision of portfolio segmentation. He worked as Deal Administration Manager in TD Securities (Wholesale Banking) at TD Bank Canada. His credentials also include as relationship manager in Corporate Business at ANZ Grindlays Bank, Standard Chartered bank and HSBC Bangladesh. Mr. Mohammed Habibur Rahman completed his Bachelor and Masters in Economics (MSS) from Jahangirnagar University, Dhaka and Masters in Business Administration (MBA) from Brussels, Belgium. Mr. Mohammed Habibur Rahman attended various seminars, workshops, conferences, training programs on relationship management, risk management, international trade etc. from USA, Canada, China, India, Italy, Malaysia, Sri Lanka.

Mr. Md. Shah Alam Bhuiyan

Director

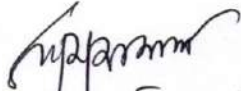
Mr. Md. Shah Alam Bhuiyan is acting as a Director of UCB Investment Limited and Deputy Managing Director of United Commercial Bank Limited. Mr. Md. Shah Alam Bhuiyan, a distinguished banking professional about 32 years of which over 27 years covering the experience in financial service industry with both foreign and local Banks. Mr. Bhuiyan joined the service of UCB in the rank and capacity of Senior Executive Vice President (SEVP) & Head of Special Asset Management Division (SAMD) of the Bank in 2017. Prior to taking the helm of UCB, he served BRAC Bank Limited in different key roles including Centralization of Banking Operation, Head of Financial Administration, Special Asset Management, Project Management, Asset & Liability Operation, Financial Analysis and Credit Appraisal as well as Legal & Compliance issues.

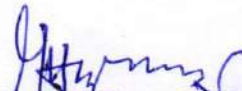
Mr. Md. Shah Alam Bhuiyan started his Banking career with the Muslim Commercial Bank (MCB) Ltd., Dhaka in 1990 and served there as Resident Auditor, Credit In-Charge, as well as Manager of Human Resources Department & Legal Wing in the MCB. During his glorified career expedition Mr. Bhuiyan underwent extensive Trainings & Seminars in both home and abroad. He successfully attended trainings on Banking & Development at United Kingdom (UK); Executive Program on Quality Management, Japan; Leadership Thinking Sphere, Singapore; Basel-II Implementation and Capital Planning of Bank, Dubai, UAE; Risk Management and Basel-II, Belgium & Bangladesh; International Trade, IFC & SEDF, India; Core Banking Software Migration, India; Kastle Universal Lending Solution, India; Credit Risk Management, Bangladesh; Asset Classification & Provisioning, Bangladesh Bank and Legal Framework for Loan Recovery, BIBM for further professional excellence. He obtained graduation in Management, Accounting & Costing from the University of Dhaka and Executive MBA from NIBM, India.


Mr. Nurul Mustafa Tarek

Director

Mr. N. Mustafa Tarek is acting as a Director of UCB Investment Limited and has been serving as Deputy Managing Director of United Commercial Bank Limited. Mr. Tarek, having 26 years of professional experiences in Government, Multinational, Telecommunication, Local Conglomerate and financial institution, joined United Commercial Bank Limited on 5th January, 2012 as Executive Vice President. He has a long professional track record in Human Resource and Industrial Relations, Administration, Project Management, Supply Chain and Safety, Health and Environment. Prior to join UCB he worked various leadership role in MASHWARA HR Consulting and Corporate Service Provider, Advanced


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Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Raza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Chemical Industries (ACI) Limited, TM International Bangladesh Limited, AKTEL (Currently Axiata Bangladesh Limited, Brand name Robi), Unilever Bangladesh Limited and Rural Development Academy (Under the Ministry of LGRD, Govt. of Bangladesh) as Research and Training faculty. Mr. Tarek has double Post Graduate degrees in Public Administration and Human Resource Management. He attended multifarious training courses and participated in seminars and workshops on different aspects of skill development home and abroad. Mr. Tarek has been awarded with Managing Directors Appreciation Button for outstanding performance during his career with TM International BD Ltd (AKTEL).

Mr. Md. Abdullah Al Mamoon

Director

Mr. Md. Abdullah Al Mamoon is acting as a Director of UCB Investment Limited and is the Deputy Managing Director and Chief Operating Officer (COO) of United Commercial Bank Limited. Mr. Mamoon joined UCB on 01/03/2017 as Senior Executive Vice President with over 27 years of multi-disciplinary experiences in diversified professional domains with Government and Financial Institutions. Prior to joining in UCB, Mr. Mamoon served in AB Bank and BRAC Bank Ltd in different capacities that include Head of Core Business Team, Head of Operational Risk Management, Head of Program Management etc. He also served in bKash Limited, Kayfin Consultants Limited and Bangladesh Army, Government of Bangladesh. He served in the United Nations 'Peace Keeping' mission in United Nations Mission in Sierra Leone (UNAMSIL).

Mr. Mamoon obtained his MBA degree from Royal Roads University, British Columbia, Canada and a winner of the 'Chancellor's Award'. He is a globally certified Project Management Professional (PMP) from Project Management Institute (PMI), USA and a Green Belt in Six Sigma from Benchmark Six Sigma, India. He attended various trainings and participated in seminars and workshops at home and abroad.

Mr. Touhid Shipar Rafiquzzaman:

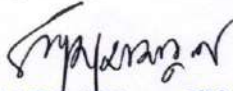
Independent Director

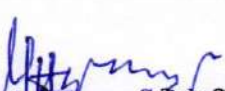
Mr. Touhid Shipar Rafiquzzaman is the Independent Director of UCB Investment Limited and one of the Independent Directors of United Commercial Bank Limited. He is also a member of Audit Committee. Mr. Rafiquzzaman is a highly experienced international banker with 36 years of professional experience in the entire gamut of banking, having worked in two multi-national banks across four geographies. He is a certified risk professional and has extensive experience of working in emerging markets.

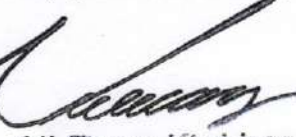
Mr. Tanzim Alamgir

Managing Director and CEO

Mr. Alamgir is the founding Chief Executive Officer (CEO) and Managing Director of UCB Investment Limited. Mr. Alamgir has a special focus on fund raising for large, local and multinational corporate houses of the country. He is a seasoned professional having diversified exposure in finance, operations and strategy for more than 13 years. Previously, he was the Chief Operating Officer (COO) of City Bank Capital. He has completed numerous first of its kind deals in Bangladesh during his tenure in CBC like perpetual bonds, bank guarantee backed bonds, preference share of first private LNG terminal in Bangladesh, first subordinated bond for a state-owned bank (Agrani Bank Limited) etc. He has also


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Company Secretary
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Head Office, Dhaka.


Masudul Hoque Sarker
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

completed numerous other deals like subordinated bonds, zero coupon bonds for a number of commercial banks and corporates in different industries.

Business Activities of UCBIL:

With its group of versatile financial consultants, UCBIL aims at delivering top-class, customized investment solutions to its clients to cater to their specific needs and be their long-term growth partner. The services UCBIL provide are:

Investment Banking Services:

- ✓ Bond Issuance
- ✓ Corporate Advisory
- ✓ Mergers and Acquisitions

Primary Market Services:

- ✓ Issue Management Services
- ✓ Underwriting
- ✓ Capital Raising and Private Placement

Secondary Market Services:

- ✓ Portfolio Management

Status of Debt Securities issued under trusteeship of UCB Investment Limited

Present status of issued debt securities in which UCB Investment Limited is acting as Trustee is as follows -

S L	Name of the Issue	Maturity Period	IM Issue Date	Date of Completion of subscription	Value of debt (BDT Million)	Repayment Amount (BDT Million)	Outstanding as on Apr 10, 2022 (BDT Million)	Default (If Any)	Remarks
1	NRBC Bank Subordinated Bond-1	07 years	November 23, 2021	December 26, 2021	3,000		3,000	Nil	
2	Bank Asia Perpetual Bond	Perpetual	March 02, 2022	N/A	5,000	-	5,000	Nil	
3	Mercantile Bank Perpetual Bond	Perpetual	-	N/A	5,000	-	5,000	Nil	
4	Mir Akhter Zero Coupon Bond	04 Years	April 04, 2022	N/A	2,499	-	2,499	Nil	

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Managing Director & CEO
UCB Investment Limited

4	Envoy Secured Zero Coupon Bond	05 Years	-	N/A	2,000	-	2,000	Nil	
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16. MODUS OPERANDI OF THE ISSUE

a. The Issuance of Bond

Notwithstanding anything contained anywhere in this Trust Deed, the Bonds shall be issued in dematerialised form as per the CDBL Bye Laws and the Issuer shall apply to the respective stock exchange(s) for listing in the Alternative Trading Board (ATB) immediately from the date of availing ATB facilities under the Bangladesh Securities and Exchange Commission (Alternative Trading System) Rules, 2019 and respective regulations of the stock exchange(s) in this regard (If the Bangladesh Securities and Exchange Commission (BSEC) requires the Issuer to do so in the consent letter or through any notification in future.

The Bond shall be rated by a Credit Rating Company and its periodical surveillance rating shall be done by the said Credit Rating Company in line with the provisions of the Credit Rating Companies Rules, 1996 up to the full and final redemption of the issued securities.

b. Entitlement to treat Registered Holder as owner

The Register and/or the CDBL records shall be prima facie evidence of any matter in relation to the ownership of the Bonds. Each of the Issuer and the Trustee may deem and treat the registered holder of a Bond as the absolute owner of such Bond, free of any equity, set-off or counterclaim on the part of the Issuer against the original or any intermediate Holder of such Bond for all purposes. All payments made to any such Holder shall be valid and, to the extent of the sums so paid.

17. DETAILS OF FEE STRUCTURE AND EXPENSES

Breakdown of all expenses related to the issue

Particulars	Basis	Amount (BDT)
Total Size of the Issue		5000,000,000
Arranger Fee		
Arrangement fee for the total Issue Size	0.30%	15,000,000
VAT on arrangement Fee	15%	2,250,000
BSEC Fees		
Application Fee	BSEC (Debt Securities) Rules, 2021	10,000
BSEC Consent fee	0.10% on the total face value of the securities issued	5,000,000
Trustee Related Expense		
Trustee Annual Registration Fee	BDT 50,000/year for 7 years	350,000
Trust Deed Registration Cost	One-Off for 2022 (approximately)	1,350,000
Annual Trustee Fee	BDT 250,000/year (Approximately) for 7 years	1,750,000
VAT on Trustee Fee	15% of Annual Trustee Fee	262,500

Md. Abdullah Al Mamon, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masidul Hoque Sarthar
Chief Financial Officer
Eastern Bank Limited

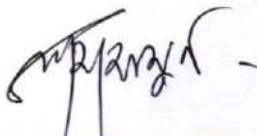
Ali Reza Iftikhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

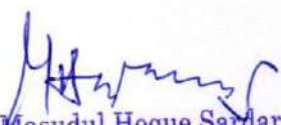
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Particulars	Basis	Amount (BDT)
Credit Rating Fee	Issue Rating, BDT 100,000/annual *7-Approximately	700,000
VAT on Credit Rating Fee	15%	105,000
Printing & Others		
Printing & Binding of IM for circulation	One-Off (Approximately)	100,000
Stationeries & Other Expenses	One-Off (Approximately)	50,000
Fee of Legal Advisor	One-Off (Approximately)	150,000
VAT on Legal Fee	15%	22,500
Total		27,100,000

18. ADDITIONAL DISCLOSURES FOR IM UNDER PUBLIC ISSUE

Not Applicable for the private placement of the 3rd Subordinated Bond of EBL.


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

19. CONDITIONS IMPOSED BY THE COMMISSION IN THE CONSENT LETTER

As per conditions in the consent letter



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Company Secretary
Eastern Bank Limited
Head Office, Dhaka.



Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

20. DECLARATION AS PER ANNEXURE- I



HEAD OFFICE

100 Gulshan Avenue
Dhaka 1212
Bangladesh

Declaration about the responsibility of the directors including the CEO of the issuer or originator in respect of the Information Memorandum

This information memorandum has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity, accuracy and adequacy of the statements made, information given in the information memorandum, documents, financial statements, exhibits, annexes, papers submitted to the Commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this issue and information memorandum have been met and that there are no other information or documents, the omission of which make any information or statements therein misleading for which the Commission may take any civil, criminal or administrative actions against any or all of us as it may deem fit.

We also confirm that full and fair disclosures have been made in this information memorandum to enable the investors to make a well-informed decision for investment

Ali Reza Iftakhar

Managing Director & CEO

Phone: (PABX) +88-02-55069018, IP: +88-09666777325, Fax: +88-02-55069009, E-mail: info@ebi-bd.com, Swift: EBLDBDDH, Web: www.ebi.com.bd

Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar⁸⁷
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

21. DUE DILIGENCE CERTIFICATE OF THE TRUSTEE AS PER ANNEXURE-II



DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman
Bangladesh Securities and Exchange Commission

SUBJECT: ISSUANCE OF 3RD SUBORDINATED BOND OF EASTERN BANK LIMITED.

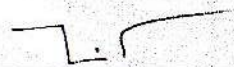
We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the eligible investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. on the basis of such examination and the discussions with the issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;

WE CONFIRM THAT:

- a) All information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us;
- b) We have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) While examining the above documents, we find that all the requirements of the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 have been complied with;
- d) We shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- e) We shall also abide by the Bangladesh Securities and Exchange Commission (Debt Securities) Rules, 2021 and conditions imposed by the Commission as regards of the issue; and
- f) The above declarations as unequivocal and irrevocable.

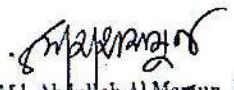
For Trustee-

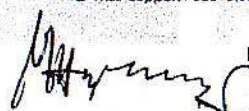

Tanzim Alamgir
Managing Director and CEO
UCB Investment Limited


Date: April 27, 2022
Place: Dhaka

Bulus Center (17th Floor), Plot-CWS-(A)-1, Road No-34, Gulshan Avenue, Dhaka-1212
E-mail: support@ucb-investment.com, Web: www.ucb-investment.com

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Md. Abdulrah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.



Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
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Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

22. CREDIT RATING REPORT OF THE ISSUE AND THE ISSUER

22.1 CREDIT RATING REPORT OF THE ISSUE



CRISL
Setting global standard at national level

Credit Rating Information and Services Limited
First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

CREDIT RATING REPORT

On

3RD SUBORDINATED BOND OF EBL

REPORT: RR/52888/22

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1996. The rating will be valid for one year from the date of declaration. After the above period, the rating will not carry any validity unless the instrument goes for rating surveillance. CRISL followed Bond Rating Methodology published in CRISL website www.crislbd.com

Address:
CRISL
Nakshi Homes
(4th & 5th Floor)
6/A, Segunbagicha,
Dhaka-1000
Tel: 9530991-4
Fax: 88-02-9530995
Email:
crisltdh@crislbd.com

Rating Contact:
Md. Asiful Huq
Chief Rating Officer
asif@crislbd.com

Analysts:
Md. Saiful Alam Shimul
saiful@crislbd.com
Afsana Hossain Anika
anika@crislbd.com

Issue Rating: AA
(Indicative)

Rating Base:
Audited Financials as
on December 31, 2021

Long Term	
Issue Rating (Unsecured Subordinated Bond)	AA (Indicative)
Date of Rating Declaration	April 25, 2022
Rating Validity	1 (One) Year

1.0 ISSUE RATING RATIONALE

CRISL has assigned the issue rating "AA" (Indicative), (pronounced as "double A" Indicative) to "3rd Subordinated Bond of Eastern Bank Limited". The above rating has been assigned in consideration of the inherent 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 Issuer's profile while assigning the rating as other than the sole commitment of the issuer, the instrument is not backed by any security or counter guarantee by any third party. While assigning the rating CRISL duly factored issuer's strength as a scheduled bank, which encompasses sound credit profile and diversified business mix, good financial performance, good capital adequacy, good liquidity, experienced top management etc. However, the above factors are constrained, to some extent, by the feature of the bond which inter alia includes the nature of the bond being unsecured and non-convertible debt instrument, subordination to depositors and other bank liabilities, absence of recourse to the trustee in managing event of default etc.

Bonds rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.

Indicative rating means the instrument has been rated based on draft legal documents and projections. However, after the issuance of bond and finalization of legal documentations final rating will be assigned.

2.0 ISSUE FEATURE: SUBORDINATED DEBT (TIER II BOND)

Eastern Bank Limited (EBL), a second generation leading conventional private commercial bank will issue 3rd Subordinated Bond of EBL (hereinafter referred to as "Bond" or "the issue") of BDT 5,000.00 million through issuance of 7-year non-convertible subordinated bonds within 2022. EBL will issue the above bond through a private placement basis to potential investors such as Banks/Non-Bank Financial Institutions, Insurance Companies, Corporate Bodies, high net-worth individuals etc. to strengthen its capital base which will ultimately increase Capital to Risk Weighted Asset Ratio (CRAR) as new Risk based Capital Adequacy Framework under BASEL III. The proceeds will be used to fund as well as to act as a risk weighted assets in commensurate with the projected growth of loans and advances and expansion of business. The bond is unsecured, redeemable and non-convertible in nature. The coupon rate is variable which is Benchmark Rate + Coupon Margin of 2.00% p.a. Benchmark Rate is the average of most recent month's published fixed deposit rates (6-month tenor) of all Commercial Banks (excluding Islamic Shariah based Commercial Banks & Foreign Banks) with similar or above credit rating as the issuer. The interest rates to be collected from 'Last announced Interest Rate Chart of the Scheduled Banks (Deposit Rate)' published by Bangladesh Bank on the Quotation Day. The floor rate and maximum ceiling is 6.00% p.a. and 9.00% p.a. respectively. The tenor of the bond is 7 years from the date of issuance. The principal of the Bond will be redeemed in 5 equal installments starting from the end of 36th month from issue date and each 12 months thereafter. The issue is transferable but not listed with any bourses. EBL Investments Limited is the lead arranger of this issue and UCB Investment Limited is the trustee.

EBL SUBORDINATED BOND

Issuance Amount:
Tk. 5,000.00 million

Trustee:
UCB Investment Limited

Coupon:
Coupon rate will be six month's average FDR interest rate of peer bank (based on rating) plus margin of 2.00%.

Placement Process:
Private

Listing:
Un-listed

For President & CEO
Md. Asiful Huq
Chief Rating Officer
Credit Rating Information and Services Ltd

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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Setting global standard at national level

Credit Rating Information and Services Limited

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

CREDIT RATING REPORT On 3RD SUBORDINATED BOND OF EBL

3.0 ISSUER SUMMARY-EASTERN BANK LIMITED

Unsecured Subordinated
Bond

Eastern Bank Limited (EBL), a second generation publicly listed commercial bank incorporated in Bangladesh, has been operating since August 16, 1992 under the Bank Companies Act, 1991 with the primary objective to carry out all kinds of banking business after taking over the business, assets and liabilities of erstwhile Bank of Credit & Commerce International (Overseas) Limited as per BCCI reconstruction scheme of Bangladesh Bank in 1992. With a wide range of modern corporate and consumer financing products, EBL has achieved considerable public response as a sound bank. 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, emerging corporate and consumer business. EBL was listed with DSE on 20 March, 1993 and with CSE on 28 September, 2004. EBL shares are traded as 'A' category issue in both the bourses of the country. As on December 31, 2021 the authorized and paid up capital stood at Tk.12,000.00 million and Tk. 9,538.64 million respectively. The bank has been operating its business throughout the country with a network of 85 branches, 227 ATM machines, 70 dropbox and 16 priority centers. The bank has four fully owned subsidiaries namely EBL Securities Limited, EBL Investment Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. EBL Board is Chaired by Md. Showkat Ali Chowdhury while Mr. Ali Reza Iftekhar is heading the management team as Managing Director & CEO. The Head Office of the Bank is located at 100 Gulshan Avenue, Dhaka 1212, Bangladesh.

4.0 THE ISSUE OF SUB-ORDINATION

The type of bond issued by the bank is called Unsecured Subordinated Bond. The subordination in its normal sense means that the issue is ranked as subordinated to all liabilities of the bank except the liability towards equity holders. It view of its subordination clause, it will not carry any security of preferential repayment. However, in case of worse scenario of bank liquidation, it will have the priority over and above the equity holders. Based on the above understanding, the above bond rating will be based on the inherent strength of the equity.

5.0 ISSUER CREDIT RATING

Issuer Rating AA+

EBL has been carrying "AA+" (pronounced as double A plus) rating in Long Term and "ST-1" rating in the Short Term with a "Stable" outlook.

CRISL assigned the above rating on the basis of 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 issued on the basis of its financial performance, asset quality, capital adequacy, liquidity, risk management practice, portfolio management, compliance, 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.

The Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a banking entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The Short-term rating indicates the highest certainty of timely repayment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.

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For President & CEO
Md. Asifur Haq
Chief Rating Officer
Credit Rating Information and Services Ltd.

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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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CREDIT RATING REPORT On 3RD SUBORDINATED BOND OF EBL

6.0 TRUSTEE

6.1 Background of Trustee

UCB Investment Limited (UCBIL) is acting as Trustee of 3rd Subordinated Bond of EBL subject to regulatory approval. UCBIL is a fully owned subsidiary of United Commercial Bank Limited – one of the leading private commercial bank in Bangladesh. It was incorporated in Bangladesh with the Registrar of Joint Stock Companies & Firms (RJSCF), vide registration number: C-94654/11 dated 3rd August, 2011 as a private limited company under the Companies Act (Act XVIII) of 1994. It obtained full-fledged Merchant Banker & Portfolio Management license (Reg No: MB- 97/2020) from Bangladesh Security and Exchange Commission on 5th October, 2020. The head office of UCB Investment Limited is located at BULUS Center, Plot- CWS (A)-1 Road: 34, Gulshan Avenue Dhaka- 1212, Bangladesh. In order to empower the trustee, the Trust Deed sets out the rights of the Bondholders and the responsibilities of the Trustee.

6.2 Powers, Duties and Rights of Trustee

6.2.1 Trustee's Rights

- Subject to applicable law and terms and conditions of this Trust Deed Trustee shall act on behalf and for the exclusive interest of the Bondholders;
- The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert (whether obtained by the Trustee, the Issuer, or any Subsidiary) and which advice or opinion may be provided on such terms (including as to limitations on liability) as the Trustee may consider in its sole discretion to be consistent with prevailing market practice with regard to advice or opinions of that nature and shall not be responsible for any Liability occasioned by so acting; any such opinion, advice, certificate or information may be sent or obtained by letter, telegram, telex, cablegram or facsimile transmission;
- The Trustee shall not be responsible for acting upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- Save as otherwise provided by applicable law, the Trustee shall not be responsible for, or for investigating any matter which is the subject of, any recital, statement, representation, warranty or covenant of any person contained in this Trust Deed, the Bonds, or any other agreement or document relating to the transactions herein or therein contemplated or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof;
- Save as otherwise provided by applicable law, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and under this Trust Deed and no event has happened as a consequence of which any of the Bonds may become repayable;
- Notwithstanding anything contained in this Trust Deed, to the extent required by any applicable law, if the Trustee is or will be required to make any deduction or withholding from any distribution or payment made by it hereunder or if the Trustee is or will be otherwise charged to, or is or may become liable to, tax as a consequence of performing its duties hereunder whether as principal, agent or otherwise, and whether by reason of any assessment, prospective assessment or other imposition of liability to taxation of whatsoever nature and whenever made upon the Trustee, and whether in connection with or arising from any sums received

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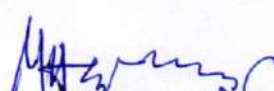
or distributed by it or to which it may be entitled under this Trust Deed (other than in connection with its remuneration as provided for herein) or any investments or deposits from time to time representing the same, including any income or gains arising there from or any action of the Trustee in connection with the trusts of this Trust Deed (other than the remuneration herein specified) or otherwise, then the Trustee shall be entitled to make such deduction or withholding or, as the case may be, to retain out of sums received by it an amount sufficient to discharge any liability to tax which relates to sums so received or distributed or to discharge any such other liability of the Trustee to tax from the funds held by the Trustee upon the trusts of this Trust Deed.

- The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds except in relation to its own gross negligence, wilful default or fraud. This Clause 6.1.8 (in the Trust Deed) shall survive the termination or expiry of this Trust Deed or the removal or termination of the Trustee.
- The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, inability to obtain or the failure of equipment, or interruption of communications or computer facilities, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above.
- The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.
- Any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his properly incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, in each case as agreed pursuant to the Fee Letter (including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person);
- Nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it;
- No Trustee and no director or officer of any corporation being a Trustee hereof shall by reason of the fiduciary position of such Trustee be in any way precluded from making any contracts or entering into any transactions in the ordinary course of business with the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, or from accepting the trusteeship of any other debenture stock, debentures or securities of the Issuer or any Subsidiary or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, and neither the Trustee nor any such director or officer


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Masudul Hoque Sarwar
Chief Financial Officer
Eastern Bank Limited

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All Raza Ikhtiar
Managing Director & CEO
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Head Office, Dhaka.

2.5
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



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shall be accountable to the Bondholders or the Issuer or any Subsidiary, or any person or body corporate directly or indirectly associated with the Issuer or any Subsidiary, for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions and the Trustee and any such director or officer shall also be at liberty to retain the same for its or his own benefit.

- The Trustee shall not be liable to any person for any matter or thing done or omitted in any way in connection with or in relation to this Trust Deed or the Bonds save in relation to its own gross negligence, wilful default or fraud.
- The Trustee may sue and may be sued on behalf of the Bondholders.

6.2.2 Trustee's powers and duties

- Subject to applicable law and terms and conditions of this Trust Deed, the Trustee shall act on behalf and for the exclusive interest of the Bondholders;
- Trustee shall ensure that Issuer is observing the applicable law for the Bonds and the terms and conditions of the Bond Documents. As soon as the Trustee is aware of any breach by the Issuer it shall immediately inform the Bondholders and the Issuer of such breach;
- Trustee shall submit an annual compliance report to the BSEC on the activities of the Issuer including repayment of dues to the Bondholders. When Trustee shall submit such report to the BSEC it shall provide copy to the Issuer and the Bondholders;
- Upon receipt of a complaint from the Bondholders Trustee shall take necessary steps for redress of grievances of the Bondholders within one month of the date of receipt of the complaints and he shall keep the BSEC and the Issuer informed about the number, nature and other particulars of the complaints received and the manner in which such complaints have been redressed;
- The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of this Trust Deed or contained in the Bonds is capable of remedy and if the Trustee shall certify that any such default is, in its opinion, not capable of remedy, such certificate shall be conclusive and binding upon the Issuer and the Bondholders;
- The Trustee as between itself and the Bondholders shall have full power to determine all questions and doubts arising in relation to any of the provisions of this Trust Deed and every such determination, whether made upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders;
- The Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute and uncontrolled discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof (save as otherwise provided by applicable law) but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing;

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For President & CEO
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Masudul Hoque Sardar
Chief Financial Officer
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Managing Director & CEO
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Tanzim Alamgir
Managing Director & CEO
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- Any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- The Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds;
- The Trustee shall not be liable for any error of judgment made in good faith applying due diligence and without negligence by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters, save in relation to its own gross negligence, wilful default or fraud;
- Subject to the provisions of the Trust Act 1882 and Bangladesh Securities and Exchange Commission (Debt Securities) Rules 2021, the Trustee may, in the conduct of the trusts of this Trust Deed instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of money) with the consent of Issuer and the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person provided that the Trustee had exercised reasonable care in the appointment of such person;
- The Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder confidential information or other information made available to the Trustee by the Issuer in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information.
- The Trustee shall determine Applicable Interest Rate in accordance with Condition of the Bond.

6.3 Covenants by the Issuer

The Issuer hereby covenants with the Trustee that, so long as any of the Bonds remain outstanding, it will:

- Books of account: At all times keep and procure that all its Subsidiaries keep such books of account as may be necessary to comply with all applicable laws and so as to enable the financial statements of the Issuer to be prepared and allow, subject to confidentiality obligations under applicable law, the Trustee and any person appointed by it free access to the same at all reasonable times and to discuss the same with responsible officers of the Issuer;
- Event of Default: Give notice in writing to the Trustee forthwith upon becoming aware of any Event of Default and without waiting for the Trustee to take any further action;
- Corporate Governance: Comply (and shall ensure that each member of the Group will) in all material respects with the corporate governance guidelines set out by the Bangladesh Bank and the Bangladesh Securities and Exchange Commission.
- Information: So far as permitted by applicable law, at all times give to the Trustee such information, opinions, certificates and other evidence as it shall require and, in such form, as it shall require in relation to Issuer for the performance of its obligations under the Bond Documents;
- Execution of further Documents: So far as permitted by applicable law, at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to the provisions of this Trust Deed;

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For President & CEO
Md. Asiful Haq
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Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Alli Roza Hossain
Managing Director & CEO
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Managing Director & CEO
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- Notices to Bondholders: Send or procure to be sent to the Trustee not less than 5 (five) business days prior to the date of publication, one copy of each notice to be given to the Bondholders in accordance with the Conditions and, upon publication, send to the Trustee two copies of such notice;
- Notification of non-payment: Notify the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds or any of them, pay unconditionally the full amount in the relevant currency of the moneys payable on such due date on all such Bonds;
- Notification of late payment: In the event of the unconditional payment to the Trustee of any sum due in respect of the Bonds or any of them being made after the due date for payment thereof, forthwith give notice to the Bondholders that such payment has been made;
- Notification of redemption or repayment: At least 21 (Twenty One) days prior to the Redemption Dates or purchase in respect of any Bond, give to the Trustee notice in writing of the amount of such redemption or purchase pursuant to the Conditions and duly proceed to redeem or purchase such Bonds accordingly;
- Authorized Signatories: Upon the execution hereof and thereafter forthwith upon any change of the same, deliver to the Trustee a list of the Authorized Signatories of the Issuer, together with certified specimen signatures of the same; and
- Payments: Pay moneys payable by it to the Trustee hereunder without set off, counterclaim, deduction or withholding, unless otherwise compelled by law and in the event of any deduction or withholding compelled by law will pay such additional amount as well will result in the payment to the Trustee of the amount which would otherwise have been payable by it to the Trustee hereunder.

6.4 Rights, duties and obligations of the Bondholders

- Each Bondholder has the right to demand information from the Issuer as set out in this Trust Deed and to receive payment of principal amount of the Bond on the Redemption Date;
- Each Bondholder has the right to receive interest on the Bond on the Interest Payment Date;
- Each Bondholder has the right to attend meeting of the Bondholders and vote

7.0 MARKET ASPECTS OF ISSUING THE BOND

The Bangladesh bond market is still in its infancy. One of the main functions of a bond market is to provide long-term finance by creating alternative sources of finance through the capital market. From the investor's point of view, the main purpose of the bond market is to provide a stable source of income to the investors against the volatile capital market. The Bangladesh capital market is yet to be developed as the required platform to create such a bond market is absent. Besides, the investors are more interested in the short term gains instead of waiting for a stable return. However, the introduction of Basel III may create a new avenue among the bankers to issue bonds under Tier-I & Tier-II capital to support its capital requirement. Bangladesh Bank already circulated the issue principles of the above bonds.

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As per the Global Infrastructure Hub report, Bangladesh needs \$608 billion of investment in infrastructure sectors - water, electricity, telecom, ports, airports, rail, and road - from 2016 to 2040. However, current trends indicate \$417 billion of investment is possible in the

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forementioned sectors, thereby leaving a gap of \$192 billion in investments in the period 2016-2040. This gap in the top three sectors, power, telecom, and water sectors, is \$100 billion, \$41 billion, and \$40 billion respectively. These projects are mostly financed through the government's own fund and multilateral and bilateral funding agencies. But if the government can develop a framework for meeting the funding gap of those projects by issuing long term infrastructure bonds, a new asset class can be created. This might also attract foreign portfolio investments which specialize in infrastructure finances.

With a promise to be a developed nation by 2041, Bangladesh has undertaken many infrastructure projects like: Padma Multipurpose Bridge, Padma Bridge Rail Link, MRT Line-1 & 6, Rooppur Nuclear Power Plant Matarbari Coal Fired Power Project and so on. To maintain stability in the economy and to implement various projects, it is important to ensure the presence of both long and short term sources of funds. Hence, it is quite understandable that Bangladesh needs a vibrant bond market immediately to meet its huge financing requirement for infrastructure development and further industrialization.

According to Capital Markets Fact Book July 2021, currently global bond market size stands at \$124 trillion while global equity market size stands at \$106 trillion. Bond market size of neighboring countries like Malaysia, Indonesia and Pakistan stand at \$345 billion, \$233 billion and \$66 billion respectively whereas Bangladesh's bond market (both treasury bond and corporate bonds combined) currently stands at \$18 billion. Undeniably, Bangladesh falls short of most of the developing economies in terms of bond market size.

Looking into the Bangladesh Bond Market, we can see that it is a small market and it is highly dominated by government debt securities and capital bonds issued by Banks and Non-bank Financial Institutions (FI). Banks and FIs issue capital bonds to meet the regulatory requirement and to strengthen their capital base. Corporate also issue the ZCB or Coupon Bearing Bond but the percentage is still very low.

The Bangladesh Securities and Exchange Commission (Debt Securities) Rules-2021' has been issued on March 31, 2021, which came into force with immediate effect. The rules will apply to the issuance of all types of debt securities, Sukuk, asset-backed securities and others through public issue or private offers as decided by the commission from time to time. The issue shall be rated by a Credit Rating Company and must carry a rating not below the minimum investment grade of triple "BBB" or equivalent rating in the long term and "ST-3" or equivalent rating in the short term.

Fortunately, the situation is getting better as time passes with the proactive and collaborative approach of regulators and related stakeholders. Very recently the country's first Shariah-compliant bond, the Bangladesh Government Islamic Investment (Sukuk), has drawn over eight times applications from investors in the final phase of auction. The fund was raised for the implementation of the government's safe water supply project for the whole country. The oversubscription clearly shows the interest and curiosity of the stakeholders towards this new financial instrument.

Not only that, but Bangladesh has also entered into the era of a green bond in 2021 with the approval of its first green bond to finance environment-friendly projects including Renewable. Bangladesh Securities and Exchange Commission (BSEC) has approved a Non-Governmental Organization (NGO) named Sajida Foundation to raise money from the capital market by issuing green bonds.

The corporate bond market in Bangladesh is almost non-existent, with only three bonds listed in the prime bourse at present. APSCL (Ashuganj Power Stations Company Ltd.); Non-Convertible and fully redeemable coupon bearing bond of Tk.6000.00 million, got the permission from Bangladesh Security and Exchange Commission (BSEC) in the year 2020. Another listed bond is IBBL Mudaraba Perpetual Bond (first perpetual Shariah based instrument); worth of Tk.3000.00 million got permission from BSEC in the year 2007. FAIBL Mudaraba perpetual bond; worth Tk.500.00 million are also getting permission from BSEC.

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So far, a good number of commercial banks have issued a subordinated bond. Countries' first subordinated bond has been issued by The Brac Bank Ltd. worth of Tk. 3000.00 million (Tk. 2700.00 million from the private placement and remaining Tk.300.00 from public Subscription), and got first permission from BSEC in the year 2010, to strengthen their additional Tier II capital base. A subordinated bond is debt security. It is referred to as subordinate because debt providers (lenders) have a subordinate status concerning the normal debt. It is also known as a subordinated loan, debenture, or junior debt that carries a lower-priority claim on the issuer's income or assets than that of other debt.

Under Basel III directive Tier 2 capital can be admitted maximum up to 4.0% of the total RWA or 88.89% of CET1, whichever is higher; such directive of central bank paved the way for local scheduled banks to raise more capital through issuing subordinated debt. However, higher rate of return on National Savings certificate compared to return of subordinated bond may create a challenge for banks to strengthen their capital base through issuance of subordinated bond.

A few of the banks also declared to issue bonds under Tier-I. The market analysts are also hopeful that such an issue will boost the other banks in issuing Tier-I bonds because the subscribers will earn a stable return from the Tier-I bond in the face of the existing volatility of the capital market. CRISL, however, views that a good number of mutual funds and other FIs may include the bond in their portfolio for risk minimization through asset diversification. As Asset Management Companies are increasing, they will also be very much interested to add Tier-I bonds in their portfolio as Fixed Income Securities.

Perpetual bonds of banks often yield a higher rate than the interest on fixed deposits. The City Bank Ltd. and The Jamuna Bank Ltd. (both have got the first permission from BSEC) as well as One Bank and the Mutual Trust Bank's non-shariah based instruments in the year 2020 got permission for issuing of Tk.400 crore each to strengthen their additional Tier 1 capital base. Only a few banks are going to issue perpetual bonds to meet their long-term capital requirements as well as strengthen the Tier 1 capital base. Like other bonds, even perpetual bonds come attached with the risk of liquidity, credit risk, and interest rate risk. One needs to invest in perpetual bonds, being mindful of these aspects.

Unlike fixed deposits, perpetual bonds have no guarantee even though they are issued by banks. If a bank's capital dips below certain thresholds due to bad assets, they can skip interest payments on these bonds and even write-down their value. This makes them a lot closer to equity than debt. Investors should not become complacent simply because the issuer is a public sector bank.

The Bangladesh bond market has been inactive over the years on account of several issues that have acted as barriers for issuers and investors alike. From the issuer's point of view, the cost of issuance of bonds in Bangladesh is significantly high (1.5%-2% of the total issuance value as compared to approximately 0.2% cost of issuance of bonds in India). Besides, there is an absence of tax benefits or other incentives for the issuers raising funds via the issuance of debt securities. According to The Income Tax Ordinance 1984, any income derived from zero-coupon bonds by a person other than a bank, an insurance company, or a financial institution is exempted from tax. The tax benefit is only applicable if the zero-coupon bond (if issued by the banks, financial institutions, and other companies) is approved by BSEC or Bangladesh Bank.

The regulators lack the necessary infrastructure to perform due diligence of the application received from the issuers. As a result, it takes six months to one year for the issuer to issue bonds. This acts as a major barrier for a project developer who wants to raise funds via the bond market in a short time. Due to the lack of availability of long-term financing options, the project developers either avail funds through bridge financing or avail long-term financing from NBFI's and banks at higher interest rates which substantially increases the overall project cost. The long-term debt market has witnessed a lack of participation from institutional investors as well as individual investors. Institutional investors like banks, insurance companies, and mutual funds prefer to invest in high return low-risk debt securities

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offered by the government instead of the low return-high risk bond market. The confidence of general investors in the private sector is still low because of the lack of regulatory regime, lack of awareness, and failure to service the interest and principal payment obligations in the past by the issuers. Furthermore, due to the lack of a benchmark yield curve, the presence of a secondary market is almost negligible. Overall, the long-term debt market is yet to emerge as an effective investment avenue to large and small investors as well as position itself as an attractive avenue for the companies to raise funds through the issuance of debt securities.

8.0 ESTIMATED RETURN FROM THE BOND

The investors/subscribers are likely to get good return from their investment in the bond of EBL as the issue offers a floating coupon rate.

- **Coupon Rate** = Benchmark Rate + Coupon Margin
- **Benchmark Rate:** The average of most recent month's published fixed deposit rates (6-month tenor) of all Commercial Banks (excluding Islamic Shariah based Commercial Banks & Foreign Banks) with similar or above credit rating as the issuer. The interest rates to be collected from 'Last announced Interest Rate Chart of the Scheduled Banks (Deposit Rate)' published by Bangladesh Bank on the Quotation Day.
- **Coupon Margin:** 2.00% p.a.
- **Coupon Floor Rate:** 6.00% p.a.
- **Coupon Ceiling Rate:** 9.00% p.a.

*Subject to Bangladesh Bank approval

The bond will be held by local banks and financial institutions, Insurance companies, corporate and/or high net-worth individuals etc. The bond is non convertible bond and the interest will be paid semi annually.

9.0 ISSUER CONSIDERATIONS

As stated earlier, the bond is sub-ordinate to all the liabilities and will rank just above the equity holders, the factors that may influence the bond rating are the fundamentals that stands for the equity. Therefore, CRISL has reviewed the fundamentals of the EBL as follows:

9.1 Management Strength

The Board of Directors of EBL is currently constituted of 13 (Thirteen) Directors and among them 12 (twelve) are Non-executive Directors including the Chairman and 1 (one) is Managing Director (Ex-officio). EBL Board is Chaired by Md. Showkat Ali Chowdhury, a known business personality in country's business arena, Mr. Ashiq Imran and Dr. Toufic Ahmad Choudhury are the Independent Directors in the Board. All members of the Board have diverse skills, experience and expertise. The Board is involved in setting key targets for the bank management and monitoring the progress, approval of long term strategic plan, expansion of business, appointment of key management people, and purchase of bank's property and adopts sufficient risk management systems to mitigate the core risk of the bank.

The Board has been looking after the affairs of the bank through three Board committees namely Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC). The Board deals with the policy issues, business philosophy and operating guideline for the management in achieving its desired targets.

Experienced
management team

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For President & CEO
Md. Asiful Haq
Chief Rating Officer
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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

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9.2 Financial Performance (Consolidated)

The profitability performance of the company was good during FY 2021 where maximum of the profitability indicators improved compared to previous year. However, CRISL opines that bank's profitability in coming days will largely depend on country's macro-economic fundamentals and global economic environment and CRISL predicts that country's overall business & economic scenario is likely to improve in the next fiscal year due to growth supportive fiscal and monetary measures, growing external and internal demand, improving COVID-19 situation, and rising business confidence.

CRISL evaluates the financial performance in terms of Return on Average Asset (ROAA), Return on Average Equity (ROAE) and Net Interest Margin (NIM). The bank's total operating income comprised of net interest income, investment income, fee, commission, exchange & brokerage income and other operating income. In FY 2021, the net interest income increased by 31.11%. The interest income decreased to Tk. 16,535.77 million in FY 2021 from Tk. 20,011.37 million in FY 2020 registering a negative growth of 17.37%. On the other hand, interest paid on deposits and borrowings have also significantly been declined by 38.39% resulting improved net interest income to Tk. 7,934.64 million in FY 2021 from Tk. 6,051.87 million in FY 2020 with a growth of 31.11%. The net interest margin (NIM) increased to 2.79% in FY 2021 from 2.23% in FY 2020.

The weighted average interest rate of loan (year-end) stood at 7.29% in FY 2021 against 8.22% in FY 2020 whereas weighted average interest rate of deposits (Year-end) stood at 3.25% in FY 2021 and 3.70% in FY 2020 resulting in a spread of 4.04% in FY 2021 against 4.52% in FY 2020. During the surveillance period EBL's investment income increased to Tk. 5,996.84 million in FY 2021 from Tk. 5,101.54 million in FY 2020 registering 17.55% growth due to increase in dividend income, interest income from govt. and non govt. treasury bonds and gain on sale of quoted securities. Fees, commission and brokerage increased by 18.14% during FY 2021. Hence, the total operating income of EBL increased by 22.49% and stood to Tk. 17,842.43 million in FY 2021 from Tk. 14,566.67 million in FY 2020. Out of total operating income, 44.47% came from net interest income, 33.61% from income from investments, 20.31% from fees, commission, exchange and brokerage and 1.61% from other operating income. Total operating expenditure slightly increased to Tk. 6,976.91 million in FY 2021 from Tk. 6,671.56 million in FY 2020 registering growth of 4.58%. Total operating profit before provision increased by 37.62% and stood at Tk. 10,865.52 million in FY 2021 from Tk. 7,895.11 million in FY 2020. General provision charged during the year was Tk. 475.24 million in FY 2021 against Tk. (293.45) million in FY 2020. Specific provision charged during the year increased to Tk. 1,733.79 million in FY 2021 from Tk. 928.25 million in FY 2020. Total provision charged for loan & advances and others significantly increased to Tk. 2,334.12 million in FY 2021 against Tk. 1,155.10 million in FY 2020 against the back drop of withdrawal of relaxation policy on loan classification which resulted decline in classified loan. The Net profit before tax of EBL consequently increased to Tk. 8,531.40 million in FY 2021 from Tk. 6,740.01 million in FY 2020 with growth of 26.58%. Therefore, the net profit after tax (PAT) also increased to Tk. 4,800.22 million in FY 2021 from Tk. 4,180.38 million in FY 2020. The Earning per share (EPS) of EBL improved and stood at Tk. 5.03 in FY 2021 against Tk. 4.38 in FY 2020. Return on Average Assets (after tax) and Return on Average Equity (after tax) increased during FY 2021 due to higher growth of net profit over the growth rate of assets and equity. The Return on Average Assets (after tax) slightly increased to 1.31% in FY 2021 from 1.23% in FY 2020. The Return on Average Equity (after tax) also increased to 15.72% in FY 2021 from 15.09% in FY 2020. The Return on risk weighted assets of the bank slightly increased to 1.99% in FY 2021 from 1.93% in FY 2020.

9.3 Asset Quality (Stand alone)

The overall asset quality of EBL was found moderate. Reported asset quality of the bank registered slight moderation due to withdrawal of relaxation policy as imposed by central bank in paying loan to help out COVID inflicted business activity. Total loans and advances of the bank increased to Tk. 269,393.97 million in FY 2021 from Tk. 228,943.85 million in FY 2020 indicating growth of 17.67%. Out of total loans and advance, 96.30% is unclassified loan and 3.70% is classified loan. EBL's non-performing loans (NPL) increased to Tk. 9,978.68 million in FY 2021 from Tk. 6,226.38 million in FY 2020. During FY 2021, out of total non-

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performing loan, 9.27% has been found to be sub-standard, 6.05% as doubtful and 84.68% as bad/loss. During FY 2021 EBL's non-performing loan in Bad/loss category significantly increased by 72.22%. As on December 31, 2021 the amount reported under SMA category includes certain loan accounts with an aggregate outstanding of Tk. 301.60 million (Tk. 1,225.70 million as on December 31, 2020) which has not been reported as classified on the basis of stay order from the Honorable High Court Division of the Supreme Court Bangladesh. As at year end 2021, an aggregate amount of Tk. 67.52 million (Tk. 534.60 million as on December 31, 2020) has been kept as Specific Provision treating all those accounts as bad & loss. During FY 2021, the total written off loan stood at Tk. 134.74 million while there was no written off loan in FY 2020 and the amount of recovered from loans previously written off Tk. 363.27 million. Moreover, during 2021 there are 1,485 law suits that have been filed to recover written off loan of Tk. 15754.48 million. Apart from various legal activity (sending letter and reminders to clients, legal proceedings & settlement, disposal of security through auction), EBL has formed a Special Assets Management Dept. (SAMD) which is responsible for holding discussion with the clients for recovery of classified loan. Gross NPL ratio increased to 3.70% in FY 2021 from 2.72% in FY 2020. NPL of EBL (including stay order loan as classified) stood at 3.82% as on Dec. 31, 2021. All these indicate moderate asset quality of the bank. Against the total provision requirement of Tk. 11,952.00 million EBL kept Tk.12,841.27 million (for loans and advance including OBU) as on December, 2021. The bank maintained adequate provision for both balance sheet and off-balance sheet exposure. While analyzing, CRISL observed that Top-20 defaulters of the bank were holding Tk. 6231.61 million of total NPL as on December 31, 2021. As on December 31, 2021 loan and advances amounting of Tk. 212,846.77 million has been found to be fully secured by collateral and loan and advances amounting to Tk. 271,601.66 million have been found to be collateral free.

9.4 Liquidity & Fund Management (standalone)

EBL had been carrying out its operations with good liquidity during 2021 where all the liquidity related indicators have been found good. Both CRR and SLR were adequately maintained as per requirement of the Bangladesh Bank. Liquid Assets ratio (Liquid assets to total deposit) of the bank decreased to 23.87% in FY 2021 from 28.25% at FY 2020. Liquid asset to short term deposits (matured within 3 months) stood at 88.27% as of Dec'21. Loan to Deposit Ratio stood at 100.66% in FY 2021 and 94.30% in FY 2020. However, Advance to deposit (AD Ratio) ratio stood at 79.69% in FY 2021 and 99.65% in FY 2020. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the bank have been found to be maintained adequately. The liquidity coverage ratio (LCR) stood at 144.97% and Net stable funding ratio stood at 104.40% as on December 31, 2021. CRISL reviewed bucket wise payment obligation in comparison to its available assets at different maturity buckets. The maturity analysis of EBL shows that the bank had Tk.21018.09 million positive gap for one month maturity bucket where asset was Tk.61174.93 million and liability was Tk. 40156.84 million. In 1 to 3 months maturity bucket, the negative liquidity gap was Tk.20164.43 million and cumulative liquidity gap was of Tk. 853.65 million. In 3 to 12 months maturity bucket, the positive liquidity gap was Tk. 47491.62 million and cumulative liquidity was Tk. 48345.27 million. The bank is largely funded through customer deposit. However in funding mix high cost term deposit still dominates other than low cost CASA deposit.

During the period EBL put more emphasis on mobilizing deposits. EBL funding mix consists of 68.19% deposits and others, 8.07% shareholders equity, 16.65% borrowing from other banks, financial institutions and agents and 7.09% other liabilities. The bank's total deposits registered increase to Tk. 268,018.85 million in FY 2021 from Tk. 242,357.77 million in FY 2020 with a growth of 10.59%. Total deposits consist of fixed deposits of Tk. 101,607.71 million (37.91%), savings deposit of Tk. 70,403.38 million (26.27%), current deposit and other accounts of Tk. 32,747.95 million (12.22%), bills payable of Tk. 1,155.85 million (0.43%) and other deposit of Tk. 62,103.96 million (23.17%). Other than customer deposit, EBL has continuous drive to borrow low cost fund from various financial institutions from abroad. Bank's cost of fund stood at 2.73% in FY 2021 and 4.76% in FY 2020. EBL is mainly dependent on customer deposit which is interest rate sensitive.

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On the other hand, alignment of interest rate on deposits with country's inflation rate against imposition of lending cap will narrow's bank's spread. Moreover, offering more than 10% rate of return of National Savings certificate may discourage depositors to go for savings with scheduled banks and EBL may face such problem in coming days which is likely to create pressure on bank's liquidity.

9.5 Capital Adequacy (Consolidated)

Though the Capital to Risk Weighted Assets ratio (CRAR) deteriorated in 2021 and the overall capital adequacy of EBL has been found to be good and higher than PCB industry average. The bank has been maintaining capital requirement in line with requirement under risk based capital adequacy framework of Basel-III.

Total RWA of the bank (consolidated basis) stood at Tk. 260,049.34 million as on December 31, 2021 of which 85.45% emanated from credit risk, 9.96% from operational risk and 4.59% from market risk. Based on the above the minimum capital requirement stood at Tk. 26,004.93 million against which the total capital stood at Tk. 36,079.15 million with a capital surplus of Tk. 10,074.21 million. On consolidated basis, the Capital to Risk Weighted Assets ratio (CRAR) stood at 13.87% in FY 2021 and 15.03% in FY 2020. On consolidation basis Tier-1 capital of the bank stood at 10.21% while Tier-II capital stood at 3.67% at YE 2021.

Total RWA of the bank (standalone basis) stood at Tk. 253,387.60 million as on December 31, 2021 of which 87.02% emanated from credit risk, 9.91% from operational risk and 3.07% from market risk. Based on the above the minimum capital requirement (considering credit, market & Operational risk under pillar-I risk) stood at Tk. 25363.40 million against which the total capital stood at Tk. 35761.60 million with a capital surplus of Tk. 10398.20 million. On standalone basis, the Capital to Risk Weighted Assets ratio (CRAR) stood at 14.10% in 2021 against the requirement of 12.50% (Minimum Capital plus Capital conservation buffer) as per Basel-III. On standalone basis Tier -1 capital of the bank stood at a 10.31% while Tier-II capital stood at 3.79% at YE2021.

10.0 IMPACT OF BOND ISSUANCE ON CRAR

(Figures in Crore Taka)

Particulars	2022 With Bond
Tier-1 (Core Capital)	
Fully Paid-up Capital/Capital lien with BB	1,073.00
Statutory Reserve	1,073.00
Non-repayable Share premium account	-
General Reserve	60.00
Retained Earnings	1,140.00
Dividend Equalization Account	36.00
Other (Any deduction by BB)	(288.00)
Total Tier-1 Capital	3,094.00
Tier-2 (Supplementary Capital)	
General Prov.	592.00
Subordinated debt	800.00
Other (if any item approved by BB)	-
Total Tier-2 Capital	1,392.00
Risk Weighted Assets (RWA)	28,182.00
Minimum Cap. Requirement including Buffer	4,486.00
Total Regulatory Capital	15.92
CRAR %	

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The above figures revealed that the Subordinated Debt will aid the bank to keep the CRAR at standard level.

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11.0 REDEMPTION CAPACITY

Coupon Payment of the bond is payable annually i.e. December 31 in each year. CRISL views that the fundamentals of the bank will support the coupon payment of bonds from the regular operation. Again, on principal redemption, the principal on the Bond have been redeemed to the registered holder of the Bonds. CRISL opines that with the stability in country's political arena and increase in demand of credit in industrial as well as service sector, EBL's projected credit growth is expected to be attained to maintain a steady growth in its retained earnings. EBL has duly paid all the principal payments of the bond (which have previously been issued by the bank) in due time.

12.0 CAPITAL ADEQUACY CONTINGENCY PLAN FOR NEXT TWO YEARS

Particulars	2022	2023
<i>(Amount in Tk. Crore)</i>		
Tier-1 (Core Capital)		
Fully Paid-up Capital/Capital lien with BB	1,073.00	1,207.00
Statutory Reserve	1,073.00	1,207.00
Non-repayable Share premium account		
General Reserve	60.00	60.00
Retained Earnings	1,140.00	1,437.00
Dividend Equalization Account	36.00	36.00
Other (Any deduction by BB)	(288.00)	(288.00)
Total Tier-1 Capital	3,094.00	3,660.00
Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans + SMA + OBS Exposure)	592.00	630.00
off Balance Sheet exposure)		
Subordinated debt	800.00	700.00
Other (If any item approved by Bangladesh Bank)		
Total Tier-2 Capital	1,392.00	1,330.00
Risk Weighted Assets (RWA)	28,182.00	31,703.00
Minimum Capital Requirement		
Total Regulatory Capital	4,486.00	4,990.00
CRAR %	15.92	15.74

CRISL views that the scenario could be different to some extent considering more regulatory compliance and future uncertainty of Bangladesh economy. Banks may not be able to meet business target in the volatile Bangladesh macro economy.

13.0 RISK & MITIGATION

13.1 Subscription risk

Subscription risk of bond will arise due to lack of demand in the market to buy the instrument. The target buyers of the bond are local financial institutions, insurance companies, offshore development financial institutions and high net worth individuals etc. Corporate houses in Bangladesh may not have sufficient fund to go for investment in such bond against the backdrop of any future liquidity crisis due to significant bank borrowing by Govt to finance the budget deficit. Moreover, few other banks have also planned to raise fund through issuance of such bond. Hence flotation of too many bonds in the market may create subscription risk. Moreover, absence of underwriting arrangement in the proposed structure may create subscription risk.

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13.2 Redemption Risk

Redemption risk arises from the failure of the issuer to redeem the bond when it becomes due. EBL has to pay off the bond subscribers with an amount of TK. 1000.00 million each in the last five years of the bond tenure. Significant amount of cash outflow from the bank at one time may create pressure on its cash flow as well as liquidity. However, it has been estimated that the bank may be able to manage the situation with its regular inflow of cash. Even, in case of stressed position issuer has comfortable access in the money market to back-up the above situation as well as redemption.

13.3 Maintenance of Capital

EBL may face maintenance of regulatory capital risk (as per Basel-III guideline). Though the bank has taken initiative to comply with risk based capital adequacy requirement through issuance of Subordinated Debt to support Tier-II capital, the amount of Subordinated Debt eligible for inclusion as Tier-II capital will be reduced by 20% from the original amount of Instrument (net of any redemption) at the beginning of each of the last five years of the Instrument's life. Hence, EBL has to amortize TK. 1000.00 million each year in the last five year of bond life and thus Tier-II capital support from Subordinated Debt will gradually decline. In view of that, if internal capital generation of the bank (which is presently 17.77%) is hampered and if it cannot create adequate reserve to support capital requirement, the bank is likely to face maintenance of capital risk (10% of risk weighted assets) specially in case of business expansion. Moreover, the bank has to keep capital conservation buffer of 2.5% in addition to minimum regulatory capital as per Basel-III guideline.

13.4 Capital Treatment Risk

Capital Treatment Risk may arise due to fall of rating of the entity (EBL) as well as the instrument (here Subordinated Debt). To be shown in Tier-II capital, Subordinated Debt must carry at least BB3 rating for both issuer and issue (equivalent to BBB+, BBB, BBB- of CRISL). As Subordinated Debt must be unsecured, instrument rating will fall with the fall of entity rating. Presently, EBL carries AA+ Rating in Long Term and ST-2 in short Term. With the fall of entity rating to below BBB-, instrument rating of the bank will consequently be downgraded and despite the issuance of Bond the bank will face capital treatment risk due to its inability to show the Bond in Tier-II capital.

13.5 Regulatory Change

At present EBL is supporting its capital requirement through bond issue. However, any change in regulatory rules and regulations might impact on bond's advantages.

13.6 Transferability Risk

Transferability risk arises when the bondholder is unable to sell the bond in the market in case of necessity and is required to wait till maturity. As the bond is issued under private placement and is not listed, the bondholders are exposed to easy transferability risk.

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14.0 OBSERVATION SUMMARY

Rating Comforts: Issue: <ul style="list-style-type: none"> Attractive coupon rate Issuer has sound credit profile & diversified business mix Issuer cash flow supports regular coupon payment as well as principal The Issue has augmented Tier II capital base Issuer: <ul style="list-style-type: none"> Average capital adequacy Average profitability Diversified loan portfolio Average liquidity Good non-funded business Good market image Experienced top management 	Rating Concerns: Issue: <ul style="list-style-type: none"> Unsecured and non-convertible debt instrument Subordination to depositors and other bank liabilities Absence of recourse to the trustee in managing event of default No provision of penal interest rate in case of delayed coupon/ principal payment Issuer: <ul style="list-style-type: none"> Rise in NPL Substantial amount of reschedule loan Significant amount of stay order loan Decline in CRAR Substantial taken over loan Significant loss on revaluation of treasury securities
Business Opportunities: Issue: <ul style="list-style-type: none"> Development of bond market in Bangladesh Stock exchange enlistment Introduction of derivatives in Bangladesh stock market Issuer: <ul style="list-style-type: none"> Expansion of branch network Expansion of Islamic product suite Portfolio diversification in low risk category business segment including SME Client rating to enhance investment Compliance of Basel-III 	Business Challenges: Issue: <ul style="list-style-type: none"> Lower market depth of Bangladeshi capital market Mostly dependent on institutional investor for subscription Issuer: <ul style="list-style-type: none"> Make loan & advance to economic sector Comply with capital requirement under pillar-II risk Regulatory pressure for narrowing interest rate spread

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement)

(We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.)

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RATING SCALES
LONG-TERM RATING OF DEBT INSTRUMENTS

RATING	DEFINITION
AAA Triple A (Highest Safety)	Investment Grade Securities rated in this category are adjudged to be of highest credit quality. This level of rating indicates highest level of safety for timely payment of interest and principal. Risk factors are negligible and nearest to risk free government securities.
AA+, AA, AA- (Double A) (High Safety)	Securities rated in this category are adjudged to be of high credit quality and offer higher safety. This level of rating indicates a security with sound credit profile and without significant problems. Protection factors are strong. Risk is modest but may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Securities rated in this category are adjudged to be of good credit quality and offer adequate safety for timely repayment of financial obligations. Protection factors are considered variable and more susceptible to changes in circumstances than securities in higher-rated categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Securities rated in this category are adjudged to offer moderate safety for timely repayment of financial obligations. This level of rating indicates deficiencies in certain protective elements but still considered sufficient for prudent investment. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
BB+, BB, BB- Double B (Inadequate Safety)	Speculative Grade Securities rated in this category are considered to be of speculative grade but deemed likely to meet obligations when due. Present or prospective financial protection factors fluctuate according to industry conditions or company fortunes. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (High Risk)	Securities rated in this category are considered to be of highly speculative grade. This level of rating indicates high risk associated with timely repayment of interest and principal. Financial protection factors will fluctuate widely according to economic cycles, industry conditions and/or company fortunes. Potential exists for frequent changes in the rating within this category or into a higher or lower rating grade.
CCC+, CCC, CCC- (Vulnerable)	Securities rated in this category are currently vulnerable to non-repayment, and is dependent upon favorable business conditions for the obligor to meet its financial commitments on the obligation.
CC+, CC, CC- (High Vulnerable)	Securities rated in this category is currently high vulnerable to non-repayment.
C+, C, C- (Near to Default)	Securities rated in this category are considered to be near to default. Protection factors are scarce. Timely repayment of interest and principal is possible only if favorable circumstances continue.
D (Default)	Default Grade Defaulted debt obligations. Issuer failed to meet scheduled principal and/or interest payments.

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22.2 CREDIT RATING REPORT OF THE ISSUER



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CREDIT RATING REPORT On EASTERN BANK LIMITED

REPORT: RR/44209/21

This is a credit rating report as per the provisions of the Credit Rating Companies Rules 1995. CRISL long-term rating is valid for only one year and short term rating for six months from the date of rating. After the above periods, these ratings will not carry any validity unless the bank goes for rating surveillance.
CRISL followed Bank/FT Rating Methodology published in CRISL website www.crislbd.com

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Entity Rating
Long Term: AA+
Short Term: ST-1

Outlook: Stable

Date of Rating: June 17, 2021	Valid up to: June 16, 2022	
	Long Term	Short Term
Surveillance Rating	AA+	ST-1
Outlook	Stable	

1.0 RATIONALE

CRISL has reaffirmed the Long Term rating "AA+" (pronounced as double A plus) and the Short Term rating "ST-1" to Eastern Bank Limited (EBL). This has been done on the basis of 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 issued on the basis of its financial performance, asset quality, capital adequacy, liquidity, risk management practice, portfolio management, compliance, 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.

The bank has been rated in above category because of its fundamentals such as good profitability, good liquidity, Basel-III compliant capital adequacy (with strong core capital), diversified business portfolio, good non-funded business, good market image, sound IT infrastructure, experienced top management etc. CRISL, however, observed few limitations that might have impact on rating in long term which include decrease in net interest income, downturn in major profitability indicators, moderate asset quality, considerable amount of rescheduled loan, high large loan exposure, un realized loss of capital market exposure as well as moderate performance of its merchant bank subsidiaries.

Eastern Bank Limited (EBL) is a second generation publicly listed commercial bank. 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, emerging corporate and consumer business.

During the period of FY 2020, the profitability of the bank was good. Though the net interest income registered decline to Tk. 6,051.87 million in FY2020 from Tk. 8,276.90 million, it was offset by substantial increase in investment income which ultimately helped the bank to make a comfortable operating profit amid COVID-19 inflicted economy. Out of total operating income, 41.55% came from net interest income, 35.02% from income from investments, 21.06% from fees, commission, exchange and brokerage and 2.37% from other operating income. The net profit after tax (PAT) also increased to Tk. 4180.38 million in FY2020 from Tk. 3,990.39 million in FY 2019 due to comparatively lower provision requirement on loan & advances. The Earning per share (EPS) of EBL increased to Tk. 5.15 in FY2020 from Tk. 4.92 in FY 2019. EBL experienced a modest profit moderation during the year which is evident from downturn in ROAA & ROAE. The Return on Average Assets (after tax) decreased to 1.23% in FY 2020 from 1.28% in FY 2019. The Return on Average Equity (after tax) decreased to 15.09% in FY 2020 from 16.18% in FY 2019.

EBL had been carrying out its operations with good liquidity during 2020 where all the liquidity related indicators have been found good. Advance to deposit (AD Ratio) ratio stood at 78.82% in FY 2020 and 77.90% in FY 2019. The liquidity coverage ratio (LCR) stood at 210.90% and Net stable funding ratio stood at 105.49% as on December 31, 2020.

The bank maintained a strong core capital during the year with adequate capital surplus. The Capital to Risk Weighted Assets ratio (CRAR) of the bank increased in 2020 due to increase in core capital. On standalone basis, the Capital to Risk Weighted Assets ratio (CRAR) stood at 15.23% in 2020 against the requirement of 12.50% (Minimum Capital plus Capital conservation buffer) as per Basel-III.

EASTERN BANK LIMITED

ACTIVITY
Commercial Banking

COMMENCEMENT OF OPERATION
August 16, 1992


MANAGING DIRECTOR AND CEO
Ali Reza Iftekhar

TOTAL ASSETS
Tk. 339,508.37 million

TOTAL EQUITY
Tk. 29,449.10 million

TOTAL LOANS & ADV
Tk. 230,545.06 million

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CREDIT RATING REPORT On EASTERN BANK LIMITED

The overall asset quality of EBL was found moderate. Out of total loans and advance 97.28% is unclassified loan and 2.72% is classified. EBL's non-performing loans (NPL) decreased to Tk.6,226.38 million in FY2020 from Tk.7,771.47 million in FY2019 due to regulatory forbearance of not to classify overdue loan account during pandemic situation as well for relaxation in loan restructuring & rescheduling. Gross NPL ratio decreased to 2.72% in FY 2020 from 3.35% in FY 2019. Moreover, stressed asset ratio of the bank (including stay order & rescheduled loan as classified) stood at 3.88% at FY 2020.

Overall operating efficiency of the bank registered moderate fall in FY2020 as compared to previous year. The efficiency ratio slightly rose to 45.80% in FY 2020 from 44.22% in FY 2019. The yield per TK. 100 staff cost also moderated to Tk. 192.58 in FY 2020 from Tk. 213.73 in FY 2019. The merchant bank operation of the bank (EBL Investment Limited) incurred loss during FY2020.

The Banks rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a banking entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.

The Short-term rating indicates the highest certainty of timely repayment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.

CRISL also viewed the bank with "Stable" outlook and does not foresee any major significant changes in its overall operational performance in near future.

2.0 CORPORATE PROFILE

2.1 Genesis

Eastern Bank Limited (EBL), a second generation publicly listed commercial bank incorporated in Bangladesh, has been operating since August 16, 1992 under the Bank Companies Act, 1991 with the primary objective to carry out all kinds of banking business after taking over the business, assets and liabilities of erstwhile Bank of Credit & Commerce International (Overseas) Limited as per BCCI reconstruction scheme of Bangladesh Bank in 1992. With a wide range of modern corporate and consumer financing products, EBL has achieved considerable public response as a sound bank. 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, emerging corporate and consumer business. EBL was listed with DSE on 20 March, 1993 and with CSE on 28 September, 2004. EBL shares are traded as 'A' category issue in both the bourses of the country. As on December 31, 2020 the authorized and paid up capital stood at Tk.12,000.00 million and Tk. 8,118.00 million respectively. The bank has been operating its business throughout the country with a network of 85 branches, 220 ATM machines, 67 dropbox and 16 priority centers. The bank has four fully owned subsidiaries namely EBL Securities Limited, EBL Investment Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. EBL Board is chaired by Md. Showkat Ali Chowdhury while Mr. Ali Reza Iftakhar is heading the management team as Managing Director & CEO. The Head Office of the Bank is located at 100 Gulshan Avenue, Dhaka 1212, Bangladesh.

2.2 Ownership Pattern

During the year of surveillance, the ownership pattern of the bank remains unchanged. The total outstanding shares stood at 811,799,547 as on December 31 2020. Out of total outstanding shares; General Public held 59.06% followed by Directors/Sponsors (30.18%) and Financial Institutions (10.76%). After declaration of stock dividend total outstanding shares stood at 953,864,468 as on June 07, 2021.

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CREDIT RATING REPORT On EASTERN BANK LIMITED

Operating with 85
Branches

2.3 Operational Network

Core Businesses of the bank are broadly segmented into three divisions: Corporate, Retail & SME and Treasury, FI & OBU. EBL Corporate Banking is geographically centralized in Dhaka and Chattogram, but it uses nationwide EBL branches, correspondent banks and affiliated networks worldwide to serve the large corporate banking clients of the country. Corporate Banking consists of 3 units namely Relationship Unit (RU), Cash Management Unit (CMU) and Structured Finance Unit (SFU). There are 11 relationship units providing one-stop solution to the corporate customers. While other units are providing specialized product solutions to cater large long term financing, short term trade financing and cash management requirements. Retail & SME banking offers a wide range of depository, loan and card products to suit dynamic and lifestyle needs of individual customers. It simplifies daily banking needs and satisfies lifestyle aspirations of consumers by extending suitable loan products. Retail Banking customers are served through 85 branches, 220 ATM machines, 29 agent banking outlets, 5 Sub-branches, 67 Dropbox and 16 Priority Centers. The bank has its presence in major cities/towns in the country including Dhaka, Chattogram, Sylhet, Khulna, Barisal, Rajshahi and Rangpur. Treasury is a business segment, which predominantly deals with asset-liability management of the bank and covers fixed income securities, foreign exchange, and currency trade etc. and provides a complete package of treasury solutions to both internal and external customers.

2.4 Business Profile

EBL offers a wide range of depository, loan and card products to cater to every customer segment. The bank continues its focus on mobilization of low cost deposit under deposit portfolio and commercial and industrial credit under lending portfolio.

2.4.1 Conventional Banking

EBL provides a full range of financial services to individuals, small and medium sized companies, and corporate bodies under corporate banking, Retail & SME Banking and Treasury. The product basket is rich in content featuring different types of Savings and Current accounts, Personal Loans, Debit Cards, Credit Cards, Pre-paid Cards, Internet Banking, Corporate Banking, SME Banking, Investment Banking, Treasury and Syndication services etc.

EBL savings products are 'EBL Classic Savings', 'EBL Power Savings', 'EBL Max Power', 'EBL Premium Savings', 'EBL smart Women's savings' etc; EBL DPS products are 'EBL Confidence', 'EBL Millionaire Scheme', 'EBL Kotipoti' etc; EBL Fixed Deposit products are 'EBL Repeat', 'EBL 50+ FD', 'EBL Earn First' etc; Student Banking products are 'EBL Junior', 'EBL Campus', 'EBL Child Future Plan', 'EBL Student File'.

The loan products of the bank are 'EBL Executive Loan', 'Fast Cash', 'Fast Loan', 'EBL Home Loan', 'EBL Women's Loan', 'EBL Auto Loan', etc. The business loan are 'EBL Utkorsho', 'EBL Mukti', 'EBL Uddipon', 'EBL Nobodoy', 'EBL Uddog' etc.

The card products are 'EBL Visa Classic Credit', 'EBL Visa Gold Credit', 'EBL Visa Platinum Credit', 'EBL Visa Signature Credit', 'EBL Visa Infinite Credit', 'EBL Visa Women Platinum Credit', 'EBL MasterCard Titanium Credit', 'EBL MasterCard World Credit', 'EBL Diners Club International Credit' etc.

The other conventional mid segment loan products are Regular term loan, cash credit, secured overdraft, demand loan, import loan, time loan, letter of credit, loan against trust receipt, acceptance etc. The NRB products and services include EBL Global, EBL NFCD, EBL Paribar etc. The Digital Banking Services are EBL DIA, Payment Solution, SKYBANKING, Internet Banking, EBL 365, EBL Dropbox etc.

2.4.2 Offshore Banking

Offshore Banking Unit (OBU) is a separate business unit of EBL, governed under the rules and guidelines of Bangladesh Bank. It gives loans and takes deposits in freely convertible foreign currencies to and from person/institutions not resident in Bangladesh and Type - A (wholly foreign owned) units in EPZs in Bangladesh. It also gives long term loans to industrial units outside EPZs and Type - B & Type - C industrial units within the EPZs subject to compliance

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by the industrial units with the guidelines of BIDA and Bangladesh Bank. Besides, this unit provides bill discounting/financing facilities accepted by Authorized Dealer (AD) in Bangladesh against Usance LCs in accordance with Bangladesh Bank guidelines. The unit commenced its operations from 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka 1212, Bangladesh. Total loan & advances at Off-shore Banking unit stood at Tk. 25,059.74 million in FY 2020 and Tk. 23,378.87 million in FY 2019 registering a growth of 7.19%. Total operating income from Off-shore Banking unit of the bank increased to Tk. 452.52 million in FY 2020 from Tk. 429.67 million in FY 2019. Net profit from the unit also increased to Tk. 384.05 million in FY 2020 from Tk. 381.27 million in FY 2019.

2.4.3 EBL Securities Limited

The 'EBL Securities Limited', a private limited company has been incorporated in Bangladesh under the companies Act 1994. EBL Securities Ltd., a leading brokerage firm of the country, was acquired in two phases and was renamed from 'LRK Securities Limited'. The principal activities of the company are to buy, sell, deal and invest in shares, stocks, debentures and other securities. The company is the TREC holder (Trading Right Entitlement Certificate) of both Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) bearing certificate no. 026 and 021 dated 03 November 2013 and 28 October 2013 respectively (Previous membership no. 026 and 021 of DSE and CSE respectively). The total operating profit and net profit after tax of the company stood at Tk. 113.16 million and Tk. 18.31 million respectively in FY 2020.

2.4.4 EBL Investment Limited

EBL Investments Limited, a fully owned subsidiary of EBL was incorporated on 30 December 2009. It obtained required license from BSEC in January 2013 and started full-fledged operations of merchant banking, portfolio management, underwriting etc. since June 2013. The total operating profit stood at Tk. 19.76 million and the net loss stood at Tk. 3.15 million in FY 2020.

2.4.5 EBL Finance (HK) Limited

EBL Finance (HK) Limited, the fully owned first foreign subsidiary of EBL, was incorporated on 28 November 2011 with Hongkong (HK) authority. This subsidiary started its full-fledged business operations (i.e. offshore trade finance, advising, documents collection etc.) in Hongkong during 2013 after obtaining all the required licenses from Bangladesh and HK authority. The registered office is located at Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Simshatsui, Hongkong. The operating profit and net profit stood at HK\$ 9.34 million and HK\$ 7.95 million in FY 2020.

2.4.6 EBL Asset Management Limited

EBL Asset Management Limited, another fully owned subsidiary of EBL, was incorporated on 9 January 2011 to carry out the business of asset management, capital market operation, equity investment etc. The operating profit and net profit stood at Tk. 4.92 million and Tk. 17.68 million in FY 2020.

2.5 Market Position

The market share of EBL decreased in terms of deposit as well as in terms of loans & advances among Private Commercial Banks (PCBs) in FY 2020. The banking industry of Bangladesh reported total deposit of Tk.13,791,504.49 million in 2020 against Tk.12,144,553.01 million in 2019. The total loans and advances of the industry stood at Tk.11,227,892.73 million in 2020 against Tk.10,378,648.32 million in 2019 by different banks. EBL's deposit base stood (Consolidated basis) at Tk. 241,295.38 million in FY 2020 and Tk. 239,979.97 million in FY 2019. The loans and advances of EBL (Consolidated basis) stood Tk. 230,545.06 million in FY 2020 and Tk. 239,094.71 million in FY 2019. Based on the above, EBL held 1.76% market share of deposits and 2.04% market share of loan & advances as on December 31, 2020 against 1.98% and 2.24% of the previous year respectively. The growth rate of deposit of EBL was 0.55% against industry growth rate 13.56% and the growth rate of loan and advances was negative of 3.58% against industry growth rate 8.18% in FY 2020.

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3.0 INDUSTRY ANALYSIS

3.1 Economy Projection

The banking sector in Bangladesh is passing through a difficult time and beset with many internal and external problems. The impact of COVID 19 added fuel to the above situation. The Bangladesh Bank has been forced to act and issued a large number of circulars recently to combat the situation arising from liquidity, stressed assets, over borrowing by the government etc. to tackle the financial impact of COVID -19.

World Bank in its latest report on "South Asia Economic Focus" reveals that given the significant uncertainty pertaining to both epidemiological and policy developments, real GDP growth of Bangladesh Economy for FY21 could range from 2.6 to 5.6 percent depending on the pace of the ongoing vaccination campaign, whether new restrictions to mobility are required and how quickly the world economy recovers.

International Monetary Fund (IMF) in its latest report titled "World Economic Outlook: Managing Divergent Recoveries" has scaled up its projection for the economic growth of Bangladesh to 5 per cent for 2021, up from 4.4 per cent it forecast in October last year. According to the IMF, the country will return to its high growth trajectory next year, when the gross domestic product (GDP) is projected to expand by 7.5 per cent.

The United Nations Committee for Development Policy (CDP) has recommended graduation of Bangladesh from the category of Least Developed Country (LDC) as it fulfilled the eligibility criteria in terms of per capita income, human assets and economic and environmental vulnerability.

The global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected. IMF in its latest publication in 'World Economic Outlook Update' reveals that although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillovers, and structural characteristics entering the crisis.

3.2 Sector at year-end 2020

Though major key indicators registered slight improvement year on year basis (mainly due to flexibility & relaxation in loan classification and rescheduling at nominal down payment with extended tenure) overall banking sector's health was at stake. Huge classified loan and stressed assets continue to become the major source of concern. Though central bank has taken a number of steps and policy measures to curb the situation, people's confidence -that has been eroded to a great extent due to liquidation process of one listed leasing company and another near to die listed leasing company- are yet to be restored. Surplus Liquidity was there in the banking system all the year round.

In order to ease the doing business in the Bangladesh with an objective to boost country's overall economy and to keep the GDP growth momentum 5.24% in FY 2019-20 (8.15% in FY2018-19) central bank has taken a number of steps. Fixing the lending rate at 9% is aimed to ensure supply of capital at lower rate. Moreover, though no circular has been issued, Govt. instructs all scheduled banks not to offer more than 6% interest rate to depositors. Guideline of Internal Credit Risk Rating (ICRR) in 2018 has started functioning fully from October 2019. During the year central bank accorded approval to one more scheduled bank namely Citizens Bank Plc after immediate past approval of Bengal Commercial Bank Ltd.

3.3 Major Issues and Public Confidence

The overall scenario of the banking sector in Bangladesh remained volatile and facing moderate level of turbulence with multiple challenges in area of weak governance, poor asset quality, dwindling profitability, declining interest rate, marginal capital adequacy, excess liquidity and poor risk management especially in SCBs and specialized banks. All these together contributed for lack of confidence in public mind and caused prolonged liquidity crunch after scam in some scheduled commercial banks and non-bank financial institutions.

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3.4 Asset Quality

Extending credit to economic sectors and maintaining asset quality were major challenges as usual for overall banking sector like previous years. Licensing to new banks to work vis a vis large number of existing scheduled banks raised question over its future profitable and sustainable operation amid current severe competition in the sector. Non-performing loan remained the grave concern in the industry. Asset quality of all types of banks registered slight improvement in FY 2020 compared to FY 2019 due to central bank's forbearance policy, relaxation of loan classification and flexible rescheduling support. NPL ratio in the banking sector further declined to 8.06% in Q4, 2020 from 8.88% in Q3, 2020 and against 9.3% percent in Q4, 2019 and 10.30 in Q4, 2018. Total Classified loan of banking sector stood at Tk. 944.4 billion with provision shortfall of Tk. 26.4 billion at Q1, FY2021. However, industry's classified loan came down to Tk. 882.8 billion with provision shortfall of Tk. 1.3 billion at Q2, FY2021. Non-performing loan in state owned commercial banks and specialized banks remained worse than industry average.

3.5 Capital Adequacy

The overall performance of the banking sector in terms of capital adequacy was not satisfactory though there was slight improvement in ratios movement. Capital to Risk weighted asset ratio of the industry increased to 11.9% in Q3, 2020 from 11.6% in Q2, 2020 and against 11.6% in Q4, 2019. State owned Commercial Banks (SCB) and specialized banks were non-compliant in terms of Basel capital maintenance. CRAR of SCBs stood at 8.3% in Q3, 2020 whereas CRAR of specialized bank stood at - 33.70% in the same period. CRAR of PCBs declined to 13.3% in Q3, 2020 from 13.62% in Q4, 2019. Over the years Capital adequacy maintenance of Foreign Commercial Banks are satisfactory. CRAR of FCBs stood at 25.6% in Q3, 2020.

3.6 Profitability

Profitability performance of the banking sector during FY2020 was not satisfactory except foreign commercial banks. Regulatory compulsion of single digit lending rate, low credit demand, moderate foreign trade and disruption in both demand and supply side in the economy inflicted by prolonged COVID 19 pandemic caused concern and affected banking sector profitability. Moreover, regulatory forbearance not to transfer all interest receipts from loans to income account directly during moratorium era, one percent additional provision for uncollected loans and advances and prevailing excess liquidity in the banking system contributed towards moderate profitability during the period. Return on Asset (ROA) and Return of Equity (ROE) of overall industry stood at 0.25% and 4.28% respectively in FY 2020 against 0.4% and 6.8% in FY2019 while 0.3% and 3.9% respectively in FY 2018 and 0.70% and 9.60% respectively in FY2017. Profitability performance of both SCBs and specialized Banks were worse and incurred loss in FY2020. Return on Asset (ROA) and Return of Equity (ROE) of FCB stood at 2.13% and 13.10% respectively in FY2020 against 2.3% and 13.4 % respectively in FY2019 while 2.2% and 12.4% respectively in FY2018 and 2.2% and 11.3% respectively in FY 2017. Profitability performance of industry's PCBs also registered downturn. ROA & ROE of PCBs came down to 0.7% and 10.22% respectively in FY2020 against 0.8% and 11.2% respectively in FY2019.

3.7 Liquidity

The liquidity conditions in the banking sector remained adequate and improved further at the end of Q1FY21, partly due to easing CRR policy, higher remittance inflows, and intervention in the foreign exchange market. Likewise, excess liquidity, the excess of CRR and SLR as a percent of total demand and time liabilities (TDTL), increased to 12.6 percent in Q1FY21 compared to that of 10.7 percent in Q4FY20. Industry's AD ratio came down to 72.7% in Dec.2020 from 74% in Sep. 2020 against 77.3 % in December, 2019. Industry's deposit growth (year on year) excluding interbank stood at 13.1% in Dec. 2020 against advance growth (year on year) of 8.2 % in Dec. 2020). Against the backdrop of impact of coronavirus and its effect on national economy BB has made downward revision of repo rate and cut CRR requirement of all scheduled banks as a part govt. policy support to curb the COVID-19 impact, specially to ensure smooth supply of fund for hard hit large, medium and small manufacturing and service sectors industries.

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3.8 Licensing to New Bank & Challenges Ahead

In addition to licensing of nine scheduled banks in 2013 Bangladesh Bank continued to issue license to new banks soon after the countrywide parliamentary election at year end of 2018. During the year NRB Commercial Bank, one out of nine newly licensed banks has been listed with the bourse through issuing IPO. Despite the existence of a good number of scheduled banks, issuing license to new banks brought serious criticism regarding justification of new banks. The profitability performance of new banks is gradually improving except one newly licensed bank due to its small size up to this stage. The special challenges for new banks are low spread, comparatively high cost of fund, negligible non-funded business, high operating cost due to opening new branch at rural area where loan growth is excessively negligible. Lack of credit line from foreign bank in case of import business continued to become the major challenges that the new banks are facing. Against the above backdrop central bank has extended the time line of IPO of new banks for different tenure based on their application.

4.0 CORPORATE GOVERNANCE

4.1 The Board of Directors

Eleven members Board

The Board of Directors of EBL is currently constituted of 11 (Eleven) Directors and among them 10 (ten) are Non-executive Directors including the Chairman and 1 (one) is Managing Director (Ex-officio). EBL Board is Chaired by Md. Showkat Ali Chowdhury, a known business personality in country's business arena. Mr. Ashiq Imran is the Independent Directors in the Board. All members of the Board have diverse skills, experience and expertise. The Board is involved in setting key targets for the bank management and monitoring the progress, approval of long term strategic plan, expansion of business, appointment of key management people, and purchase of bank's property and adopts sufficient risk management systems to mitigate the core risk of the bank.

4.2 Key Board Committees

The Board has been looking after the affairs of the bank through three Board committees namely Executive Committee (EC), Audit Committee (AC) and Risk Management Committee (RMC). The Board deals with the policy issues, business philosophy and operating guideline for the management in achieving its desired targets.

The Executive Committee (EC) is comprised of 3 (three) Non-Executive Directors and Managing Director & CEO of the Bank. The EC usually acts as proxy for full Board; attends a meeting with short notice and takes decisions to ensure smooth flow of banking business. However, any decision taken by the committee has to be subsequently ratified by the full Board. The Executive committee (EC) is Chaired by Mr. Mir Nasir Hossain, who is the Shareholder Director of the Board. The committee establishes and reviews the bank's overall credit and lending policies and procedures. Moreover, it approves all revision, restructure and amendments made to the credit proposals initially approved by this committee.

The Audit Committee (AC) of the Bank which is comprised of 3 members carries out its functions based on the Terms of Reference (ToR) approved by the Board. AC is accountable to the Board of Directors of the Bank. To make the quorum of the AC meeting, at least 01 (one) Independent Director has to be present to review and oversee company's financial reporting, non-financial corporate disclosures, internal control systems and compliance to governing laws, rules and regulations etc. Independently. The committee is headed by Md. Ashiq Imran. The Chairman of the AC is an Independent Director who performs his duties with full freedom.

The Risk Management Committee (RMC) has been formed to minimize probable risks arising from implementation of Board approved policies, procedures and strategies. The RMC is entrusted to examine and review whether management is properly working on identification, management and mitigation of credit risk, foreign exchange risk, internal control and compliance risk, money laundering risk, information and communication technology risk, operational risk, interest rate risk and liquidity risk and keeping adequate provision and capital against the said risks. The RMC is Chaired by Mr. Mir Nasir Hossain.

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Structured delegation
of power

4.3 Delegation of Power

The Head Office Management and Managing Director along with other management personnel, have enough financial delegation which is considered to be sufficient for smooth operation of the bank. The Board of Directors of Eastern Bank Ltd has empowered the Managing Director and other incumbents of different tiers of lending authority for ensuring smooth operations and quick decisions with due diligence on credit matters.

Structured Human
Resource policy

4.4 Management Committee

MANCOM is the highest decision and policy making authority of the management comprising of the CEO and different business and support unit heads. The major roles and responsibilities of MANCOM are to set or review vision, mission and strategies of the bank as a whole and for business units for effective discharging of management responsibilities; strategic and tactical decisions relating to business, credit, operations, administration, HR, internal and financial control and compliance; analysis of business and financial performance of the Bank etc. In his management team, the Managing Director, Mr. Iftekhar is aided by eight Deputy Managing Directors, Six Senior Executive Vice Presidents one Executive Vice President, one Senior Vice President and one Vice President. The day-to-day banking functions are handled by these professionals with modern banking knowledge and experience in respective fields.

Good IT infrastructure

4.5 Human Resources Management (HRM)

EBL follows a structured human resources policy. The bank provides some long term benefits to employees like contributory provident fund, gratuity, leave encashment facility, Group Insurance, welfare fund, Group hospitalization scheme, Death risk coverage of staff, House building loan scheme etc. EBL also provides superannuation fund, subsidized loans like staff car loan, staff House Building loan etc. A significant number of seminars, workshops and trainings both at home and abroad were arranged during the surveillance period. The HR base of EBL stood at 3,044 employees in 2020 and 3,129 employees in 2019. In 2020, Learning & Development team arranged 6539 days training where 4078 participants were trained to upgrade their knowledge. In 2020 average training days per employee stood 2 days. Apart from the above, 3141 employees participated in the e-learning evaluations in two phases.

4.6 Information Technology (IT)

The IT system of Eastern Bank Limited has been found to be good. All the branches of the bank are currently using Centralized Banking Software named FLEXCUBE UBS version, a sophisticated and highly flexible software with the addition of some additional module which will allow the bank to introduce all latest channels for customer transactions processing and routine reporting. EBL uses many world class premium solutions which are pivotal in providing best quality banking services. For core banking operation, universal banking solution of Oracle Financial Services Software, for loan application processing, Loan Application Processing Systems (LAPS) of SysArcinformatix (India) and for card management Tieto Enator Card Suite (Europe) are now used. Online integration between Core Banking System (UBS) and LAPS (Loan Application Processing System) module has been done, through which now loan account can be opened securely from LAPS module without logging into Core Banking System. This feature has reduced time consumption in Consumer Finance Centre (CFC). Automated clearing house transactions are handled by AIDPS (UK). Flex Remit of Oracle Financial Services Software Ltd is used for processing offshore and local remittance. For Call Center Management, Avaya Call center and for MIS development and its generation purpose, business object of SAP are used. The bank has the facility of Any-Branch Banking (ABB), ATM Banking, Phone Banking, SMS Banking & Internet Banking. It also has a centralized Data Center where all financial information is centrally and securely preserved. EBL's software driven data process system generates automatically various reports such as financial statements, summary of customer balances, top loan defaulters list, interest provision list etc. The application servers, database server and storage system is HP BL660c Dual processor Server Blade with HP BLC 7000 BCS CTO Enclosure and storage facility is supported through CLARION CX4-480 with synchronous replication. It has two IT Disaster Recovery Site (DRS) in place replicating the Data Center. The DRS is located at Uttara and Jessore. Last year, the new data center was built in EBL's new head office at 100, Gulshan. EBL has implemented SWIFT Customer Security Controls Framework, SIEM (Security Information & Event Management), PAM (Privileged Access Management) system etc.

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5.0 RISK MANAGEMENT

The risk management framework of the bank has been established on the basis of guidelines given by Bangladesh Bank. Risk Management Division (RMD) was established on 3rd July 2012 as per the requirement of Bangladesh Bank risk management guidelines. Risk Management Unit is responsible for measurement, integration and monitoring of all risks within the risk appetite set by the Board of Directors. The Board Audit committee is responsible for ensuring compliance of risk related policies. Moreover, EBL has Bank Risk Management committee (BRMC) to review functions of RMD.

5.1 Credit Risk Management

EBL Credit Risk Management (CRM) policy is guided and prepared in line with Bangladesh Bank guidelines. All the credit proposals are scrutinized with application of the yardsticks, techniques & judgment in line with CRM policy guideline. Credit Risk management process is documented and governed by Credit Policy Manual (CPM) whereas the execution aspects have been standardized in Credit Instruction Manual (CIM). The Bank also uses Credit Risk Grading Manual (CRGM) in line with the CRGM guideline of Bangladesh Bank. EBL put emphasis for approval of credit facilities upon appraisal, scrutiny and due diligence on different aspects including security aspects. In case of extension of any facility, the bank carries out an analysis on the collateral securities i.e. nature of securities, its value (present and forced sale value), location of the properties, titles/ownership, enforceability etc. The bank's Risk Governance Structure is comprised of 2 (two) committee namely Bank Risk Management Committee (BRMC) and Asset Liability Committee (ALCO). Their responsibilities are Credit Approval, Credit Administration and Law & Recovery to maintain quality of credit through completion of documentation, monitoring & follow up and early signaling system etc. All departments have been staffed with professionally experienced banker and law officers to expedite the legal and recovery process. Moreover, the functions of credit are handled at different levels by four departments /division namely Credit Risk Management (CRM), Collection Management, Credit Administration and Special Asset Management. While reviewing the risk weight wise distribution of on balance sheet exposure under credit risk, it was revealed that 15.79% of the exposures falls under 0% risk category, 24.84% under 20% risk, 0.09% under 40% risk, 20.56% under 50% risk, 0.32% under 60.00%, 1.87% under 75%, 0.11% under 80.00%, 21.53% under 100%, 9.59% under 125% and 0.67% under 150% risk weight. Again on the corporate exposure segment (dynamic risk weight) 89.49% exposure has been rated by ECAs while rest (11.51% of corporate exposure) has been found to be unrated. While reviewing SME exposure CRISL found that maximum SME client was unrated in 2020. CRISL observes that unrated corporate and SME exposure of the bank needs to be rated to know the actual position of CRAR and the bank should also keep updated rating of corporate and SME clients to manage CRAR.

5.2 Asset Liability Management

Asset Liability management (ALM) is a strategic management tool to manage interest rate risk and liquidity risk faced by banks. The Asset Liability management committee conducted meetings in compliance with Bangladesh Bank's guidance of at least one meeting in a month. The Asset Liability Management Committee (ALCO) of EBL consists of 8 members headed by the Managing Director as Chairman. Other members of ALCO are One Additional Managing Director, one Deputy Managing Director, three Senior Executive Vice President, one Executive Vice President and one SPO. ALCO meets once in every month to address factors such as measuring liquidity requirement, monitoring interest rate, monitoring macro variables, monitoring concentration risk etc. With their assessment EBL takes effective measures to monitor and control interest rate risks while the Treasury department reviews the trend analysis of market movements and prepares the gap position for proper management of interest rate changes.

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5.3 Operational Risk Management

5.3.1 Internal Control and Compliance (ICC)

Internal Control and Compliance (ICC) Division of EBL continually recognizes and assesses all of the material risks that could adversely affect the achievement of the Bank's goals. It keeps the management and the Board informed with any update which is not routinely covered by financial reporting and other non-financial disclosures. EBL is compliant with regulatory rules, procedures and laws of the land as well as internal policies, procedures, instructions to minimize risk of unexpected losses or damage to the bank reputation. EBL has formulated internal control manual, policies and guidelines in order to establish a clear line of responsibilities between each division and sub-division according to Bangladesh Bank core risk management guidelines. The department has four separate units such as Operation Risk unit, Compliance Unit, Internal control (Audit) Unit and legal Unit. At EBL, the Head of Internal Control & Compliance (ICC) has dual reporting lines to CEO and Audit Committee of the Board and thus acts as a bridge between management and Board. In 2020, the Audit & Inspection Unit completed Risk Based Internal Audit for 45 branches and all other divisions/departments.

5.3.2 Prevention of Money Laundering

As per central Bank's instruction for proper compliance of the provisions of Money Laundering Prevention Act-2009 (MLPA) and Anti-Terrorism Financing Act 2009 (ATA), EBL has taken effective initiative to prevent money laundering activities. EBL trains all its employees on the issue of MLPA and ATA and the employees are liable for individual roles and responsibilities. EBL monitors the AML and ATF activities through Chief Anti Money Laundering Compliance officer (CAMLCO) and Central compliance Unit (CCU) at Head Office and Head of Branch and Branch Anti-Money Laundering Compliance Officer (BAMLCO). The Bank has standard KYC (Know Your customer) profile. KYC programs include customer acceptance policy, customer identification, on-going monitoring of high risk accounts and identification of suspicious transactions. The CCU nominates Department Anti-Money Laundering Compliance Officer (DAMLCO) and Branch Anti-Money Laundering Compliance Officer (BAMLCO) and supervises them about their day to day compliance activities. The CCU arranges DAMLCO and BAMLCO conference every year and train up bank employees through in-house experts and hired experts from Bangladesh Bank. EBL also conducted anti-money laundering training to reinforce the capacity to protect money laundering activities.

5.4 Market Risk

Risk Management Division (RMD) is responsible for overall monitoring, control and reporting of market risk while Treasury Mid Office is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMD and periodically reported to Bank Risk Management Committee (BRMC). Market risk can be subdivided into three categories depending on risk factors: Interest Rate Risk, Foreign Exchange Risk and Equity Price Risk. The position of EBL in terms of market risk is as follows:

5.4.1 Interest Rate risk

The Asset Liability Committee (ALCO) is assigned to monitor and review the interest rates of EBL on a monthly basis. The committee in its monthly meeting takes decision in respect of interest rates of the bank. The ALCO has established its own Interest Rate Policy to monitor and for minimization of interest rate risks at an acceptable level. These guidelines and actions are taken in adherence to the policies issued by Bangladesh Bank from time to time. The Bank analyzes different factors such as Rate sensitive (RS) Gap Analysis and Duration Gap analysis. ALM desk of Treasury Front Office and Credit Division of Head Office analyze and submits a proposal for review of interest rates considering previously mentioned factors, on deposit and loan respectively as and when necessary.

5.4.2 Equity Financing Risk

The bank is exposed to equity risk due to existence of exposure in capital market. The bank is managing the risk by keeping its exposure within the regulatory limits and diversified equity mix. At FY 2020, the cost price of equity investment (only quoted portion) stood at TK. 5523.58 million against an aggregate market value of TK.4315.88 million. The bank had an unrealized loss of Tk. 1207.70 million as on December 31, 2020. The capital market exposure stood at 22.03% against the regulatory limit of 25.00% of total capital.

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5.4.3 Foreign Exchange Risk

Foreign Exchange risks are measured and monitored by Treasury Division of the Bank. All foreign exchange activities have been segregated between front office and back office which are responsible for currency transactions, deal verification, limit monitoring and settlement of transaction separately. There is an internal audit system which controls key issues like FX dealing limits, compliance requirements and statutory management for foreign exchange dealing. EBL follows the prudential guidelines of foreign exchange risk management set by Bangladesh Bank. Treasury Division always monitors the market scenario of risks and manages the foreign operations in such a way that earnings are not hampered against any adverse movement in market prices. All NOSTRO accounts are reconciled on monthly basis and outstanding entries beyond 30 days are appraised by the management for settlement. The NOSTRO accounts are verified by the external auditor and reports are submitted to Bangladesh Bank.

6.0 PERFORMANCE

6.1 Analytical Framework

The analytical framework has mainly been based on consolidated financials of the Bank. Moreover separate position has also been considered wherever required. The Bank reported both consolidated financial statements as well as separate financial statement in line with Bangladesh Accounting Standard and Bangladesh Bank guideline.

6.2 Financial Performance (Consolidated)

The profitability performance of the company was good during FY 2020 where some of the profitability indicators declined compared to previous year. However, CRISL opines that bank's profitability in coming days will largely depend on turnaround in local and global economy with resumption of normalcy of business activity that was hit-hard by COVID-19, success of ongoing vaccination drive, govt. policy stance & action plan to address second wave or any future COVID related contingency, increase in purchasing power of general people, rise in employment, current growth of remittance inflow, private sector credit demand and boost in foreign trade etc. Moreover, imposition of lending cap may narrow down bank's spread. Apart from that regulatory restriction of not to book interest on loan and advances for April and May of 2020 and to transfer it to block account lingered the collection efficiency of the bank. CRISL evaluates the financial performance in terms of Return on Average Asset (ROAA), Return on Average Equity (ROAE) and Net Interest Margin (NIM). The bank's total operating income comprised of net interest income, investment income, fee, commission, exchange & brokerage income and other operating income. In FY 2020, the net interest income decreased by 26.88%. The interest income decreased to Tk. 20,011.37 million in FY 2020 from Tk. 23,583.27 million in FY 2019 registering a negative growth of 15.15%. The net interest income also decreased to Tk. 6,051.87 million in FY 2020 from Tk. 8,276.90 million in FY 2019 with a negative growth of 26.88%. The net interest margin (NIM) decreased to 3.18% in FY 2020 from 3.72% in FY 2019.

The weighted average interest rate of loan (year-end) stood at 8.22% in FY 2020 against 10.83% in FY 2019 whereas weighted average interest rate of deposits (Year-end) stood at 3.70% in FY 2020 and 6.16% in FY 2019 resulting in a spread of 4.52% in FY 2020 against 4.67% in FY 2019. During the surveillance period EBL's investment income increased to Tk. 5101.54 million in FY2020 from Tk. 2699.08 million registering 89.01% growth due to significant increase in interest income from Treasury bond and gain on Government securities. Fees, commission and brokerage decreased by 18.97% during FY2020. Total operating income of EBL decreased by 3.02% and stood to Tk. 14,566.67 million in FY2020 from Tk. 15,019.83 million in FY 2019. Out of total operating income, 41.55% came from net interest income, 35.02% from income from investments, 21.06% from fees, commission, exchange and brokerage and 2.37% from other operating income. Total operating expenditure slightly increased to Tk. 6,671.56 million in FY 2020 from Tk. 6,641.86 million in FY 2019 registering growth of 0.45%. Total operating profit before provision decreased by 5.76% and stood at Tk. 7,895.11 million in FY 2020 from Tk. 8,377.97 million in FY2019. General provision charged during the year was Tk. 308.93 million in FY2020 against Tk. 174.33 million in FY 2019. Specific provision charged during the year came down to Tk.

Good profitability

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928.25 million in FY2020 from Tk. 1,254.62 million in FY2019. Total provision charged for loan & advances and others came down to Tk. 1,155.10 million in FY2020 against Tk. 2,034.61 million in FY2019 against the back drop of regulatory restriction on loan classification which resulted decline in classified loan. The Net profit before tax of EBL consequently increased to Tk. 6,740.01 million in FY 2020 from Tk. 6,343.36 million in FY 2019 with growth of 6.25% due to low provision maintained against previous year. Therefore, the net profit after tax (PAT) also increased to Tk. 4,180.38 million in FY 2020 from Tk. 3,990.39 million in FY 2019. The Earning per share (EPS) of EBL increased to Tk. 5.15 in FY 2020 from Tk. 4.92 in FY 2019. Return on Average Assets (after tax) and Return on Average Equity (after tax) decreased during FY 2020 due to comparatively low growth of net profit. The Return on Average Assets (after tax) slightly decreased to 1.23% in FY 2020 from 1.28% in FY 2019. The Return on Average Equity (after tax) also decreased to 15.09% in FY 2020 from 16.18% in FY 2019. The Return on risk weighted assets of the bank slightly increased to 3.10% in FY 2020 from 3.03% in FY 2019.

For the 1st quarter of FY 2021, the net interest income and profit after tax stood at Tk. 1742.11 million and Tk. 1038.12 million respectively against Tk. 1953.80 million and Tk. 835.59 in the 1st quarter of FY 2020. The earnings per share (EPS) stood at Tk. 1.28 in 1st quarter of FY 2021 against Tk. 1.03 in Q1, FY 2020.

6.2.1 Stand Alone Operation

On standalone basis, the profitability of EBL has witnessed moderate downturn in FY 2020. Net interest income decreased by 27.31% and stood at Tk. 5,930.35 million in FY 2020 from Tk. 8,158.71 million in FY2019. Total operating income of EBL slightly decreased to Tk. 14,133.76 million in FY 2020 from Tk. 14,597.37 million in FY 2019. The profit before provisions decreased to Tk. 7,692.28 million in FY 2020 from Tk. 8,209.96 million in FY 2019. Profit before tax of EBL increased to Tk. 6,690.79 million in FY 2020 from Tk. 6,256.17 million in FY 2019. Net profit after tax increased to Tk. 4,102.56 million in FY 2020 from Tk. 4,008.14 million in FY 2019.

6.2.2 Subsidiary Operations

The bank has four fully owned subsidiaries and these are EBL Securities Ltd., EBL Investments Ltd., EBL Finance (HK) Ltd. and EBL Asset Management Limited.

EBL Securities Ltd, a 100% owned subsidiary of EBL, was acquired in March, 2010. Brokerage commission of the company decreased to Tk. 187.73 million in FY2020 from Tk. 211.18 million in FY 2019. Net brokerage commission stood at Tk. 161.44 million in FY 2020 and Tk. 184.58 million in FY 2019. Investment income of brokerage House Company increased significantly to Tk. 83.61 million in FY 2020 from Tk. 61.19 million in FY 2019. During the year, EBL Securities Limited registered net profit of Tk. 18.31 million in FY 2020 against net loss of Tk. 90.79 million in FY 2019.

Performance of EBL Investment Limited, a full-fledged merchant bank, has been found moderate. Total operating income of the company significantly increased to Tk. 44.99 million in FY 2020 from Tk. 27.54 million in FY 2019. The income consisted of fees & commission of Tk. 14.30 million, income from investment of Tk. 9.14 million and interest income of Tk. 21.55 million. During FY 2020 the company incurred net loss of Tk. 3.15 million in FY 2020 against net loss of Tk. 10.79 million in FY 2019.

EBL Finance (HK) Ltd. has been involved in money lending business. The turnover and profit after tax stood at HK\$ 26.42 million and HK\$ 7.95 million respectively in FY 2020.

EBL Asset Management Limited got license from Bangladesh Securities Exchange Commission (BSEC) on 25th May 2017 for full-fledged asset management operation. Major revenue of the company came from interest income, investment income and income from unit fund. The total revenue stood at Tk. 15.56 million in FY 2020 against Tk. 26.82 million in FY 2019. Profit before provision of the company stood at The profit after tax stood at Tk. 17.68 million in FY 2020 and Tk. 0.60 million in FY 2019.

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6.3 Operating Efficiency (Consolidated)

Overall operating efficiency of the bank registered moderate decline in FY 2020 as compared to previous year. The operating efficiency is reviewed in terms of operating income, operating expenses, cost-to-income ratio and yield against per TK. 100.00 staff cost. Total operating income decreased by 3.02% and stood at Tk. 14,566.67 million in FY 2020 against Tk. 15,019.83 million in FY 2019. Operating expense of EBL slightly increased to Tk. 6,671.56 million in FY 2020 from Tk. 6,641.86 million in FY2019 with a growth of 0.45%. Total operating expenses increased mainly for Salary and allowances which increased by 4.57% in FY 2020 due to regular increment. It appears from the above that the decrease of operating income of the bank was higher against the operating expenses during FY 2020 which resulted in modest efficiency moderation and the efficiency ratio increased to 45.80% in FY 2020 from 44.22% in FY 2019. The yield per TK. 100 staff cost also witnessed a consequent decline to Tk.192.58 in FY 2020 from Tk.213.73 in FY 2019.

7.0 ASSET MANAGEMENT (STAND ALONE)

7.1 Non Performing Loan

Abrupt increase in non-performing loan

The overall asset quality of EBL was found moderate. Reported asset quality of the bank registered slight improvement due to regulatory forbearance of not to classify overdue loan account during pandemic situation as well for relaxation in loan restructuring to help out COVID 19 inflicted banking industry and in line with govt. policy through implementing a series of Govt. declared stimulus package to revitalize COVID stricken economy. Credit demand in the economy was not that much as expected due to closure of many business industry which ultimately resulted in contraction in EBL's loan growth. CRISL opines that asset quality of the bank may register decline in the days to come due to hard hit of economy caused by Corona virus pandemic as almost all business segments (Corporate, SME, Agriculture, Cottage & Micro, Retail) of the economy are severely affected. Though Govt. has declared various stimulus packages for various business clusters along with policy changes (revision of CRR, ADR, Repo Rate), bank's credit risk in the current context will further amplify in line with global business scenario. As the world is predicted to be hit hard by deep economic recession, Bangladesh economy including its banking sector will also face a huge blow in coming days. CRISL opines that in current context of second wave, moderate vaccination rate, and as well as in post pandemic situation bank asset quality will be at risk due to recovery risk arising out of business challenges in post pandemic situation aligned with global economic scenario. Expiry of regulatory relaxation may result decline in bank asset quality in coming days. Total loans and advances of the bank slightly decreased to Tk. 228,943.86 million in FY 2020 from Tk. 232,051.03 million in FY 2019 indicating a decrease of 1.34%. Out of total loans and advance, 97.28% is unclassified loan and 2.72% is classified loan. EBL's non-performing loans (NPL) decreased to Tk. 6,226.38 million in FY 2020 from Tk. 7,771.47 million in FY 2019. During FY 2020, out of total non-performing loan, 16.59% has been found to be sub-standard, 4.61% as doubtful and 78.80% as bad/loss. During FY2020 EBL's non-performing loan in Bad/loss category significantly decreased by 21.84%. As on December 31, 2020 the amount reported under SMA category includes certain loan accounts with an aggregate outstanding of Tk. 1,225.70 million (Tk. 1,227.40 million as on December 31, 2019) which has not been reported as classified on the basis of stay order from the Honorable High Court Division of the Supreme Court Bangladesh. As at year end 2020, an aggregate amount of Tk. 534.60 million (Tk. 539.30 million as on December 31, 2019) has been kept as Specific Provision treating all those accounts as bad & loss. During FY 2020 EBL has no written off loan while it realized Tk. 725.76 million that was previously written off. Moreover, during 2020 there are 612 law suits that have been filed to recover written off loan of Tk. 2581.80 million. Apart from various legal activity (sending letter and reminders to clients, legal proceedings & settlement, disposal of security through auction), EBL has formed a Special Assets Management Dept. (SAMD) which is responsible for holding discussion with the clients for recovery of classified loan. Gross NPL ratio decreased to 2.72% in FY 2020 from 3.35% in FY 2019. NPL of EBL (including stay order loan as classified) stood at 3.25% as on Dec. 31, 2020. Moreover, stressed asset ratio of the bank (including stay order & rescheduled loan as classified) stood to 3.88% in FY 2020 from 4.72% in FY 2019. All these indicate moderate asset quality of the bank. Against the total provision requirement of Tk. 8517.48 million EBL kept Tk.10285.81 million (for loans and advance including OBU) as on December,

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2020. The bank maintained adequate provision for both balance sheet and off-balance sheet exposure. While analyzing, CRISL observed that Top-20 defaulters of the bank were holding Tk. 3648.00 million of total NPL as on December 31, 2020. As on December 31, 2020 loan and advances amounting of Tk. 212846.77 million has been found to be fully secured by collateral and loan and advances amounting to Tk. 16097.09 million have been found to be collateral free. EBL's NPL in Q1, FY2021 stood at 2.96% as per regulatory reporting to BB.

7.2 Sectorial Concentration

The total credit portfolio of the bank is diversified among some prospective economic sectors of the country. The management has defined different lending caps for different sectors depending on the credit demand and the credit risk thereon. As on December 31, 2020 the loan portfolio of the bank shows concentration towards readymade garments industry which grabs a large portion (14.48%) of the loan portfolio, followed by commercial and trading (13.40%), consumer finance (12.94%), Metal and Steel Industry (7.64%), Others (7.19%), agri and micro credit through NGO (6.21%), Other manufacturing or extractive industries (5.58%), Textile Mills (5.12%), Food & allied industries (4.75%), Power & fuel (3.52%) and construction (3.84%) and rest are in Ship building & breaking industry, Transport & E-Communication, Sugar & Edible oil, Chemical and fertilizer, Electronics and electrical goods, Cement and ceramic industry, Rubber and plastic industries, Pharmaceutical industry and Crops fisheries & livestock. Under the above circumstances it has been revealed that the bank has concentration more in readymade garments industry during 2020.

While analyzing, CRISL observed that the bank does sectorial study of various economic sectors where the bank has exposure. CRISL believes that the bank would be benefitted from having separate study for each sector for smooth identification of sectorial prospects as well as sectorial threat/ drawbacks. The bank disbursed maximum loans and advances to Dhaka Division (72.85%) followed by Chattogram Division (22.38%), Khulna Division (1.75%), Rajshahi Division (1.59%), Sylhet Division (0.71%), Rangpur Division (0.32%), Mymensingh Division (0.22%) and Barisal Division (0.17%).

7.3 Large Loan & Director's Loan

The Bank has considerable large loan exposure. EBL has 17 large loan accounts of Tk. 80,388.00 million (comprising funded and non-funded facilities) which is 32.10% of total loan & advances in FY 2020. Large loan exposure of the bank is within the allowable limit. CRISL observes that all large loan exposure of the bank should be rated to assess the probable business risk involved with investment in such client.

7.4 Rescheduled Loan

EBL had total rescheduled loans and advances amounting to Tk. 1,425.51 million in 33 accounts throughout FY 2020 and Tk. 1,950.47 million against 309 accounts in FY2019. While analyzing the rescheduled accounts, it has been found that 29 accounts were rescheduled for the first time, 2 accounts were rescheduled for second time, 1 account was rescheduled for third time and 1 account was rescheduled for fourth time.

7.5 Off Balance Sheet Exposure

Off-Balance sheet exposure of EBL stood at Tk. 104,060.28 million in FY 2020 and Tk. 99,781.00 million in FY 2019 indicating growth of 4.29%. Off balance sheet exposure consists of Acceptance and endorsement of Tk. 42,593.18 million (40.93%), letter of guarantee of Tk. 27,229.62 million (26.17%), Irrevocable letter of credit of Tk. 26,084.70 million (25.07%), bills for collection of Tk. 8,032.35 million (7.72%) and other commitment Tk. 120.43 million (0.11%). While reviewing the risk weight-wise classification of the credit equivalent of off balance sheet exposure, it was revealed that that 34.96% falls under 20% risk, 0.07% under 40% risk, 47.20% under 50% risk, 0.02% under 60.00%, 0.08% under 75%, 8.38% under 100% and 9.28% under 125% risk weight.

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8.0 CAPITAL ADEQUACY

Capital adequacy
complied Basel
requirement

Overall capital adequacy of EBL has been found good and higher than PCB industry average. The bank has been maintaining capital requirement in line with requirement under risk based capital adequacy framework of Basel-III. The Capital to Risk Weighted Assets ratio (CRAR) of the bank increased in 2020 due to increased in Tier-1 Capital. Total RWA of the bank (standalone basis) stood at Tk. 217,653.89 million as on December 31, 2020 of which 85.51% emanated from credit risk, 10.30% from operational risk and 4.19% from market risk. Based on the above the minimum capital requirement (considering credit, market & Operational risk under pillar-I risk) stood at Tk. 21765.39 million against which the total capital stood at Tk. 33144.22 million with a capital surplus of Tk. 11,378.83 million. On standalone basis, the Capital to Risk Weighted Assets ratio (CRAR) stood at 15.23% in 2020 against the requirement of 12.50% (Minimum Capital plus Capital conservation buffer) as per Basel-III. On standalone basis Tier -1 capital of the bank stood at a 10.78% while Tier-II capital stood at 4.45% at YE2020.

Total RWA of the bank (consolidated basis) stood at Tk. 222,540.46 million as on December 31, 2020 of which 84.18% emanated from credit risk, 10.39% from operational risk and 5.43% from market risk. Based on the above the minimum capital requirement stood at Tk. 22,254.05 million against which the total capital stood at Tk. 33446.72 million with a capital surplus of Tk. 11192.68 million. On consolidated basis, the Capital to Risk Weighted Assets ratio (CRAR) stood at 15.03% in FY2020 and 14.55% in FY2019. On consolidation basis Tier-1 capital of the bank stood at 10.68% while Tier-II capital stood at 4.35% at YE2020.

Stress Testing Analysis

The following table shows the sensitivity of risk factors on CRAR where regulatory CRAR is 10% and CRAR before shock is 15.22% (solo basis)

Individual Shocks	Changes in CRAR	CRAR after Shock (%) (Minor shock)	Changes in CRAR (Moderate Shock)	CRAR after Shock (Moderate shock)	Changes in CRAR (Major shock)	CRAR after shock (Major shock)
Performing loan directly downgraded to B/L : Sectorial Concentration 1	-0.59	14.63	-1.79	13.42	-3.01	12.20
Performing loan directly downgraded to B/L : Sectorial Concentration 2	-0.28	14.94	-0.84	14.38	-1.40	13.82
Increase in NPL's due to default of top 10 large loan borrowers	-4.65	10.57	-9.13	6.09	-11.27	3.94
Negative shift in NPLs categories	-0.16	15.06	-1.32	13.90	-1.51	13.71
Decrease in the FSV of the collateral	-0.09	15.13	-0.17	15.04	-0.35	14.87
Increase in NPL	-1.95	13.27	-6.22	8.99	-11.45	3.77
Change in interest rate	-0.65	14.57	-1.30	13.91	-1.96	13.26
Change in foreign exchange rate	-0.01	15.21	-0.02	15.20	-0.03	15.19
Equity shock	-0.49	14.72	-0.99	14.22	-2.01	13.20
Combined shock	-3.35	11.87	-10.04	5.18	-17.31	-2.09

EBL is compliant in maintaining capital adequacy according to the Pillar -I under Basel III capital requirement, but any major change in the risk indicators can affect the overall capital adequacy of the bank. From the above analysis it has been revealed that CRAR of the bank is highly sensitive to increase in NPL due to default of Top 10 Large loan borrowers as well as for increase in NPL.

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CREDIT RATING REPORT On EASTERN BANK LIMITED

9.0 LIQUIDITY & FUNDING (STANDALONE)

9.1 Liquidity

Good liquidity

EBL had been carrying out its operations with good liquidity during 2020 where all the liquidity related indicators have been found good. Both CRR and SLR were adequately maintained as per requirement of the Bangladesh Bank. Liquid Assets ratio (liquid assets to total deposit) of the bank increased to 28.25% in FY 2020 from 28.53% at FY 2019. Liquid asset to short term liabilities (matured within 3 months) decreased to 92.54% as of Dec'20 against 95.02% as of Dec'19. Loan to Deposit Ratio stood at 94.47% in FY2020 and 96.62% in FY2019. However, Advance to deposit (AD Ratio) ratio stood at 78.82% in FY 2020 and 77.90% in FY 2019. Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) of the bank have been found to be maintained adequately. The liquidity coverage ratio (LCR) stood at 210.90% and Net stable funding ratio stood at 105.49% as on December 31, 2020. CRISL reviewed bucket wise payment obligation in comparison to its available assets at different maturity buckets. The maturity analysis of EBL shows that the bank had Tk.20,019.59 million positive gap for one month maturity bucket where asset was Tk.54,589.63 million and liability was Tk. 34,570.04 million. In 1 to 3 months maturity bucket, the negative liquidity gap was Tk.12,982.39 million and cumulative liquidity gap was of Tk. 7,037.19 million. In 3 to 12 months maturity bucket, the positive liquidity gap was Tk.20,888.73 million and cumulative liquidity was Tk. 27,925.92 million.

9.2 Fund Management

The bank is largely funded through customer deposit. However in funding mix high cost term deposit still dominates other than low cost CASA deposit. During the period EBL put more emphasis on mobilizing deposits. EBL funding mix consists of 71.93% deposits and others, 8.60% shareholders equity, 13.14% borrowing from other banks, financial institutions and agents and 6.33% other liabilities. The bank's total deposits registered slight increase to Tk. 24,235.77 million in FY 2020 from Tk. 24,016.13 million in FY 2019 with a growth of 0.91%. Total deposits consist of fixed deposits of Tk. 11,289.61 million (45.92%), savings deposit of Tk.63784.87 million (26.32%), current deposit and other accounts of Tk. 28,274.07 million (11.67%), bills payable of Tk. 1,492.23 million (0.62%) and other deposit of Tk. 37,516.98 million (15.47%). Other than customer deposit, EBL has continuous drive to borrow low cost fund from various financial institutions from abroad. Bank's cost of fund stood at 4.76% in FY 2020 and 5.80% in FY 2019. EBL is mainly dependent on customer deposit which is interest rate sensitive. Current imposition of lending cap at the rate 9% on all unclassified loan except retail loan & pre-shipment export credit may create pressure on bank to maintain earlier spread. On the other hand, though there is no specific circular or regulatory restriction on deposit rate, bank may face trouble to attract depositors at 5-6% interest rate given the more than 10% rate of return of National Savings certificate and current level of inflation in the market.

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CREDIT RATING REPORT On EASTERN BANK LIMITED

10.0 OBSERVATION SUMMARY

Rating Comforts <ul style="list-style-type: none"> • Good profitability • Good liquidity • Capital adequacy complied Basel requirement • Diversified Business portfolio • Good non-funded business • Good market image • Sound IT Infrastructure • Experienced top management 	Rating Concerns <ul style="list-style-type: none"> • Decrease in net interest income • Downturn in major profitability indicators • Moderate asset quality • Decline in operating efficiency • Considerable amount of reschedule loan • High large loan exposure • Substantial amount of stay order loan • Unrealized loss of capital market exposure • Loss in merchant bank operation
Business Opportunities <ul style="list-style-type: none"> • Tap the opportunity of Islamic Operation product line • Expansion of branch network • Portfolio diversification in low risk category business segment including SME • Prudent management of brokerage house & merchant bank, and asset management operation • Client rating to enhance capital base of the bank 	Business Challenges <ul style="list-style-type: none"> • Impact of COVID-19 & aftermath • Interest rate cap • Maintain a stable & quality loan growth • Compliance with Basel-III • Entrance of new bank • Regulatory pressure for minimizing interest rate spread • Unrest in capital market • Significant classified loan in the industry • To expand branch in commercial areas • Maintaining rural-urban ratio

11.0 PROSPECTS

Having many hurdles and challenges, Bangladesh Economy registered a growth of 5.24% in FY2019-2020 against 8.15% in FY2018-19 and during FY2017-18, GDP growth rate of Bangladesh economy reached 7.86% and crossed more than 7% growth for the last four consecutive fiscal years in the history of Bangladesh. Bangladesh has been graduating to a middle income one after passing 42 years as a least developed country. Though the government has been implementing massive development works in light of the "Vision-2021" and "Vision-2041" with an objective to become an upper middle-income country due to serious impact of COVID-19 and aftermath pandemic Bangladesh economy is likely to be affected and which in turn may take a serious toll on local economy. Country's export earnings (mainly RMG, jute goods, leather, frozen shrimps & fish), remittance inflow will fall substantially in coming days. Further decline in consumption and domestic demand, along with fall in investment may trigger limited economic activity which will ultimately affect all major economic sectors. Apart from corporate manufacturing and service sector industry, small & medium business segment and even retail business segment of bank industry is likely to be affected to a great extent. Classified loan in banking sector may soar in coming days along with provision shortfall if no further relaxed classification guidelines or flexible rescheduling facility is given. Scheduled banks (specifically SCBs, SDBs, and major PCBs) other than few FCBs may not be able to keep its current profit growth in FY2021. Excess Liquidity in the banking industry may hinder overall banking sector profitability amid low credit demand. With lower than 6% interest rate depositors may not be interested to keep their funds in the banking institution against the backdrop of current 5.6% inflation (FY2020) leaving negligible real return for the savers. Workers remittance from Gulf countries may fall in coming days amid unemployment crisis which is expected to hit banks' earnings to a great extent from remittance inflow. Capital market has been passing through a very tough time and despite the regulatory intervention and motivational direct policy support by central bank, scheduled banks' earning through direct investment or through its subsidiary operations (like brokerage house, merchant bank and asset management company) from capital market may not be up to the mark. Against all the above backdrops, successful run for newly licensed commercial bank along with other major scheduled banks will be a big challenge in next year. However, Govt. has rightly taken various stimulus packages to curb the massive impact of coronavirus outbreak on local economy. And central bank is engaged in devising various policies and formulating different guidelines and strategies along with policy decisions of

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CREDIT RATING REPORT On EASTERN BANK LIMITED

revising CRR, SLR requirement, lowering Repo rate, flexibility in maintaining AD ratio; all of which are aimed to assist and boost country's banking sector, which might create a positive impact on banking sector in the short run.

END OF THE REPORT

(Information used herein is obtained from sources believed to be accurate and reliable. However, CRISL does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Rating is an opinion on credit quality only and is not a recommendation to buy or sell any securities. All rights of this report are reserved by CRISL. Contents may be used by news media and researchers with due acknowledgement.)

[We have examined, prepared, finalized and issued this report without compromising with the matters of any conflict of interest. We have also complied with all the requirements, policy procedures of the BSEC rules as prescribed by the Bangladesh Securities and Exchange Commission.]

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CRISL RATING SCALES AND DEFINITIONS LONG-TERM - BANKS

RATING	DEFINITION
AAA Triple A (Highest Safety)	Bank rated in this category is adjudged to be of best quality, offer highest safety and have highest credit quality. Risk factors are negligible and risk free, nearest to risk free Government bonds and securities. Changing economic circumstances are unlikely to have any serious impact on this category of banks.
AA+, AA, AA- (Double A) (High Safety)	Bank rated in this category is adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.
A+, A, A- Single A (Adequate Safety)	Bank rated in this category is adjudged to offer adequate safety for timely repayment of financial obligations. This level of rating indicates a corporate entity with an adequate credit profile. Risk factors are more variable and greater in periods of economic stress than those rated in the higher categories.
BBB+, BBB, BBB- Triple B (Moderate Safety)	Bank rated in this category is adjudged to offer moderate degree of safety for timely repayment of financial obligations. This level of rating indicates that a bank is under-performing in some areas. These entities are however, considered to have the capability to overcome the above-mentioned limitations with special care and cautious operation. Risk factors are more variable in periods of economic stress than those rated in the higher categories.
BB+, BB, BB- Double B (Inadequate Safety)	Bank rated in this category is adjudged to lack of key protection factors, which results in an inadequate safety. This level of rating indicates a bank as below investment grade but deemed likely to meet obligations when due. Overall quality may move up or down frequently within this category.
B+, B, B- Single B (Risky)	Bank rated in this category is adjudged to be with high risk. Timely repayment of financial obligations is impaired by serious problems which the entity is faced with. Whilst an entity rated in this category might be currently meeting obligations in time, continuance of this would depend upon favorable economic conditions or on some degree of external support.
CCC+, CCC, CCC- Triple C (Vulnerable)	Bank rated in this category is adjudged to be with vulnerable protection factors. This rating indicates that the degree of certainty regarding timely payment of financial obligations is doubtful unless circumstances are favourable.
CC+, CC, CC- Double C (Highly Vulnerable)	Bank rated in this category is adjudged to be with high vulnerable position. This rating indicates that the degree of certainty regarding timely payment of financial obligations is quite lower unless overall circumstances are favourable or there is possibility of high degree external support.
C+, C, C- (Near to Default)	Bank rated in this category is adjudged to be with near to default in timely repayment of financial obligations. This type rating may be used to cover a situation where a insolvency petition has been filed or similar action has been taken, but payments on the obligation are being continued with high degree of external support.
D (Default)	Bank rated in this category is adjudged to be either currently in default or expected to be in default. This level of rating indicates that the entity is unlikely to meet maturing financial obligations and calls for immediate external support of a high order.

For long-term ratings, CRISL assigns + (Positive) sign to indicate that the issue is ranked at the upper-end of its generic rating category and - (Minus) sign to indicate that the issue is ranked at the bottom end of its generic rating category. Long-term ratings without any sign denote mid-levels of each group.

SHORT-TERM - BANKS

ST-1	Highest Grade Highest certainty of timely payment. Short-term liquidity including internal fund generation is very strong and access to alternative sources of funds is outstanding. Safety is almost like risk free Government short-term obligations.
ST-2	High Grade High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.
ST-3	Good Grade Good certainty of timely payment. Liquidity factors and company fundamentals are sound. Although ongoing funding needs may enlarge total financing requirements, access to capital markets is good. Risk factors are small.
ST-4	Moderate Grade Moderate liquidity and other protection factors qualify issues as to invest grade. Risk factors are larger and subject to more variation.
ST-5	Non-Investment Grade Speculative investment characteristics. Liquidity is not sufficient to insure against disruption in debt service. Operating factors and market access may be subject to a high degree of variation.
ST-6	Default Issuer failed to meet scheduled principal and/or interest payments.

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23. PRIVATE OFFER APPLICATION PROCEDURE


As per conditions in the consent letter



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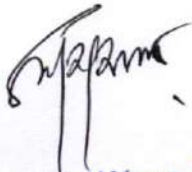
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Tanzim Alamgir
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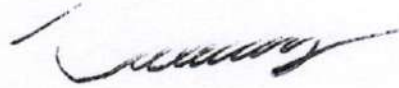
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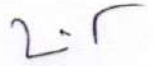
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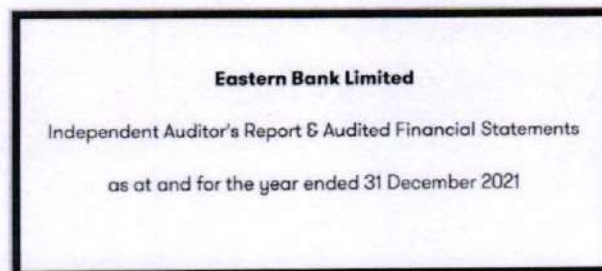


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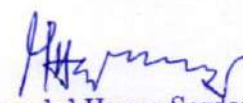
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Annexure 1: Auditor's Report along with the Audited Financial Statements of the Issuer



Howladar Yunus & Co.
Chartered Accountants
Member firm of Grant Thornton International Ltd.


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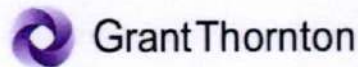

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**Independent auditor's report****To the shareholders of Eastern Bank Limited****Report on the audit of the consolidated and separate financial statements****Opinion**

We have audited the consolidated financial statements of Eastern Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Eastern Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheet as at 31 December 2021, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Bank (the "financial statements") give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2021, and of its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable laws and regulations.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), rules & regulations issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Member firm of Grant Thornton International Ltd

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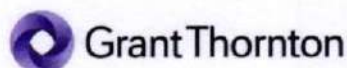
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**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the financial year 2021. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1. Measurement of provision for loans and advances	
Key Audit Matters	How the matter was addressed in our audit
With reference to Note 13.4 to the financial statements, the process for calculating the provision for loans and advances portfolio associated with credit risk is significant and complex. The bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral as per BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments. To minimize covid 19 impact, Bangladesh Bank issued BRPD Circular Letter No. 19,52 and 53 dated 26 August 2021, 29 December 2021, and 30 December 2021 respectively. According to the circular, commercial bank must keep an extra provision for those borrowers who have availed payment by deferral (PBD) facilities. The calculation of the new provisioning rule will have to be implemented based on the outstanding (deferral payment) loans as of 31 December 2021. The Bank has kept this special provision of BDT 756 million (2020: BDT 602 million) as per the circular. In Bangladesh,	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <p>Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process.</p> <p>Tested the controls related to provision for loans and advances.</p> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: Tested the Group and the Bank's general and specific provisions; Assessed quarterly classification ledger of loans and advances (CL); Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Assessed covid provision according to BRPD circular. Assessed the presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>

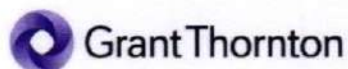
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non-performing loans have been increasing day by day. Banks need to maintain provision for additional nonperforming loans in line with guidelines of the central bank. The Bank identifies impaired loan accounts and calculates required provision manually. Furthermore, management has incentive to maintain lower provision for loan and advances to overstate profit. Considering these factors, we have considered measurement of provision for loans and advances as significant risk as well as a key audit matter. At year end of 2021 the Group reported total gross loans and advances of BDT 271,601.66 million (2020: BDT 230,545.06 million) and in 2021 the Bank reported total gross loans and advances of BDT 269,393.97 million (2020: BDT 228,943.86 million) whereas at the year end of 2021 the Group reported total provision for loans and advances of BDT 14,399.24 million (2020: BDT 11,417.33 million) and the Bank reported total provision for loans and advances of BDT 14,100.63 million (2020: BDT 11,177.01 million).

See the notes no. 13.4 to the Financial Statements

02. Measurement of deferred tax assets

Key Audit Matters

At the year ended 2021 the Group reported total deferred tax assets (Net of Deferred Tax Liabilities) of BDT 2,395.81 million (2020: BDT 2,150.73 million) and deferred tax income (Net of Deferred Tax Expense) of BDT 289.85 million (2020: BDT 149.58 million) and the Bank reported total deferred tax assets (Net of Deferred Tax Liabilities) of BDT 2,310.03 million (2020: BDT 2,053.61 million) and deferred tax income (Net of Deferred Tax Expense) of BDT 301.20 million (2020: BDT 52.45 million). Significant judgment is required in relation to deferred tax assets as their recoverability is

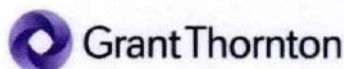
How the matter was addressed in our audit

We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of deferred tax assets and the assumptions used in estimating the Group and the Bank's future taxable income.

We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.

We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax assets.

JK



dependent on forecasts of future profitability over a number of years.	Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.
See the notes no. 09 & 38 to the Financial Statements	
03. Valuation of treasury bill and treasury bond	
<p>The classification and measurement of T-Bill and T-Bond require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of T-Bills and T-Bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p>	<p>We assessed the processes and controls put in place by the Group to identify and confirm the existence of financial instruments.</p> <p>We obtained an understanding, evaluated the design and tested the operating effectiveness of the key controls over the financial instrument valuation processes, including controls over market data inputs into valuation models, model governance, and valuation adjustments.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques, including comparing inputs to available market data.</p> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
See the notes no. 06 to the Financial Statements	
04. Legal and regulatory matters	
<p>We focused on this area because the Bank and its subsidiaries (the "Group") operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Bank's internal legal counsel for all significant litigation and</p>

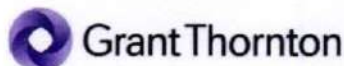
JR

Md. Abdullah Al Mamun
Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

All Reza Iftokhar
All Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



<p>Overall, the legal provision represents the Bank's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>regulatory matters and inspected internal notes and reports.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Bank's provisions and contingent liabilities disclosure.</p>
<p>05. IT systems and controls</p>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volumes of transactions processed in numerous locations daily and are reliance on automated and manual with automated (IT Dependent) controls.</p> <p>We have focused on Data management, user access management, and developer access to the production environment and changes to the IT environment. Among others, these are key to ensuring the operating control and automated controls.</p> <p>We also concentrated on formal security administration policies and procedures to determine whether they are approved, comprehensive, up-to-date, and bank-wide communicated.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information system that are critical to financial reporting. We tested IT General Controls (Logical Access, Changes in management, and aspects of IT Operational Controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Bank's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We performed the tests of IT General Controls to evaluate the Application Development and Database, Hosting Platforms, and segregation of incompatible duties relevant to application and database change management.</p>

Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

SR

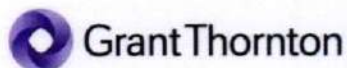
Md. Abdullah Al Mamun
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Head Office, Dhaka.

Masudul Hoque Sardar
Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Page 132 of 221

All Reza Iftokhar
All Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Bank Company Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) and other applicable Laws and Regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 (as amended up to date) and the Bangladesh Bank guidelines require the management to ensure effective internal audit, internal control and risk management functions of the Bank. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

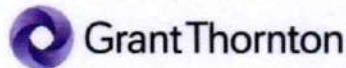
JB

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Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's and Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

JR

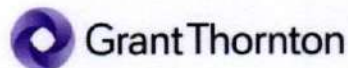
Md. Abdullah Al Mamun
Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Ali Reza Iftakhar
Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

2.5
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994, the Bank Company Act, 1991, and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, we also report that:

- I. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- II. to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the financial statements and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:
 - (a) internal audit, internal control and risk management arrangements of the Group and the Bank as disclosed in the financial statements appeared to be materially adequate;
 - (b) nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank;
- III. financial statements of Eastern Bank Limited's subsidiaries namely, EBL Securities Limited, EBL Investments Limited and EBL Asset Management Limited have been audited by ACNABIN, Chartered Accountants and EBL Finance (HK) Limited has been audited by Kingston C.P.A. Limited, Certified Public Accountants, Hong Kong and have been properly reflected in the consolidated financial statements;
- IV. in our opinion, proper books of account as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- V. the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- VI. the expenditures incurred and payments made were for the purpose of the Group's and Bank's business for the year;

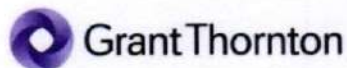
SR

Md. Abdullah Al Mamun
Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftokhar
135
Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

2.5
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited



- VII. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- VIII. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- IX. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- X. the information and explanations required by us have been received and found satisfactory;
- XI. we have reviewed over 80% of the risk weighted assets of the Bank and spent over 4600 man hours; and
- XII. capital to risk-weighted assets ratio [CRAR] as required by Bangladesh Bank has been maintained adequately during the year.

Howladar Yunus & Co.

Chartered Accountants

Firm Registration No: N/A

Md. Jahidur Rahman FCA

Partner

Enrolment No: 860

Dated: Dhaka, 05 APR 2022

DVC No: 22.04.05.0860 AS 516571

Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited


Eastern Bank Limited

(Audited)
Consolidated & Separate
Financial Statements

as at and for the year ended 31 December 2021


Md. Abdullah Al Marzan, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


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Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited and its subsidiaries
Consolidated Balance Sheet
as at 31 December 2021

Amount in BDT

	Note	2021	2020
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	3,710,909,855	3,218,511,774
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,957,829,541	12,480,410,176
		18,668,739,396	15,698,921,950
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	15,358,095,560	12,728,955,558
Outside Bangladesh	4.2	1,527,361,769	664,331,925
		16,885,457,329	13,393,287,483
Money at call and short notice	5	1,573,200,000	60,000,000
Investments	6		
Government	6.1	41,229,430,813	50,517,783,114
Others	6.2	27,671,579,018	15,498,577,951
		68,901,009,831	66,016,361,065
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	231,099,397,244	212,083,018,369
Bills discounted and purchased	7.2	40,502,266,414	18,462,037,803
		271,601,663,658	230,545,056,172
Fixed assets including land, building, furniture and fixtures	8	7,668,010,751	7,772,646,971
Other assets	9	6,889,182,751	5,916,516,734
Non banking assets	10	-	105,576,495
TOTAL ASSETS		392,187,263,713	339,508,366,870
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1.a	5,500,000,000	6,000,000,000
Borrowing from other Banks, FIs, Agents etc.		59,796,372,676	40,281,080,617
		65,296,372,676	46,281,080,617
Deposits and other accounts	12		
Current deposits & other accounts, etc.	12.1	32,298,170,288	27,698,304,935
Bills payable	12.2	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,168	111,289,608,129
Other deposits- special notice (SND) account		61,982,493,378	37,030,361,579
Bearer certificates of deposits		-	-
		267,447,600,226	241,295,379,865
Other liabilities	13	27,804,365,660	22,482,811,084
TOTAL LIABILITIES		360,548,338,562	310,059,271,566
SHAREHOLDERS' EQUITY			
Paid-up capital	14	9,538,644,670	8,117,995,470
Statutory reserve	15	9,538,644,670	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Land and other assets)	17	2,501,893,279	3,492,079,880
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(406,049,063)	(209,986,563)
Foreign currency translation gain/(loss)	19	1,996,272	2,405,658
Surplus in profit and loss account	20	9,504,261,953	8,969,072,019
TOTAL SHAREHOLDERS' EQUITY		31,638,925,151	29,449,095,304
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		392,187,263,713	339,508,366,870



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

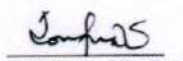
Page 138 of 221
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

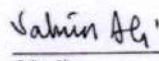
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

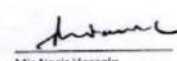
		Amount in BDT	
	Note	2021	2020
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21.1	53,047,505,500	42,593,184,478
Letters of guarantees	21.2	31,749,649,918	27,229,615,956
Irrevocable letters of credit	21.3	46,268,850,715	26,084,696,594
Bills for collection	21.4	10,647,181,021	8,032,352,776
Others		-	-
		141,713,187,154	103,939,849,804
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	118,101,190	120,428,481
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		118,101,190	120,428,481
TOTAL OFF-BALANCE SHEET ITEMS		141,831,288,344	104,060,278,285

These financial statements should be read in conjunction with the annexed notes.



 Ali Reza Iftakhar
 Managing Director & CEO
 Dhaka, 31 March 2022


 Dr. Toufic Ahmad Choudhury
 Director

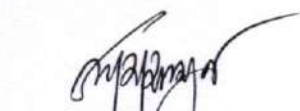

 Salina Ali
 Director



 Mir Nasir Hossain
 Director

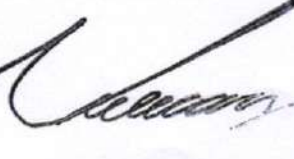
Signed as per our annexed report:
 Howladar Yunus & Co.
 Chartered Accountants


 Md. Jahidur Rahman FCA
 Partner, Enrolment No: 860
 Dated: Dhaka,
 DVC No: 22.04.050860AS516571

05 APR 2022


 Md. Abdullah Al Mamun, FCS
 Company Secretary
 Eastern Bank Limited
 Head Office, Dhaka.


 Masudul Hoque Sardar
 Chief Financial Officer
 Eastern Bank Limited


 Ali Reza Iftakhar
 Managing Director & CEO
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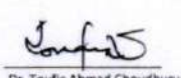

 Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

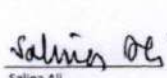
Eastern Bank Limited and its subsidiaries
Consolidated Profit and Loss Account
for the year ended 31 December 2021

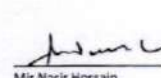
		Amount in BDT	
Particulars	Note	2021	2020
Interest income	22	16,535,769,415	20,011,368,328
Interest paid on deposits and borrowings	23	(8,601,126,650)	(13,959,493,914)
Net interest income		7,934,642,765	6,051,874,414
Income from investments	24	5,996,842,333	5,101,545,522
Fees, commission and brokerage	25	3,623,741,723	3,067,368,036
Other operating income	26	287,206,430	345,885,248
Total operating income		9,907,790,486	8,514,798,806
Salary & allowances (excluding those of MD)	27	4,263,549,170	4,073,299,850
Rent, taxes, insurance, utilities etc.	28	427,243,019	440,047,713
Legal & professional expenses	29	87,507,746	64,899,448
Postage, stamp, telecommunication etc.	30	155,475,165	138,968,011
Stationery, printing, advertisement, business promotion etc.	31	275,000,463	296,837,619
Managing Director's salary and allowances (Bank only)	32	28,441,208	26,328,372
Directors' fees & expenses	33	3,372,804	3,179,506
Audit fees	34	2,530,051	2,472,615
Depreciation and repair of bank's assets	35	1,044,994,764	1,010,715,838
Other operating expenses	36	688,797,665	614,810,771
Total operating expenses		6,976,912,056	6,671,559,741
Profit before provisions		10,865,521,195	7,895,113,478
Provision for loans and off-balance sheet exposures:	13.4.1		
Specific provision (net off w/o recovery)		1,733,791,900	928,245,166
General provision for loans & advances		475,235,139	(293,454,371)
Special general provision for Covid 19		152,926,606	602,388,520
General provision for off balance sheet exposures		368,073,261	19,415,553
		2,730,026,906	1,256,594,868
Other provision	37	(395,908,014)	(101,490,592)
Total provisions		2,334,118,892	1,155,104,276
Profit before tax for the year		8,531,402,303	6,740,009,203
Current tax expense for the year	13.3.1	4,021,028,809	2,709,205,926
Deferred tax income (net)	38	(289,850,900)	(149,577,739)
Total provision for taxation		3,731,177,909	2,559,628,187
Profit after tax for the year		4,800,224,394	4,180,381,016
Appropriation			
Statutory reserve	15	(1,420,649,200)	-
General reserve		-	-
		(1,420,649,200)	-
Retained earnings carried forward		3,379,575,194	4,180,381,016
Earnings per share (EPS) (restated 2020)	39	5.03	4.38

These financial statements should be read in conjunction with the annexed notes.

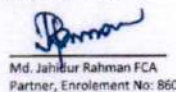

 Ali Reza Iftekhar
 Managing Director & CEO
 Dhaka, 31 March 2022


 Dr. Toufic Ahmad Choudhury
 Director


 Salina Ali
 Director

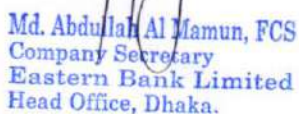

 Mir Nasir Hossain
 Director

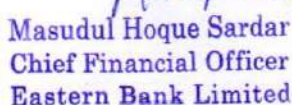
Signed as per our annexed report:
 Howladar Yunus & Co.
 Chartered Accountants

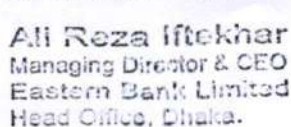

 Md. Jahidur Rahman FCA
 Partner, Enrolment No: 860

Dated: Dhaka,
 DVC No: 22.04.05 0860 A3516 571

05 APR 2022


 Md. Abdullah Al Mamun, FCS
 Company Secretary
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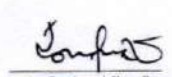

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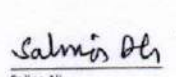
Eastern Bank Limited and its subsidiaries
Consolidated Cash Flow Statement
for the year ended 31 December 2021

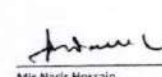
		Amount in BDT	
Note	2021	2020	
A) Cash flows from operating activities			
Interest receipts in cash	16,643,441,262	18,574,486,123	
Interest payments	(10,149,631,198)	(15,396,039,685)	
Dividend receipts	230,973,031	153,019,086	
Fees and commission receipts in cash	3,317,944,639	2,954,139,616	
Income from investment (other than dividend received)	5,849,819,097	4,518,552,742	
Recoveries on loans previously written off	363,274,439	725,759,332	
Cash payment to employees (including directors)	(4,173,353,626)	(4,060,915,412)	
Cash payment to suppliers	(1,749,822,276)	(1,278,511,398)	
Income taxes paid	(2,420,046,758)	(3,690,357,073)	
Receipts from other operating activities	287,206,430	345,885,248	
Payments for other operating activities	(688,797,665)	(614,810,771)	
Cash from operating profit before changes in operating assets and liabilities	8,011,007,375	2,231,207,808	
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase-net) of trading securities	18,651,991,769	(10,558,729,038)	
Loans and advances to customers (other than banks)	(41,085,874,502)	10,227,596,106	
Recovery from non banking assets	12,345,330	-	
Other assets	(829,223,559)	(694,487,760)	
Deposits from other Banks	(262,280,684)	(1,786,223,237)	
Deposits from customers (other than banks)	27,932,297,188	4,289,418,612	
Liability for tax	(1,311,131,151)	1,130,728,886	
Liabilities for provision	(2,697,393,332)	(1,880,863,607)	
Other liabilities	5,031,660,875	3,066,459,100	
Cash generated from changes in operating assets and liabilities	5,442,391,934	3,793,899,062	
Net Cash received from operating activities	13,453,399,308	6,025,106,870	
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities	(22,343,168,875)	(12,655,242,003)	
(Purchase-net) of property, plant and equipment	(724,622,359)	(1,088,471,897)	
Net cash (used in) investing activities	(23,067,791,233)	(13,743,713,900)	
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents	19,015,292,059	(6,567,155,371)	
Dividend paid (cash dividend)	(1,420,649,200)	(2,217,699,321)	
Net cash received from/(used in) financing activities	17,594,642,858	(7,784,854,692)	
D) Net increase/(decrease) in cash (A+B+C)	7,980,250,934	(15,503,461,722)	
E) Effects of exchange rate changes on cash and cash equivalents	(3,496,739)	652,532	
F) Opening cash and cash-equivalents	29,155,338,931	44,658,148,121	
G) Closing cash and cash-equivalents (D+E+F)*	37,132,093,625	29,155,338,931	
*Closing cash and cash-equivalents			
Cash in hand (including foreign currencies)	3,710,909,855	3,218,511,774	
Balances with Bangladesh Bank and its agent bank (s)	14,957,829,541	12,480,410,176	
Balances with other Banks and Financial Institutions	16,885,457,329	13,393,287,481	
Money at call and short notice	1,573,200,000	60,000,000	
Prize bonds	4,696,900	3,129,500	
	37,132,093,625	29,155,338,931	

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Iftakhar
Managing Director & CEO


Dr. Toufic Ahmad Choudhury
Director

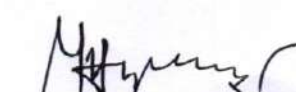

Salina Ali
Director



Mir Nasir Hossain
Director

Dhaka, 31 March 2022




Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

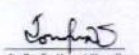
Eastern Bank Limited and its subsidiaries
Consolidated Statement of Changes in Equity
for the year ended 31 December 2021

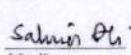
Amount in BDT


Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (land and other assets)	General reserve	Actuarial remeasurement (Surplus)	Foreign currency translation difference	Surplus in profit and loss account	Total
Balance as on 1 January 2021	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,988,568)	2,405,658	8,969,072,019	29,449,095,304
Bonus share issued for 2020	1,420,649,200	-	-	-	-	-	-	(1,420,649,200)	-
Cash dividend paid for 2020	-	-	-	-	-	-	-	(1,420,649,200)	(1,420,649,200)
Profit after tax for the year	-	-	-	-	-	-	-	4,800,224,899	4,800,224,899
Transfer to statutory reserve	-	1,420,649,200	-	-	-	-	-	(1,420,649,200)	-
Adjustment of revaluation of treasury securities (HFT)	-	-	-	(817,134,941)	-	-	-	-	(817,134,941)
Reserve for amortisation of treasury securities (RTM)	-	-	-	9,099,202	-	-	-	-	9,099,202
Adjustment of reserved for non banking assets	-	-	-	(93,231,165)	-	-	-	-	(93,231,165)
Remeasurement (loss) on defined benefit plans	-	-	-	-	-	(196,062,500)	-	-	(196,062,500)
Reserve for revaluation of land properties	-	-	-	(88,850,697)	-	-	-	-	(88,850,697)
Foreign currency translation difference	-	-	-	-	-	-	(409,387)	-	(409,387)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	-	(3,086,859)	(3,086,859)
Balance as at 31 December 2021	9,538,644,670	9,538,644,670	356,040,000	2,501,893,778	603,493,370	(406,049,068)	1,996,271	9,501,281,952	31,638,925,151
Balance as at 31 December 2020	8,117,995,470	8,117,995,470	356,040,000	3,492,079,879	603,493,370	(209,988,568)	2,405,658	8,969,072,019	29,449,095,304

These financial statements should be read in conjunction with the annexed notes.



Md. Reza Iftokhar
Managing Director & CEO
Dhaka, 31 March 2022

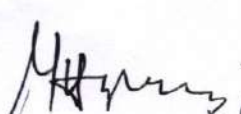

Dr. Toufic Ahmad Choudhury
Director



Salma Ali
Director


Mr. Reza Hossain
Director




Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited and its subsidiary
Consolidated Liquidity Statement
(Asset and Liability Maturity Analysis)
as at 31 December 2021

Amount in BDT

Particulars	Not more than 3 months term	3-12 months term	1-5 years term	Above 5 years term	Total
Assets					
Cash in hand (including balance with Bangladesh Bank and its agent bank)	18,668,739,395	-	-	-	18,668,739,395
Balances with other banks and financial institutions	16,460,957,329	424,500,000	-	-	16,885,457,329
Money at call and short notice	1,573,200,000	-	-	-	1,573,200,000
Investments	404,696,900	2,387,860,966	6,042,391,434	14,394,942,671	68,901,009,830
Loans and advances	24,706,379,315	40,905,066,517	119,922,013,130	61,167,126,953	271,601,663,658
Fixed assets including land, building, furniture and fixtures	37,580,840	77,427,567	339,813,003	1,594,038,763	7,668,010,751
Other assets	16,317,198	62,112,041	2,626,966,717	2,151,555,278	6,889,182,751
Non-banking assets	-	-	-	-	-
Total Assets	61,867,870,975	43,856,967,091	128,931,186,784	79,307,664,605	392,187,763,713
Liabilities					
Borrowing from other banks, financial institutions and agents	9,292,307,469	17,529,960,281	28,644,502,443	9,487,365,662	65,296,372,676
Deposits and other accounts	31,764,325,760	42,202,653,536	89,635,456,656	142,726,413,249	267,447,600,226
Provisions & other liabilities	225,467,366	2,951,394,778	1,872,186,196	17,740,155,322	5,065,151,399
Total Liabilities	40,782,100,594	62,724,008,595	80,152,155,295	169,953,934,833	360,548,338,562
Net Liquidity Gap	21,085,770,380	(18,867,041,504)	48,779,030,989	(90,646,270,228)	31,639,425,151
Cumulative Net Liquidity Gap	21,085,770,380	2,218,728,877	50,997,759,866	(39,648,510,902)	0



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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited
Balance Sheet
as at 31 December 2021

		Amount in BDT	
	Note	2021	2020
PROPERTY AND ASSETS			
Cash	3		
Cash in hand (including foreign currencies)	3.1	3,710,774,087	3,218,381,880
Balances with Bangladesh Bank and its agent bank(s) (including foreign currencies)	3.2	14,957,829,541	12,480,410,176
		18,668,603,628	15,698,792,056
Balances with other banks and financial institutions	4		
In Bangladesh	4.1	15,005,092,489	12,444,848,375
Outside Bangladesh	4.2	1,264,597,790	558,299,302
		16,269,690,279	13,003,147,677
Money at call and short notice	5	1,573,200,000	60,000,000
Investments	6		
Government	6.1	41,229,430,813	50,517,783,114
Others	6.2	25,423,718,052	13,431,621,587
		66,653,148,865	63,949,404,701
Loans and advances	7		
Loans, cash credits, overdraft etc.	7.1	234,038,851,242	214,171,172,833
Bills discounted and purchased	7.2	35,355,122,969	14,772,690,062
		269,393,974,211	228,943,862,895
Fixed assets including land, building, furniture and fixtures	8	7,632,189,734	7,710,898,017
Other assets	9	8,623,907,370	7,463,906,711
Non banking assets	10	-	105,576,495
TOTAL ASSETS		388,814,714,087	336,935,588,555
LIABILITIES AND CAPITAL			
Borrowing from banks, financial institutions and agents	11		
Non-convertible subordinated bond	11.1 a	5,500,000,000	6,000,000,000
Borrowing from other Banks, FIs, Agents etc.		57,686,515,851	38,286,389,129
		63,186,515,851	44,286,389,129
Deposits and other accounts	12		
Current deposits & other accounts etc.	12.1	32,747,951,058	28,274,075,619
Bills payable	12.2	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,168	111,289,608,129
Other deposits- special notice (SND) account		62,103,962,762	37,516,985,909
Bearer certificates of deposits		-	-
		268,018,850,380	242,357,774,879
Other liabilities	13	26,592,772,458	21,315,844,877
TOTAL LIABILITIES		357,798,138,689	307,960,008,885
SHAREHOLDERS' EQUITY			
Paid-up capital	14	9,538,644,670	8,117,995,470
Statutory reserve	15	9,538,644,670	8,117,995,470
Dividend equalisation reserve	16	356,040,000	356,040,000
Assets revaluation reserve (Land & others)	17	2,416,474,912	3,406,661,513
General reserve		603,493,370	603,493,370
Actuarial remeasurement gain/(loss)	18	(406,049,063)	(209,986,563)
Foreign currency translation gain/(loss)	19	(5,967,070)	(326,701)
Surplus in profit and loss account	20	8,975,293,909	8,583,707,111
TOTAL SHAREHOLDERS' EQUITY		31,016,575,398	28,975,579,670
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		388,814,714,087	336,935,588,555



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

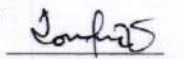
All Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

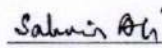
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

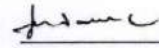
		Amount in BDT	
Note	2021	2020	
OFF BALANCE SHEET ITEMS			
Contingent liabilities			
Acceptances and endorsements	21.1	53,047,505,500	42,593,184,478
Letters of guarantees	21.2	31,749,649,918	27,229,615,956
Irrevocable letters of credit	21.3	46,268,850,715	26,084,696,594
Bills for collection	21.4	10,647,181,021	8,032,352,776
Other liabilities		-	-
		141,713,187,154	103,939,849,804
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed	21.5	118,101,190	120,428,481
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		118,101,190	120,428,481
TOTAL OFF-BALANCE SHEET ITEMS		141,831,288,344	104,060,278,285

These financial statements should be read in conjunction with the annexed notes.


Ali Reza Iftakhar
Managing Director & CEO
Dhaka, 31 March 2022

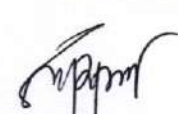

Dr. Toufic Ahmad Choudhury
Director

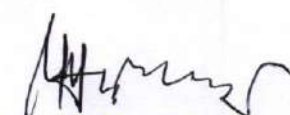

Salina Ali
Director



Mir Nasir Hossain
Director

Signed as per our annexed report:
Howlader Yunus & Co.
Chartered Accountants


Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka,
DVC No: 220405 0860AS 516571
05 APR 2022


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

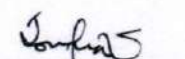

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

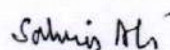
Eastern Bank Limited
Profit & Loss Account
for the year ended 31 December 2021

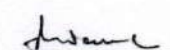
		Amount in BDT	
Particulars	Note	2021	2020
Interest Income	22	16,206,209,303	19,667,413,756
Interest paid on deposits and borrowings	23	(8,444,976,493)	(13,737,063,652)
Net interest income		7,761,232,810	5,930,350,104
Income from investments	24	6,088,639,366	5,048,674,967
Fees, commission and brokerage	25	3,040,479,254	2,823,051,316
Other operating income	26	267,799,268	331,681,115
		9,396,917,887	8,203,407,398
Total operating income		17,158,150,697	14,133,757,502
Salary & allowances (excluding those of MD)	27	4,100,539,805	3,923,591,968
Rent, taxes, insurance, utilities etc.	28	415,353,404	430,005,846
Legal & professional expenses	29	86,483,565	63,853,652
Postage, stamp, telecommunication etc.	30	148,308,477	131,767,614
Stationery, printing, advertisement, business promotion etc.	31	271,160,246	292,012,702
Managing Director's salary and allowances	32	28,441,208	26,328,372
Directors' fees & expenses	33	2,771,554	2,717,506
Audit fees	34	1,190,312	1,202,057
Repairs, maintenance and depreciation	35	1,001,833,059	970,168,499
Other operating expenses	36	634,250,171	599,828,196
Total operating expenses		6,690,331,802	6,441,476,411
Profit before provisions		10,467,818,895	7,692,281,091
Provision for loans and off-balance sheet exposures	13.4.1		
Specific provision (net off w/off recovery)		1,655,381,613	764,801,333
General provision for loans		475,235,139	(293,454,371)
Special general provision for Covid 19		152,926,606	602,388,520
General provision for off-balance sheet exposures		368,073,261	19,415,553
		2,651,616,619	1,093,151,035
Other provision	37	(391,478,235)	(91,661,695)
Total provisions		2,260,138,385	1,001,489,340
Profit before tax for the year		8,207,680,510	6,690,791,751
Current tax expense for the year	13.3.1	3,855,014,674	2,640,680,434
Deferred tax income (net)	38	(301,198,890)	(52,451,737)
Total provision for taxation		3,553,815,784	2,588,228,698
Profit after tax for the year		4,653,864,726	4,102,563,054
Appropriation			
Statutory reserve	15	(1,420,649,200)	-
General reserve		-	-
		(1,420,649,200)	-
Retained earnings carried forward		3,233,215,526	4,102,563,054
Earnings per share (EPS) (restated 2020)	39	4.88	4.30

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftokhar
Managing Director & CEO
Dhaka, 31 March 2022


Dr. Toufic Ahmad Choudhury
Director



Salina Ali
Director

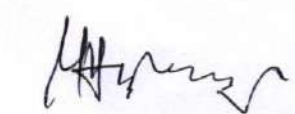

Mir Nasir Hossain
Director


Signed as per our annexed report:
Howladar Yunus & Co.
Chartered Accountants


Md. Jahidur Rahman FCA
Partner, Enrolment No: 860
Dated: Dhaka,
DVC No: 220405 0860 AS 516 571

05 APR 2022


Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

Page 146 of 221

Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

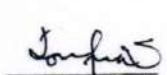

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

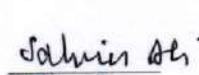
Eastern Bank Limited
Cash Flow Statement
for the year ended 31 December 2021

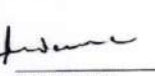
		Amount in BDT	
Note	2021	2020	
A) Cash flows from operating activities			
Interest receipts in cash	16,284,739,074	18,243,372,761	
Interest payments	(9,993,443,560)	(15,172,791,349)	
Dividend receipts	199,399,208	138,078,576	
Fees and commission receipts in cash	2,732,231,871	2,709,822,896	
Income from investment (other than dividend)	5,973,189,953	4,480,622,697	
Recovery on loans previously written off	363,274,439	725,759,332	
Cash payment to employees (including directors)	(4,017,539,129)	(3,912,637,846)	
Cash payment to suppliers	(1,217,480,524)	(1,201,000,079)	
Income taxes paid	(2,290,690,848)	(3,584,048,614)	
Receipts from other operating activities	267,799,268	331,681,115	
Payments for other operating activities	(634,250,171)	(599,828,196)	
Cash generated from operating activities before changes in operating assets and liabilities	7,667,229,580	2,159,031,293	
Increase/(decrease) in Operating Assets & Liabilities			
(Purchase)/sale of trading securities	18,835,036,031	(10,760,662,458)	
Loans and advances to customers (other than banks)	(40,449,552,103)	4,785,116,138	
Recovery from non banking assets	12,845,330		
Other assets	(1,014,792,055)	(558,391,547)	
Deposits from other Banks	(262,280,684)	(1,786,223,237)	
Deposits from customers (other than banks)	27,441,152,328	5,167,653,008	
Liability for tax	(1,263,124,936)	995,819,917	
Liabilities for provision	(2,623,412,824)	(1,727,248,670)	
Other liabilities	4,996,132,255	2,701,535,895	
Cash generated from changes in operating assets and liabilities	5,671,503,343	(1,182,400,954)	
Net Cash received from operating activities	13,338,732,922	976,630,339	
B) Cash flows from investing activities			
(Purchase-net) of non-trading securities	(22,345,308,535)	(12,655,811,043)	
(Purchase-net) of property, plant and equipment	(715,809,642)	(1,048,655,020)	
Net cash (used in) investing activities	(23,061,118,176)	(13,704,466,063)	
C) Cash flows from financing activities			
Borrowings from banks, financial institutions and agents	18,900,126,722	(6,534,399,079)	
Dividend paid (cash dividend)	(1,420,649,200)	(1,217,699,321)	
Net cash received from/(used in) financing activities	17,479,477,521	(7,752,098,400)	
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)	7,757,092,266	(20,479,934,124)	
E) Effects of exchange rate changes on cash and cash equivalents	(5,970,692)	(778,208)	
F) Opening cash and cash-equivalents	28,765,069,234	49,245,781,566	
G) Closing cash and cash-equivalents (D+E+F)*	36,516,190,806	28,765,069,234	
*Cash and cash-equivalents consists of:			
Cash in hand (including foreign currencies)	3.1	3,710,774,087	3,218,381,880
Balances with Bangladesh Bank and its agent bank (s)	3.2	14,957,829,541	12,480,410,176
Balances with other Banks and Financial Institutions	4	16,269,690,279	13,003,147,677
Money at call and short notice	5	1,573,200,000	60,000,000
Prize bonds	6.1	4,696,900	3,129,500
		36,516,190,806	28,765,069,234

These financial statements should be read in conjunction with the annexed notes.

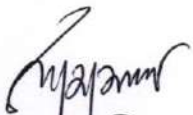

Ali Reza Iftokhar
Managing Director & CEO
Dhaka, 31 March 2022

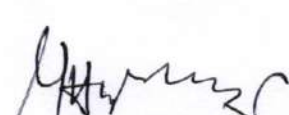

Dr. Toufic Ahmad Choudhury
Director



Salina Ali
Director


Mir Nasir Hossain
Director




Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

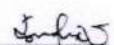
Eastern Bank Limited
Statement of Changes in Equity
for the year ended 31 December 2021

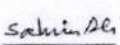
Amount in BDT

Particulars	Paid up capital	Statutory reserve	Dividend equalisation reserve	Assets revaluation reserve (and other assets)	General reserve	Actuarial re-measurement (Loss)	Foreign currency translation difference	Retained earnings	Total
Balance as at 1 January 2021	8,117,995,470	8,117,995,470	356,040,000	3,406,861,512	603,493,370	(209,186,343)	(326,701)	8,983,707,111	28,975,576,870
Bonus share issued for 2020	3,420,649,200	-	-	-	-	-	-	(1,420,649,200)	-
Cash dividend paid for 2020	-	-	-	-	-	-	-	(1,420,649,200)	(1,420,649,200)
Profit after tax for the year	-	-	-	-	-	-	-	4,053,864,727	4,053,864,727
Transfer to statutory reserve	-	1,420,649,200	-	-	-	-	-	(1,420,649,200)	-
Adjustment for revaluation of treasury securities (HFT)	-	-	-	(817,134,941)	-	-	-	-	(817,134,941)
Reserve for amortisation of treasury securities (HFT)	-	-	-	9,039,202	-	-	-	-	9,039,202
Re-measurement (loss) on defined benefit plans	-	-	-	-	-	(196,062,500)	-	-	(196,062,500)
Adjustment on revaluation of lands	-	-	-	(88,859,697)	-	-	-	-	(88,859,697)
Adjustment of reserve for non banking assets	-	-	-	(63,231,180)	-	-	-	-	(63,231,180)
Currency translation difference	-	-	-	-	-	-	(5,640,308)	-	(5,640,308)
Currency adjustment for offshore banking operation	-	-	-	-	-	-	(130,126)	(130,126)	(130,126)
Balance as at 31 December 2021	5,538,644,670	5,538,644,670	356,040,000	2,416,474,911	603,493,370	(405,049,263)	(5,967,095)	8,975,293,010	21,025,575,398
Balance as at 31 December 2020	8,117,995,470	8,117,995,470	356,040,000	3,406,861,512	603,493,370	(209,996,349)	(816,701)	8,587,797,111	28,975,576,870

These financial statements should be read in conjunction with the annexed notes.



Ali Reza Iftakhar
Managing Director & CEO
Dhaka, 31 March 2022

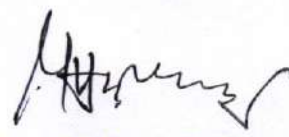

Dr. Tasfiq Ahmed Chowdhury
Director



Salma Ali
Director


Mir Nasir Hossain
Director




Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


Ali Reza Iftakhar
Managing Director & CEO
Page 148 of 221 in Bank Limited
Head Office, Dhaka.


Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited
Liquidity Statement
(Asset and Liability Maturity Analysis)
as at 31 December 2021

Amount in BDT

Particulars	Not more than 1 month term	1-3 months term	3-12 months term	1-5 years term	Above 5-years term	Total
Assets						
Cash in hand (including balance with Bangladesh Bank and its agent bank)	18,668,603,627	-	-	-	-	18,668,603,627
Balances with other banks and financial institutions	15,845,190,279	424,500,000	-	-	-	16,269,690,279
Money at call and short notice	1,573,200,000	-	-	-	-	1,573,200,000
Investments	404,696,900	140,000,000	6,042,391,434	14,394,042,671	45,671,117,859	66,653,148,964
Loans and advances	24,625,357,112	40,792,915,893	117,907,486,510	61,167,126,953	24,901,077,743	269,393,974,712
Fixed assets including land, building, furniture and fixtures	37,580,840	77,005,892	338,227,558	1,586,593,218	5,592,722,235	7,832,185,734
Other assets	10,307,065	77,377,618	3,273,151,638	2,720,891,808	2,532,179,152	8,623,907,371
Non-banking assets	-	-	-	-	-	-
Total Assets	61,274,935,823	42,511,859,303	127,581,267,142	79,869,554,740	78,697,096,989	389,934,714,087
Liabilities						
Borrowing from other banks, financial institutions and agents	8,448,364,739	16,264,046,186	28,844,502,443	9,487,365,662	342,236,821	63,186,515,851
Deposits and other accounts	31,402,825,821	42,635,403,628	49,683,406,606	142,728,413,249	1,528,751,026	268,038,890,340
Provisions & other liabilities	711,653,461	2,770,842,997	1,789,686,609	16,967,038,209	4,843,251,002	26,592,772,458
Total Liabilities	40,156,844,021	61,670,292,811	80,308,645,798	169,180,817,320	6,714,538,849	358,798,138,889
Net Liquidity Gap	21,018,091,802	(20,158,433,418)	47,272,621,344	(89,311,262,609)	71,982,558,141	31,016,575,198
Cumulative Net Liquidity Gap	21,018,091,802	858,658,384	48,845,779,727	(40,965,982,742)	31,016,575,198	(0)



Md. Abdullah A. Mamun
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Company Secretary
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Head Office, Dhaka.

Masudul Hoque Sardar
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Chief Financial Officer
Eastern Bank Limited

All Reza Iftokhar
All Reza Iftokhar
Managing Director & CEO
14th Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Notes to the financial statements
Notes to the financial statements
as at and for the year ended 31 December 2021

1 The Bank and its activities

- 1.1 Eastern Bank Limited** was incorporated in Bangladesh as a public limited company to carry out all kinds of banking business in and outside Bangladesh. The Bank took over the business, assets, liabilities and losses of erstwhile Bank of Credit & Commerce International (Overseas) Limited (hereinafter referred to as BCCI) as they stood after reduction or adjustments in accordance with the provisions of the BCCI (Reconstruction) Scheme, 1992. The Bank commenced operations from 16 August 1992 and at present it has 85 branches, 5 sub-branches and 46 agent banking outlets across Bangladesh. The shares of the Bank is listed with both Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited. The registered office of the Bank is located at 100 Gulshan Avenue, Dhaka - 1212, Bangladesh. The principal activities of the Bank are to provide a comprehensive range of financial products (loans and deposits) and services, personal and commercial banking, trade services, cash management, treasury, securities and custodial services.

1.2 Offshore Banking Operation (OBO)

EBL has one Offshore Banking Unit ('OBU' or 'the Unit') which runs through a separate desk under control and supervision of the Offshore Banking Division/Operation (OBO). The unit and all activities of the division are governed under the permission by Bangladesh Bank vide letter no. BRPD(P)744(89)/2004-303 dated 25 January 2004 and subsequent approvals for continuation by Bangladesh Bank vide letter no. BRPD(P)744(89)/2020-2254 & 2255 dated 25 February 2020 in line with the offshore banking policy issued by Bangladesh Bank vide BRPD circular no. 02 dated 25 February 2019 and amendments thereon. The activities of the unit is to provide both funded and non-funded facilities and to accept savings/current/term deposits in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned enterprises (Type 'A') in EPZs, PEPZs, EZs and Hi-Tech Parks, etc. Besides, OBU offers short term loan facility to the Type 'B' industrial enterprises in EPZs, PEPZs, EZs and Hi-Tech Parks. In addition, OBU discounts/purchases accepted usance/deferred bills against import from abroad (Bills Finance), and discounts/purchases accepted usance/deferred export bills against direct and deemed exports of products produced in Bangladesh, of persons resident in Bangladesh. The unit commenced its operations on 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka-1212.

Representative office and agent banking operation of the Bank

Representative Office:

The bank has two Representative Offices (ROs) abroad, one in Myanmar named 'EBL Yangon Representative Office (YRO)' and another one in China named 'EBL Guangzhou Representative Office (GRO)', which were established in 2014 and 2019 respectively with a view to extend its trade businesses by providing banking and business information to the business people of these countries. Registered office of YRO is at Room (2B/2C), 1st Floor, Rose Condominium, No. 182/194, Botahtaung Pagoda Road, Pazundaung Township, Yangon, Myanmar; and GRO is at Unit G, 22 Floor, Jianhe Centre, No.111 Tiexi Road, Tianhe District, Guangzhou, Guangdong Province, China.

Agent Banking Outlet:

The bank has started agent banking operation in 2018 with a view to reach unbanked population particularly in the geographically dispersed area and offer banking services to potential customers who are currently out of traditional banking periphery. EBL has now 46 outlets across the country with thousands of new customers. This service includes offering all types of deposit accounts and other banking transactions including bill payments, inward foreign remittance payment, fund transfer etc.

1.3 Subsidiaries of the Bank

The Bank has four fully owned subsidiaries as on the reporting date. These are EBL Securities Limited, EBL Investments Limited, EBL Finance (HK) Limited and EBL Asset Management Limited. All subsidiaries of the Bank have been incorporated in Bangladesh except for EBL Finance (HK) Limited which is incorporated in Hong Kong.

EBL Securities Limited

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



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Ali Reza Iftakhar
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 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

EBL Investments Limited

EBL Investments Limited (EBLIL) was incorporated on 30 December 2009. EBLIL obtained license from Bangladesh Securities & Exchange Commission (BSEC) on January 2013 and started full-fledged operations of merchant banking, portfolio management, underwriting, etc. from June 2013. Registered office of EBLIL is located at Jiban Bima Bhaban, 10 Dilkusha CA, Dhaka - 1000, Bangladesh.

EBL Finance (HK) Limited

EBL Finance (HK) Limited, the first foreign subsidiary of EBL, was incorporated on 28 November 2011 with Hong Kong (HK) authority. This subsidiary started its full-fledged business operations (i.e. offshore trade finance, advising, documents collection etc.) in Hong Kong during 2013 after obtaining all the required licenses from Bangladesh and HK authority. Registered office of EBL Finance (HK) Limited is Unit 1201, 12th Floor, Albion Plaza, 2-6 Granville Road, Tsimshatsui, Hong Kong.

EBL Asset Management Limited

EBL Asset Management Limited (EBLAML) was incorporated on 9 January 2011 to carry out asset management business, capital market operation, equity investment etc. EBLAML obtained license from Bangladesh Securities & Exchange Commission (BSEC) on 25 May 2017 to run full-fledged business operations. Registered office of EBLAML is located at Bangladesh Shipping Corporation (BSC) Tower, 2-3 Rajuk Avenue (4th Floor), Motijheel C/A, Dhaka - 1000, Bangladesh.

2 Basis of preparation and significant accounting policies**Basis of preparation****Separate and consolidated financial statements**

The separate financial statements of the Bank as at and for the year ended 31 December 2021 comprise those of Domestic Banking (main operation including representative offices) and Offshore Banking operations, and the consolidated financial statements of the group comprise those of 'the Bank' (parent company) and its subsidiaries (together referred to as 'the group' and individually referred to as 'group entities/subsidiaries').

There was no significant change in the nature of principal business activities of the Bank and the subsidiaries during the financial year.

2.1 Statement of compliance

The consolidated and separate financial statements of the Group and the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the the Financial Reporting Council (FRC) under the Financial Reporting Act, 2015 (FRA) and the requirements of the Bank Company Act 1991 (as amended up to date), the rules and regulations issued by Bangladesh Bank (BB), the Companies Act 1994, the Securities and Exchange Rules 1987. In case any requirement of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Bank Company Act 1991 (as amended up to date), and provisions and circulars issued by Bangladesh Bank shall prevail. Material departures from the requirements of IFRSs are as follows:

i) Presentation of financial statements


IFRSs: As per IAS 1 Presentation of financial statements, financial statements shall comprise a statement of financial position as at the end of the period, a statement of profit or loss and other comprehensive income for the period, a statement of changes in equity for the period, a statement of cash flows for the period, notes - comprising significant accounting policies and other explanatory information. As per IAS 1, the entity shall also present current and non-current assets and liabilities as separate classifications in its statement of financial position.

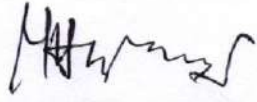
Bangladesh Bank: The presentation of the financial statements in prescribed format (i.e. balance sheet, profit and loss account, cash flow statement, statement of changes in equity, liquidity statement) and certain disclosures therein are guided by the First Schedule (section 38) of the Bank Company Act 1991 (as amendment up to date) and BRPD circular no. 14 dated 25 June 2003 and subsequent guidelines of Bangladesh Bank. In the prescribed format there is no option to present assets and liabilities under current and non-current classifications.

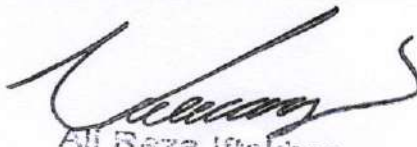
ii) Investments in Equity Instruments (Shares, Mutual funds, etc.)

IFRSs: As per requirements of IFRS 9 Financial Instruments, all equity investments (shares and mutual funds) are to be measured at fair value with value changes recognised in statement of profit or loss and other comprehensive income for the period, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income (OCI)'. If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it through OCI with only dividend income recognised in profit or loss account.




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Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, investments in quoted and unquoted shares are revalued on the basis of year-end market price and Net Assets Value (NAV) of last audited balance sheet respectively. As per instruction of another DOS circular letter no. 3 dated 12 March 2015, investment in mutual fund (closed end) is revalued 'at lower of cost and (higher of market value and 85% of NAV)'. As such, provision is made for any loss arising from diminution in value of investments (portfolio basis); otherwise investments are recognised at costs.

The Bank reviews its investment in shares & mutual funds at each quarter-end on mark-to-market basis and has maintained a cumulative provision of BDT 256.44 million as of 2021 as per BB instructions (note 13.8).

iii) **Revaluation gain/loss on government securities**

IFRSs: As per IFRS 9 Financial Instruments, treasury bills (T-bills)/treasury bonds (T-bonds) are measured 'at fair value through other comprehensive income' where gains or losses shall be recognised in other comprehensive income (OCI), except for impairment gains or losses and foreign exchange gains and losses. The loss allowance arisen from impairment shall be recognised in OCI and shall not reduce the carrying amount of financial assets in the financial position. Interest calculated using the effective interest method shall be recognised in profit or loss account.

Bangladesh Bank: According to DOS circular no. 5 dated 26 May 2008 and subsequent clarification in DOS circular no. 5 dated 28 January 2009, amortisation gain/loss is charged to profit and loss account, mark-to-market loss on revaluation of government securities (T-bills/T-bonds) categorised as Held for Trading (HFT) is charged to profit and loss account, but any unrealised gain on such revaluation is recognised to revaluation reserve account. Securities designated as Held to Maturity (HTM) are measured at amortised cost method but income/gain is recognised through equity.

The Bank recognised revaluation loss of BDT 857.99 million and amortisation expense of BDT 164.13 million in profit and loss account in 2021 against its investment in government treasury securities categorised as HFT and HTM respectively. Unrealised amortized gain of BDT 29.26 million arising from amortisation of HTM securities has been booked in equity as reserve in compliance with Bangladesh Bank guidelines (note 17.02 & 17.03).

iv) **Provision on loans and advances, off-balance sheet exposures including other commitments**

IFRSs: As per IFRS 9 Financial Instruments, loans and advances shall be recognised and measured at amortised cost (net of any write down for impairment). When any objective evidence of impairment (a loss allowance for expected credit losses) exists for such financial assets, impairment assessment should be undertaken individually or portfolio basis (when assets are not individually significant).

Bangladesh Bank: As per Bangladesh Bank instructions vide different circulars, a general provision @ 0.25% to 2% under different categories of unclassified loans (standard/SMA loans) and special general provision for Covid-19 @ 1% to 2% on payment deferral facilitated accounts upon received of 15% payment against total dues for the year 2021, should be maintained regardless of objective evidence of impairment. And specific provision @ 5% to 100% on classified loan accounts including certain reschedule loan account should be made on loans net off eligible securities (if any). Also, a general provision @ 0.5% - 1% should be provided for certain off-balance sheet exposures (including other commitments). Such provision policies are not specifically in line with those prescribed by IFRS 9.

The Bank charged to its profit and loss account a general provision of BDT 996.23 million (special general provision of BDT 152.93 million against PBD accounts, general provision of BDT 475.23 million against unclassified loans & advances, and charge of BDT 368.07 million for off-balance sheet exposures) in 2021 (note 13.4.1).

v) **Other comprehensive income and appropriation of profit**

IFRSs: As per IAS 1 Presentation of financial statements, other comprehensive income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income (OCI) statement. IFRSs do not require appropriation of profit to be shown on the face of the statement of comprehensive income.

Bangladesh Bank: The templates of financial statements issued by Bangladesh Bank do not include other comprehensive income nor are the elements of other comprehensive income allowed to be included in a single other comprehensive income (OCI) statement. As such the Bank does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity. Furthermore, the above templates require disclosure of appropriation of profit on the face of profit and loss account.

vi) **Financial Instruments - presentation and disclosure**

As per BB guidelines, in certain cases financial instruments are categorised, recognised, measured and presented differently from those prescribed in IFRS 7 Financial Instruments - disclosure and IFRS 9 Financial Instruments. As such some disclosures and presentation requirements of IFRS 7 and IFRS 9 cannot be fully made in these financial statements.



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Managing Director & CEO
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vii) REPO transactions

IFRSs: When an entity sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a collateralised borrowing and the underlying asset continues to be recognised in the entity's financial statements. This transaction will be treated as borrowing and the difference between selling price and repurchase price will be treated as interest expense.

Bangladesh Bank: As per Bangladesh Bank circulars/guidelines, when a bank sells a financial asset and simultaneously enters into an agreement to repurchase the same (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as a normal sale transaction and the financial assets should be derecognised in the seller's book and recognised in the buyer's book.

viii) Financial guarantees

IFRSs: As per IFRS 9 Financial Instruments, financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of the instrument. Financial guarantee liabilities are recognised initially at their fair value and is amortised over the life of the instrument. Any such liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are prescribed to be included within other liabilities.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, financial guarantees such as letter of credit (LC) & letter of guarantees (LG) should be treated as off-balance sheet items. No liability is recognised for such guarantee except the cash margin. However, a general provision @ 0.5% -1% is maintained against such guarantee.

ix) Cash and cash equivalents

IFRSs: Cash and cash equivalent items should be reported as cash item as per IAS 7 Statements of cash flows.

Bangladesh Bank: Some highly liquid assets such as money at call and short notice, T-bills/T-bonds, prize bonds are not prescribed to be shown as cash and cash equivalents; rather shown as face item in the balance sheet. However, in the cash flow statement, money at call and short notice and prize bonds are shown as cash and cash equivalents beside cash in hand, balance with Bangladesh Bank and other banks.

x) Non-banking assets

IFRSs: No indication of non-banking assets is found in any IASs/IFRSs.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank, there exists a face item named non-banking assets.

xi) Cash flow statement

IFRSs: Cash flow statement can be prepared either in direct method or indirect method. The presentation method is selected to present cash flow information in a manner that is most suitable for the business or industry. Whichever method selected should be applied consistently.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003 of Bangladesh Bank, cash flow statement is to be prepared following a mixture of direct and indirect method.

xii) Balance with Bangladesh Bank (cash reserve requirement)

IFRSs: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7 Statement of cash flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiii) Off-balance sheet items

IFRSs: No concept of off-balance sheet items in any IFRSs/IAS/IFRIC; so nothing to disclose as off-balance sheet items.

Bangladesh Bank: As per BRPD circular no. 14 dated 25 June 2003, off-balance sheet items i.e. letter of credit (LC), letter of guarantee (LG), acceptance should be disclosed separately on the face of the balance sheet.



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xiv) Presentation of loans and advance net of provision

IFRSs: Loans and advances shall be presented at amortised cost net of any write down for impairment (expected credit losses that result from all possible default events over the life of the financial instrument).

Bangladesh Bank: As per BRPD circular 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances.

xv) Recognition of interest in suspense

IFRSs: Loans and advances to customers are generally classified as non-derivative financial assets measured at amortised cost as per IFRS 9 and interest income is recognised through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is to be recognised in profit and loss account on the same basis on revised carrying amount.

Bangladesh Bank: As per BRPD circular no. 14 dated 23 September 2012 and BRPD Circular no. 03 dated 21 April 2019, interest on classified loans are not allowed to be recognised as income, rather the corresponding amount needs to be credited to an interest suspense account, which is presented as liability in the balance sheet.

xvi) Presentation of intangible asset

IFRSs: An intangible asset must be identified and recognised, and the disclosure must be given as per IAS 38.

Bangladesh Bank: There is no specific regulation for intangible assets in BRPD circular no. 14 dated 25 June 2003. However, intangible assets of bank are shown in fixed assets.

**Please refer to note 2.10 compliance of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) for further details.*

2.2 Basis of measurement

The consolidated financial statements of the Group and the separate financial statements of the Bank have been prepared on the historical cost basis except for the following material items:

- Government treasury bills and bonds designated as 'Held for Trading (HFT)' are marked-to-market weekly with resulting gain credited to revaluation reserve account but loss charged to profit and loss account.
- Government treasury bills and bonds designated as 'Held to Maturity (HTM)' are amortised yearly with resulting gain credited to amortisation reserve account but loss charged to profit and loss account.
- Land is recognised at cost at the time of acquisition and subsequently measured at fair value as per IAS 16 'Property, Plant & Equipment' and BSEC notification no. SEC/CMRRCD/2009-193/150/Admin/51 dated 18 August 2013.

2.3 Going concern basis of accounting

These financial statements have been prepared on the basis of assessment of the Bank's ability to continue as a going concern. EBL has neither any intention nor any legal or regulatory compulsion to liquidate or curtail materially the scale of any of its operations. The key financial parameters (including liquidity, profitability, asset quality, provision sufficiency and capital adequacy) of the Bank continued to exhibit a healthy trend for couple of years. The rating outlook of the Bank as denoted by both the rating agencies CRISL and Moody's is 'stable'. Besides, the management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern.

2.4 Use of estimates and judgments

The preparation of the consolidated financial statements of the Group and the separate financial statements of the Bank in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

Key estimates include the following:

- Loan loss provision
- Revaluation of land
- Deferred tax assets/liabilities
- Gratuity & superannuation fund
- Useful lives of depreciable assets



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2.5 Foreign currency transactions and translations

Functional and presentation currency

The financial statements of the Group and the Bank are presented in Bangladesh Taka (BDT) which is the functional currency of the parent, except Offshore Banking Operation and EBL Finance (HK) Ltd. where functional currency is US Dollar (USD) and Hong Kong Dollar (HKD) respectively. All financial information presented in Taka has been rounded off to the nearest integer, except when otherwise indicated.

Conversion of foreign currency transactions

Foreign currency transactions of the Bank and its subsidiaries are converted into respective functional currencies (Bangladesh Taka in case of EBL main operations, US Dollar in case of OBO and HKD in case of EBL Finance (HK) Limited) at the rate of exchange prevailing on the day of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency at standard mid-rate of exchange prevailing at the reporting date. Effects of exchange rate differences (rates at which transactions were initially recorded and the rate prevailing on the reporting date/date of settlements) applied on the monetary assets or liabilities of the Bank are recorded in the profit and loss account as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

Translation of foreign currency financial statements

Assets and liabilities of OBO and EBL Finance (HK) Limited have been translated into Taka (functional currency of the Bank) using year-end standard mid-rate of exchange (i.e. the closing rate) whereas income and expenses are translated using monthly average rate of standard mid-rates of exchange of the Bank. The cumulative amount of net exchange rate differences has been presented separately as a component of equity as per IAS 21 'The Effects of Changes in Foreign Exchange Rates'.

2.6 Basis of consolidation

Subsidiaries (investees) are entities controlled by the parent (the Bank). Control exists when the Bank has the power over the subsidiaries that gives right to direct relevant activities, exposure, or rights, to variable returns from its involvement with the subsidiaries, and the ability to use its power over the subsidiaries to affect the amount of the Bank's returns.

The consolidated financial statements comprise the financial statements of the Bank and its subsidiary companies from the date that control commences until the date that control ceases. The financial statements of such subsidiary companies are incorporated on a line by line basis and the investments held by the parent (the Bank) are eliminated against the corresponding share capital of group entities (subsidiaries) in the consolidated financial statements.

Financial assets and liabilities are offset and the net amount reported in the consolidated financial statements only when there is legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. Items are not offset in the consolidated financial statements unless required or permitted by accounting standards and regulators.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Loss of control

Upon loss of control of a subsidiary the group derecognises the assets (including any goodwill) and liabilities of the subsidiary at carrying amount, any non controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit and loss account. If the group retains any interest in the former/previous/ex-subsidiary, then such interest is measured at fair value at the date that the control is lost. However, the group has neither lost control nor derecognised any asset or liability of any of its subsidiaries in the reporting period.

Business Combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition and identifiable net assets acquired are measured at fair value. Any goodwill that arises is annually tested for impairment. Any gain on bargain purchase is recognised in Group's profit or loss account immediately. Transaction costs are expensed as incurred except if they are related to the issue of debt or equity securities.

2.7 Cash flow statement

Cash flow statement has been prepared in accordance with IAS 7 Statement of cash flows and under the guideline of Banking Regulations & Policy Department (BRPD) of Bangladesh Bank circular no. 14 dated 25 June 2003. The statement shows the structure of changes in cash and cash equivalents during the financial year.



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2.8 Reporting period

These financial statements of the Group, the Bank and its subsidiaries cover 01 (One) calendar year from 01 January to 31 December.

2.9 Liquidity statement

The liquidity statement has been prepared mainly on the basis of remaining maturity grouping of assets and liabilities as at the close of the year as per following bases:

Particulars	Basis of use
Cash, balance with other banks and financial institutions, money at call and short notice, etc.	Stated maturity/observed behavioural trend.
Investments	Residual maturity term.
Loans and advances	Repayment/maturity schedule and behavioural trend (non-maturity products).
Fixed assets	Useful life.
Other assets	Realisation/amortisation basis.
Borrowings from other banks and financial institutions	Maturity/repayment term.
Deposits and other accounts	Maturity and behavioural trend (non-maturity products).
Other long term liability	Maturity term.
Provision and other liability	Settlement/adjustment schedule basis.

2.10 Significant accounting policies

The accounting policies set out and presented in these financial statements have been applied consistently to all the periods by group entities except otherwise instructed by Bangladesh Bank as the primary regulator. Significant accounting policies applied in these financial statements are presented separately with relevant notes.

Accounting policies of subsidiaries

The financial statements of subsidiaries which are included in the consolidated financial statements of the Group have been prepared using uniform accounting policies of the Bank (the Parent) for transactions and other events of similar nature unless there is any instruction by regulators. There is no significant restriction on the ability of subsidiaries to transfer funds to the parent in the form of cash dividends or to repay loans and advances.

2.11 Others**i) Materiality and aggregation**

Each material class of similar items has been presented separately in the financial statements. Items of dissimilar nature also have been presented separately unless they are immaterial in accordance with IAS 1 'Presentation of financial statements'.

ii) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. Advance tax paid and provision for tax of the Bank is presented on net basis under liability as the amount of tax liability is higher than advance tax. Deferred tax (DT) assets and DT liabilities of the bank is presented on net basis under asset as the amount of DT asset is higher than DT liability. Net defined benefit obligation is presented under liability as defined benefit obligation is higher than fair value of plan assets. Card revenues and expenses earned and incurred on shared basis and are directly attributable to are presented on net off basis.

iii) Comparative information

Comparative information including narrative is disclosed in respect of the preceding period where it is relevant to enhance the understanding of the current period's financial statements.

Certain comparative amounts in the financial statements are reclassified and rearranged where relevant, to conform to the current year's presentation.

iv) Earnings per share (EPS)

As per IAS 33 Earnings per share, the Bank has been reporting basic earning per share as there has been no dilution possibilities during the year. Basic EPS is computed by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. Bonus shares issued (if any) in current period are considered for number of ordinary shares outstanding for preceding period to present comparative EPS with retrospective adjustment i.e. restated EPS.



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v) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per IAS 24 Related party disclosures, Bangladesh Bank & BSEC guidelines. Details of the related party transactions have been disclosed in *Annexure - C and Annexure - C1*. The Bank carries out business with related parties in the ordinary course of business on an arm's length basis at commercial rates except for those transactions that the key management personnel have availed at concessionary rates which is applicable to all the eligible staffs/customers. The Bank did not have any related party transaction exceeding this threshold as at the end of 2021.

Transactions between the Bank and its subsidiaries and outstanding amount within the group have been disclosed in *Annexure - C1*.

vi) Reconciliation of books of account

Books of account in regard to inter-bank (in Bangladesh and outside Bangladesh) as well as inter-branches are reconciled at regular intervals to keep the unreconciled balances within non-material level.

vii) Events after the reporting period

While the overall effect of COVID-19 global pandemic on Bank's business in the past years is still evolving at this point, there has been limited impact assessed on the business since the outbreak. The board and management have been regularly monitoring the potential impact of the pandemic on the Bank as the situation is yet to be normal but it's being assured that any foreseeable adverse impact can be reasonably managed.

All other material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 Events after the reporting period. Board's recommendation for dividend distribution is a common item presented in the note 42.

viii) Operating segments

The Group has identified following six reportable segments which are the Group's major strategic business units/entities. The strategic business units offer different products and services, and are managed separately based on the management and internal reporting structure of the group. For each of the strategic business units, the Group's/Bank's Management Committee reviews internal management reports on quarterly basis. The following summary describes the operations in each of the reportable segments:

	Segment Name	Description
SOLO	DBO (Domestic Banking Operation- Onshore Banking)	Deals with the full range of commercial banking products and services offered by four different business units: Corporate, Commercial, Retail Banking and Treasury.
	OBO (Offshore Banking Operation)	Deals with loans, deposits and related banking transactions in freely convertible foreign currencies with eligible Corporate customers in EPZs, PEPZs, Ezs and Hi-tech Parks.
CONSOL	EBL Securities Limited (EBLSL)	It buys, sells and deals with capital market securities i.e shares, Mfs, debentures etc., on behalf of customers and provides margin facilities etc.
	EBL Investments Limited (EBLIL)	It offers all kinds of merchant banking activities i.e. issue management, underwriting, portfolio management and other transactions.
	EBL Finance (HK) Limited (EBLFHKL)	It deals with trade finance and off-shore banking business in Hong Kong.
	EBL Asset Management Limited (EBLAML)	It is to carry out business on asset management, portfolio management, capital market operation, equity investment, financial services i.e. corporate advisory, merger & acquisition, corporate restructuring etc.

Information regarding the results of each reportable segment is included in *Annexure - E*. Performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the management committee of the Bank. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments.



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ix) Risk management and other related matters

Financial Institutions are in the business of taking calculative risk and it is important how a bank decides on its risk appetite. EBL firmly believes that robust risk management is the core function that makes its business sustainable. The risk management systems in place at the Bank are discussed below:

a) Credit risk

Credit risk is the risk of loss resulting from the failure of a borrower or counterparty to honor its financial or contractual obligations to the Bank. Board of Directors is the apex body for credit approval of the Bank. However, a part of credit approval authority is sub-delegated to the Managing Director & CEO and other officers of the Credit Risk Management (CRM) Division. The Board sets credit policies to the management for setting procedures, which together has structured the CRM framework of the bank. The Credit Policy Manual (CPM) contains the core principles for identifying, measuring, approving and managing credit risk in the bank. The policy covers corporate, retail, Small and Medium Enterprise (SME) exposures. Policies and procedures together have structured and standardized CRM process both in obligor and portfolio level. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

Management, at least once in a quarter, reviews credit exposures and portfolio performance of corporate and SME (M) under a clearly set out 'early alert' policy. If early alerts are raised, account plans are then re-evaluated; remedial actions are agreed and monitored. Remedial action includes, but not limited to exposure reduction, security enhancement, exit of relationship or immediate movement of our Special Asset Management Division (SAMd).

The bank follows the criteria for loan classification and provisioning requirement as stipulated in the BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. The bank has maintained adequate provision against impaired loans including certain UC accounts having payment by deferral facilities following relevant circulars of Bangladesh Bank. Details of which are stated in note 13.4 to the financial statements.

b) Liquidity risk

Responsibility of managing and controlling liquidity of the bank lies with Asset Liability Committee (ALCO) that meets at least once in a month. Asset Liability Management (ALM) desk being primarily responsible for management of liquidity risk closely monitors and controls liquidity requirements on a daily basis by appropriate coordination of funding activities. A monthly projection of fund flows is reviewed in ALCO meeting regularly. On monthly basis, ALCO monitors liquidity management by examining key ratios, maximum cumulative outflow, upcoming funding requirement from all business units, asset-liability mismatch etc.

ALCO also monitors concentration of deposits on large institutional depositors which is volatile in nature. In addition to these ratios, Bank prepares structural liquidity profile, maturity profile of term deposit, cash flow modelling and contingency funding plan on monthly basis, which are analysed in ALCO meeting to ensure liquidity at the level acceptable to the Bank and regulators.

c) Market risk

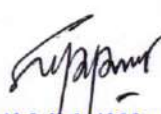
Risk Management Division (RMD) is responsible for overall monitoring, control and reporting of market risk. Treasury mid office of RMD is an integral part of market risk management which independently evaluates and monitors treasury department's transaction from risk perspective. Overall risk parameters and exposures of the bank are monitored by RMD, periodically reported to Executive Risk Management Committee (ERMC) and observations are shared with RMC of the Board. Market risk can be subdivided into three categories depending on risk factors: interest rate risk, foreign exchange risk, and equity price risk.

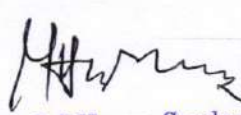
d) Interest rate risk

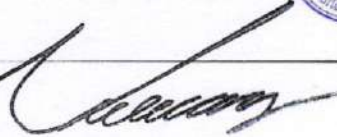
Interest rate risk is the risk to earnings or capital of the bank arising from movement of interest rates. The movement of interest rates affects bank's reported earnings and capital by changing:

- Net interest income
- The market value of trading accounts (and other instruments accounted for by market value), and
- Other interest sensitive income and expenses.

To manage interest rate risk, ALCO regularly monitors various ratios and parameters. The Bank deploys several analysis techniques (e.g. rate sensitive gap analysis, duration gap analysis) to measure interest rate risk, its impact on net interest income and takes insight about course of actions.


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e) Foreign exchange risk

Foreign exchange risk is the risk that a bank's financial performance or position will be affected by fluctuations in the exchange rates between currencies and implied volatility on foreign exchange options. Bank makes import payment and outward remittance as its outflow, whereas it gets foreign currency inflow as export receipts and inward remittance. Exchange rate risk arises if, on a particular day, these inflow-outflows don't match and bank runs its position long/short from these customer driven activities. Bank also faces foreign exchange risk if it sources its funding in one currency by converting fund from another currency. Currently, the Bank is facing such transaction exposure in foreign currency for its off-shore banking unit. But these transactions exposure is always hedged. The Bank computes VaR (Value at Risk) on its foreign exchange position arising from customer driven foreign exchange transactions at 95% confidence level on daily basis. The Bank maintains various nostro accounts in order to conduct operations in different currencies. The position maintained by the Bank at the end of the day is within the stipulated limit prescribed by the Bangladesh Bank.

f) Equity price risk

Equity price risk is the risk of losses caused by changes in equity prices. These losses could arise because of changes in the value of listed shares held directly by the bank; changes in the value of listed shares held by a bank subsidiary; changes in the value of listed shares used as collateral for loans whether the loan was made for the purpose of buying the shares; and changes in the value of unlisted shares. Mark to Market is the tool bank applies for maintaining provision against losses arisen from changes in market price of securities. As of 31 December 2021, the Bank sets aside BDT 256.44 million charging its profit and loss account over the periods to cover unrealized loss against quoted and unquoted securities. EBL is also computing Equity VaR (Value at Risk) on its equity exposure at 95% and 99% confidence level.

g) Operational risk

Operational risk includes legal and regulatory risk, business process and change risk, fiduciary or disclosure breaches, technology failure, financial crime and environmental risk.

Risk Management Division (RMD) enriched the scope of risk matrix/KRI for Operational Risk compiling both quantitative and qualitative parameters as in regulatory frameworks and in the Bank's risk appetite. This department collects required information from different sources in different frequencies from monthly to yearly interval. Based on source data RMD plots the results in the risk matrix and escalate the critical and high risk issues to MANCOM, ERM and RMC of the Board for guidance and to implement mitigation measures.

h) Monitoring activities and corrective measures

To ensure effective internal control system in line with risk management framework of the Bank, the ICCD of the bank establishes a strong monitoring unit. This unit ensures effectiveness of the Bank's internal control on perpetual basis through set control mechanism, review approved tools and processes i.e. Departmental Control Function Check List (DCFCL), Quarterly Operations Report (QOR), Loan Documentation Check List (LDCL), and Self-Assessment Anti-Fraud Internal Control Check list etc. For any identified operational risks/lapses this unit takes necessary steps for risk mitigation and addresses to the higher management and Audit Committee of the Board for risk mitigation or absorption with specific recommendations. All the tools used for monitoring are in alignment with regulatory guidelines and internal policies and circulars.

i) Prevention of money laundering and terrorist financing

EBL performs a series of activities in identifying, assessing, mitigating and monitoring risks related to Money Laundering (ML) and Terrorist Financing (TF). Bank has established a control framework for strict compliance with all regulatory directives issued from Bangladesh Financial Intelligence Unit with regard to AML & CFT. For prevention of Money Laundering and Terrorist Financing, the bank has revised Central Compliance Committee (CCC) with 14 department/division heads to ensure collective participation of different departments in comprehensive AML and CFT program. Under direction of CCC and Chief Anti Money Laundering Compliance Officer (CAMLCO), AML Department implements and monitors different AML & CFT programs across bank. In addition to nominating Branch Anti-Money Laundering Compliance Officer (BAMLCO) at branches, we have nominated Department Anti-Money Laundering Compliance Officer (DAMLCO) at crucial departments to oversee AML/CFT compliance at root level.

EBL has implemented automated transaction monitoring and sanction screening system to corroborate AML/CFT compliance program. Currently 8 sanction screening list are incorporated in the system for sanction compliance and 60 rules & 58 reports for robust transaction monitoring. To increase awareness among employees, EBL has adopted training programs such as need based training, foundation trainings, certification programs etc. for its employees.



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j) Information and communication technology risk

EBL follows the Bangladesh Bank's ICT Security Guideline in terms of ICT Security policies and procedures. In 2016, EBL was certified by an international accreditation organization for data security, namely the Payment Card Industry Data Security Standard (PCI DSS), and has maintained compliance since then. EBL received ISO 27001:2013 Standard Compliance Certification for the third year in a row in 2021 demonstrating its commitment to protecting the confidentiality, integrity, and availability of IT systems and data in a professional manner. To protect sensitive ICT infrastructures from cyber criminals/fraudsters, the EBL ICT division has implemented standard physical and logical security procedures (e.g., Data Centre, Disaster Recovery Site, Power Rooms, Server Rooms, etc.).

EBL also has advanced logical ICT security measures in place for all systems, such as an access control system, intrusion detection, an access log, and monthly security assessments. EBL has installed a SIEM (Security Information and Event Management) solution to better monitor security occurrences. Internal and external vulnerability assessments are undertaken on a regular basis to detect security flaws and set controls for mitigation. Business Continuity Management (BCM) is in place at EBL to handle any man-made or natural calamity. Through retail and corporate channels, the Information Security team has also taken steps to raise cybersecurity awareness among all EBL officials and customers. We have a separate information system audit in place to identify control weaknesses.

k) Internal audit

The Bank has an independent and functional internal audit department to perform risk based audit on various business and operational areas of the Bank on continuous basis. Audit rating is determined on the basis of audit policy and guidelines as approved by the Board. The objective of internal audit is to examine and evaluate whether the process of risk management, internal control and governance are adequate and functioning properly. The objective also includes advising and recommending to higher management for improvements in internal control and risk management system. The Audit Committee of Board regularly reviews the internal audit reports as well as monitor progress of previous findings. However, the Head of Audit being part of internal control & compliance, reports to and is responsible to the audit committee of the Board.

l) Prevention of fraud

EBL has a Board approved policy titled EBL Fraud and Theft Risk Prevention and Management Policy to minimize the incidence and impact of fraud. Incidence of fraud or theft has become one of the inherent risks in banking business but can very well be avoided or minimized by creating a highly regimented environment and harnessing a culture and value of transparency, accountability, trust and teamwork. With this endeavour to encourage all employees to report perceived unethical or illegal conduct of employees to appropriate authorities in a confidential manner without any fear of harassment, a 'Speak Up Policy' has been approved by the Board.

Moreover, EBL Incident Reporting (IR) Process Guideline has been established so that all incidents are reported to Head of ICC and recorded in incident log book for regularization/preventive measures.

2A Credit rating of the Bank

As per BRPD circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the audited financial statements as at and for the year ended 31 December 2020. The following ratings have been awarded:

Particulars	Periods	Date of rating	Long term	Short term
Entity rating	January to December 2020	17 June 2021	AA+	ST-1
Entity rating	January to December 2019	22 June 2020	AA+	ST-1
Entity rating	January to December 2018	26 June 2019	AA+	ST-1



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2B Compliance with International Financial Reporting Standards (IFRSs)

The Bank has complied with following IFRSs & IASs as adopted by the Financial Reporting Council (FRC) during the preparation of financial statements as at and for the year ended 31 December 2021.

Name of IFRSs/IASs	IFRSs/IASs	No.	Status
Presentation of Financial Statements	IAS	1	*Applied
Inventories	IAS	2	N/A
Statement of Cash Flows	IAS	7	*Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS	8	Applied
Events after the Reporting Period	IAS	10	Applied
Income Taxes	IAS	12	Applied
Property, Plant and Equipment	IAS	16	Applied
Employee Benefits	IAS	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS	20	N/A
The Effects of Changes in Foreign Exchange Rates	IAS	21	Applied
Borrowing Costs	IAS	23	N/A
Related Party Disclosures	IAS	24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS	26	N/A
Separate Financial Statements	IAS	27	Applied
Investments in Associates	IAS	28	N/A
Interests in Joint Ventures	IAS	31	N/A
Earnings per share	IAS	33	Applied
Interim Financial Reporting	IAS	34	Applied
Impairment of Assets	IAS	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS	37	*Applied
Intangible Assets	IAS	38	Applied
Financial Instruments: Recognition and Measurement	IAS	39	*Applied (for
Investment Property	IAS	40	N/A
Agriculture	IAS	41	N/A
First-time Adoption of International Financial Reporting Standards	IFRS	1	Applied
Share-based Payment	IFRS	2	N/A
Business Combinations	IFRS	3	Applied
Non-current Assets Held for Sale and Discontinued Operations	IFRS	5	*Applied
Exploration for and Evaluation of Mineral Resources	IFRS	6	N/A
Financial Instruments: Disclosures	IFRS	7	*Applied
Operating Segments	IFRS	8	Applied
Financial Instruments	IFRS	9	*Applied
Consolidated Financial Statements	IFRS	10	Applied
Joint Arrangements	IFRS	11	N/A
Disclosure of Interests in Other Entities	IFRS	12	Applied
Fair Value Measurement	IFRS	13	*Applied
Regulatory Deferral Accounts	IFRS	14	N/A
Revenue from Contracts with Customers	IFRS	15	Applied
Leases	IFRS	16	Applied
Insurance Contracts	IFRS	17	N/A

* Subject to departure described in note 2.1

N/A = Not Applicable

2C Audit Committee disclosures

Please refer to Report of the Audit Committee for details disclosures on audit committee presented in other information in the annual report.

2.11 Approval of financial statements

These financial statements were reviewed by the audit committee of the Board of the Bank in its 709 meeting held on 31 March 2022 and was subsequently approved by the Board in its 136 meeting held on the same date.



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Note	Consolidated		Bank	
	2021	2020	2021	2020
Amount in BDT				
3 Cash:				
Cash and cash equivalents include notes and coins at vault and at ATM, unrestricted balances held with Bangladesh Bank and its agent banks, balance with other banks and financial institutions, money at call and on short notice and prize bonds which are not ordinarily susceptible to change in value.				
Amount withdrawn/transferred by customers after end of year closing are properly addressed, reconciled and adjusted with ATM balance and customers' deposit to reflect the actual balance of ATM and deposits as of the reporting date.				
Cash in hand (including foreign currencies)	3,710,905,835	3,218,511,774	3,710,774,087	3,218,381,880
Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)	14,957,829,541	12,480,410,176	14,957,829,541	12,480,410,176
	18,668,735,376	15,698,921,950	18,668,603,628	15,698,792,056
3.1 Cash in hand (including foreign currencies)				
Local currency	3,673,251,441	3,164,891,158	3,673,117,673	3,164,761,264
Foreign currencies	37,656,413	53,620,616	37,656,413	53,620,616
	3,710,907,855	3,218,511,774	3,710,774,087	3,218,381,880
3.1.1 Local currency				
With Bank	3,673,117,673	3,164,761,264	3,673,117,673	3,164,761,264
With Subsidiaries	135,768	129,894	-	-
	3,673,253,441	3,164,891,158	3,673,117,673	3,164,761,264
3.2 Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)				
Bangladesh Bank				
Local currency	14,148,545,659	11,335,598,151	14,148,545,659	11,335,598,151
Foreign currencies	456,255,890	833,804,998	456,255,890	833,804,998
	14,604,801,550	12,169,403,149	14,604,801,550	12,169,403,149
Sonal Bank (An agent of Bangladesh Bank) - local currency	953,027,991	313,007,027	953,027,991	313,007,027
	14,957,829,541	12,480,410,176	14,957,829,541	12,480,410,176

3.a Cash Reserve Ratio (CRR):

Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), MPO circular no. 03 dated 09 April 2020 and BRPO circular letter no. 31 dated 18 June 2020 issued by Bangladesh Bank, EBL has been maintaining CRR @ 3.5% and 1.5% on daily basis, and @ 4.0% and 2.0% on bi-weekly basis for DBO and OBO respectively. CRR requirement is calculated on the basis of weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. CRR of December 2021 is maintained on the basis of weekly ATDTL of October 2021). Reserve maintained by the Bank as at 31 December is as follows:

	DBO	OBO	Solo-2021	Solo-2020
Average total demand and time liabilities of October (excluding inter-bank deposit)	248,354,502,250	26,958,943,500	275,313,445,750	255,559,496,200
Daily basis:				
Required reserve (for OBO 3.50% & OBO 1.5% of ATDTL)	8,692,407,579	404,384,153	9,096,791,731	8,603,557,313
Actual reserve held with Bangladesh Bank*			14,382,651,680	11,653,908,501
Surplus			5,285,859,949	3,050,351,190

Bi-weekly basis:

The bank maintained excess cash reserve of BDT 10,947.60 million in the last fortnight of 2021 (BDT 3,515.86 million in the same period of 2020) calculated by summing up excess cash reserve maintained over required CRR on daily basis.

3.b Statutory Liquidity Ratio (SLR):

Pursuant to section 33 of Bank Company Act, 1991 (amended upto 2018), DOS circular no. 1 dated 19 January 2014 and DOS circular letter no. 26 dated 19 August 2019 issued by Bangladesh Bank, EBL has been maintaining SLR @ 13% for DBO & OBO on weekly average total demand and time liabilities (ATDTL) of a base month which is two months back of the reporting month (i.e. SLR of December 2021 is based on weekly ATDTL of October 2021). Reserve maintained by the Bank as at 31 December is as follows:

	DBO	OBO	Solo-2021	Solo-2020
Required reserve (13% of ATDTL)	82,286,085,293	3,504,662,653	35,790,747,948	33,222,734,506
Actual reserve held (Note 3.c)			49,177,828,710	55,818,596,219
Surplus			13,387,080,763	22,595,861,713

3.c Actual reserve held

Excess cash reserve (note 3.c.1)		3,809,292,720	1,772,553,701
Cash held		3,710,774,087	3,218,381,880
Balance with Sonali Bank		353,027,991	313,007,027
Unencumbered approved securities (HFT)		-	20,383,860,750
Unencumbered approved securities (HTM)		41,224,733,913	30,230,792,860
		49,177,828,710	55,818,596,219



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
3.c.1	Excess cash reserves:			
	Balance with Bangladesh Bank *			
			14,362,651,980	11,653,908,501
	Less: Required cash reserve on bi-weekly average basis (for DBO 4% & DBO 2% of ATDTL)			
			10,479,358,960	9,881,354,800
			3,889,292,720	1,772,553,701
	Excess of cash reserve as on the reporting date			
	*As per Bangladesh Bank Local & Foreign Currency Statement.			
4	Balances with other banks and financial institutions			
	Balance with other banks and financial institutions are reported as per our book balance and following BRPD circular no. 14 dated 25 June 2003. Periodic reconciliation is done to keep any un-reconciled balance within non-material level. Nostra account reconciliations are also certified by external auditors on half-yearly basis. Provision is also made for any un-settled debit entries over 3 months.			
	Balance in Bangladesh			
4.1	15,358,095,560	12,728,955,558	15,005,092,489	12,444,848,375
	Balance outside Bangladesh			
4.2	1,527,361,769	664,331,925	1,264,597,790	558,299,302
	16,885,457,329	13,393,287,483	16,269,690,279	13,003,147,677
4.1	Balance in Bangladesh			
	In Current Deposit Accounts with:			
	Banks			
	617,390,761	665,305,609	158,386,816	82,188,486
	Non-Bank Financial Institutions (NBFI)			
	617,390,761	665,305,609	158,386,816	82,188,486
	(449,780,770)	(575,770,684)	-	-
	167,509,991	89,534,925	158,386,816	82,188,486
	In Special Notice Deposit Accounts with:			
	Banks			
	2,479,652,291	3,291,770,054	2,034,605,556	2,719,137,889
	2,479,652,291	3,291,770,054	2,034,605,556	2,719,137,889
	(121,166,839)	(205,871,421)	-	-
	2,358,485,452	2,995,898,633	2,034,605,556	2,719,137,889
	In Fixed Deposit/Placement Accounts with:			
	Banks			
	13,127,627,061	13,674,557,227	13,127,627,061	13,674,557,227
	6,330,000,000	4,997,500,000	6,330,000,000	4,997,500,000
	19,457,627,061	18,672,057,227	19,457,627,061	18,672,057,227
	(6,625,526,943)	(9,028,535,227)	(6,625,526,943)	(9,028,535,227)
	12,832,100,118	9,643,522,000	12,832,100,118	9,643,522,000
	15,358,095,560	12,728,955,558	15,005,092,489	12,444,848,375
4.2	Balance outside Bangladesh			
	In Deposit account (non-interest bearing) with:			
	AB Bank Limited, India	13,168,336	5,429,341	13,168,336
	Al-Rajhi Bank, KSA	4,181,922	3,470,999	4,181,922
	Bank of Bhutan, Bhutan	423,129	161,459	423,129
	Bank of China, China	3,110,063	3,004,949	3,110,063
	Bank of Tokyo-Mitsubishi, Japan	23,881,326	2,474,669	23,881,326
	Chinabank NA, USA	665,802,194	-	665,802,194
	Commerzbank AG, Germany	-	34,394,632	-
	Habib American Bank, USA	44,397,669	18,486,436	44,397,669
	HDFC Bank Limited, Hongkong	43,396,451	44,670,116	-
	IOCI Bank Limited, India	34,128,555	44,543,302	34,128,555
	IOCI Bank Limited, Hongkong	228,118,896	97,152,050	8,781,368
	JP Morgan Chase Bank NA, London	17,583,575	18,012,234	17,583,575
	JP Morgan Chase Bank NA, Sydney	1,247,781	1,538,908	1,247,781
	JP Morgan Chase Bank, USA	171,490,303	-	171,490,303
	JP Morgan Chase Bank, Germany	-	42,066,560	-
	Mashreqbank, USA	13,347,825	21,091,674	13,347,825
	Mashreqbank, UAE	1,869,487	775,084	1,869,487
	Nepal Bangladesh Bank Limited, Nepal	5,892,312	3,740,149	5,892,312
	MCB Bank Limited, Pakistan	65,556,365	67,295,868	65,556,365
	Nordea Bank, Norway	233,069	431,823	233,069
	Standard Chartered Bank, Sri Lanka	12,030,172	3,940,554	12,030,172
	Standard Chartered Bank, India	73,587,539	46,925,854	73,587,539
	Standard Chartered Bank, USA	95,419,763	172,269,373	95,419,763
	Standard Chartered Bank, Singapore	7,247,338	1,851,190	7,247,338
	Standard Chartered Bank, Germany	-	8,841,771	-
	Zuercher Kantonal Bank, Zurich, Switzerland	1,247,680	2,622,841	1,247,680
	1,527,361,769	664,331,925	1,264,597,790	558,299,302

Details of Foreign currency amounts and exchange rates are presented in 'Annexure-B'.



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Note	Consolidated		Bank	
	2021	2020	2021	2020
4.a Balances of subsidiaries with Banks & NBFs				
With Eastern Bank Limited (eliminated as intra group balance)				
EBL Securities Limited	135,545,812	97,798,028		
EBL Investments Limited	68,545,878	198,073,393		
EBL Finance (HK) Limited	325,909,602	575,770,684		
EBL Asset Management Limited	36,920,843	190,752,909		
	571,422,335	1,062,395,014		
With other banks & NBFs				
Banks	615,594,869	890,139,804		
NBFs	615,594,869	890,139,804		
Total	1,187,017,204	1,453,534,818		
4.b Consolidated balance with Banks and NBFs by group entities:				
Eastern Bank Limited (Parent)	16,269,890,779	13,003,147,677		
EBL Securities Limited	488,776,802	381,850,938		
EBL Investments Limited	68,545,978	198,127,665		
EBL Finance (HK) Limited	592,573,581	881,803,306		
EBL Asset Management Limited	36,920,843	190,752,909		
	17,456,707,483	14,455,682,495		
Less: Inter company elimination	(571,250,154)	(1,062,395,012)		
Total	16,885,457,329	13,393,287,483		
5 Money at call and short notice				
Banks	1,083,200,000	60,000,000	1,083,200,000	60,000,000
NBFs	490,000,000	-	490,000,000	-
	1,573,200,000	60,000,000	1,573,200,000	60,000,000

6 Investments**Accounting policy:**

All investments are initially recognised at cost, including acquisition charges associated with the investment. Investments in government treasury securities or Bangladesh Bank Bills categorised as HTM or/and HFT are subsequently measured as per DOS circular no. 5 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Investments classified as non-government treasury securities are subsequently measured either at cost or market value less any recoverable cost. Details are given below:

Investment in Govt. Securities/BG Bills- Held to Maturity (HTM):

Investments which are intended to be held till maturity are classified as Held to Maturity (HTM). These are measured at amortised cost at each year-end by taking into account any discount or premium on acquisition. Premiums are amortised and discounts are accreted, using the effective or historical yield. Any increase in value of securities is booked to equity but decrease to profit and loss account. Income is recognised to profit and loss account on accrual basis as per BB guideline.

Investment in Govt. Securities/BG Bills- Held for Trading (HFT):

These are investments primarily held for selling or trading. After initial recognition, investments are marked-to-market on weekly basis. Any decrease on revaluation of securities is recognised to profit and loss account, but any increase of value of securities is booked to revaluation reserve account as per BB DOS circular no. 5 dated 28 January 2009. Income is recognised to profit and loss account on accrual basis as per BB guideline.

REPO and reverse REPO:

Transactions of REPO and reverse REPO are made following DOS circular no. 6 dated 15 July 2010 of BB. In case of REPO of both coupon and non-coupon bearing treasury securities, the Bank adjusts the revaluation reserve account for HFT securities and stops the weekly revaluation (if the revaluation date falls within the REPO period) of the same security. For interest bearing security, the Bank does not accrue interest during REPO period.

Investment in corp. bonds, ZCB, Perp. Bonds, debentures, pref. shares etc.:

These are investments primarily 'held to maturity' or 'no maturity date'. After initial recognition at cost, investments are measured at realizable value in every period end. Any decrease in value of securities is recognized to profit and loss account, but no unrealized gain is booked to revaluation reserve account. Income (i.e. interest, profit, gain or dividend) is recognized to profit and loss account on accrual basis as per IFRS and Bangladesh Bank guideline.



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Investments – Initial recognition and subsequent measurement at a glance
Investments are stated as per following bases:

Investment class	Initial recognition	Measurement after initial recognition	Recording of changes
Govt. T-bills/bonds - Held For Trading (HFT)	Cost	Fair value	Revaluation less to profit and loss account, but gain to revaluation reserve account.
Govt. T-bills/T-bonds - Held To Maturity (HTM)	Cost	Amortised cost	Increase in value of securities is booked to equity as amortization gain, but decrease to profit and loss account.
Debenture/bond	Cost	Cost	At realizable value. Unrealised loss to profit and loss account.
Shares (quoted) *	Cost	Lower of cost or market value (portfolio basis)	Provision for revaluation loss (net off gain) is charged to profit and loss account but no unrealised gain booking.
Shares (unquoted)*	Cost	Lower of cost or Net Asset Value (NAV)	Provision for unrealised loss to profit and loss account but no unrealised gain booking.
Mutual fund (closed-end) *	Cost	Lower of cost or (higher of market value or 85% of NAV)	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Unit fund (open-end) *	Cost	Lower of cost or 85% of NAV	Provision for unrealised loss (net) to profit and loss account but no unrealised gain booking.
Price bonds	Cost	Cost	None

* Provision for shares against unrealised loss (gain net off) has been made as per DOS circular no. 4 dated 24 November 2011 and for mutual funds (closed-end) & unit funds (open-end) as per DOS circular letter no. 3 dated 12 March 2015 of Bangladesh Bank.

Details of investments:

Government	6.1	41,229,430,813	50,517,783,114	41,229,430,813	50,517,783,114
Others	6.2	17,671,379,018	15,496,577,951	25,473,718,052	13,431,631,587
		68,901,009,831	66,016,361,065	66,653,148,865	63,949,404,701

6.a Consolidated investments by group entities:

Eastern Bank Limited (Parent)	66,653,148,864	63,949,404,702
EBL Securities Limited	1,968,342,867	1,855,796,098
EBL Investments Limited	206,842,594	113,114,533
EBL Asset Management Limited	73,175,505	98,045,736
	68,901,009,831	66,016,361,065
Less: Inter company elimination		-
Total	68,901,009,831	66,016,361,065

6.1 Government (Investment in govt. securities)

Treasury Bills	-	8,747,518,500	-	8,747,518,500
Treasury Bonds	41,224,733,913	41,767,135,114	41,224,733,913	41,767,135,114
Price Bonds	4,996,900	3,129,500	4,996,900	3,129,500
	41,229,430,813	50,517,783,114	41,229,430,813	50,517,783,114

6.1.1 Treasury Bonds

Held for Trading (HFT)	-	11,536,342,253	-	11,536,342,253
Held to Maturity (HTM)	41,224,733,913	30,390,792,862	41,224,733,913	30,230,792,862
	41,224,733,913	41,767,135,114	41,224,733,913	41,767,135,114

6.1.1.a Treasury Bonds (Tenor wise holding)

Unencumbered	-	4,282,564,213	-	4,282,564,213
2-year Treasury bonds	411,944,531	4,413,008,905	411,944,531	4,413,008,905
5-year Treasury bonds	27,658,406,014	28,461,363,277	27,658,406,014	28,461,363,277
10-year Treasury bonds	9,085,106,534	3,140,909,791	9,085,106,534	3,140,909,791
15-year Treasury bonds	4,069,576,635	1,468,788,929	4,069,576,635	1,468,788,929
20-year Treasury bonds	-	-	-	-
	41,224,733,913	41,767,135,114	41,224,733,913	41,767,135,114

Disclosure on REPO and Reverse Repo transactions is made in 'Annexure-D'.



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6.2 Others (Investment in securities other than govt)

Corporate bond (non-convertible)
Subordinated bonds (issued by other banks)
Perpetual Bond
Zero Coupon Bond
Preference Shares
Ordinary Shares & Mutual Funds (MFs) (Quoted and Unquoted)

Note	Consolidated		Bank	
	2021	2020	2021	2020
6.2.1	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	10,420,000,000	8,310,000,000	10,420,000,000	8,310,000,000
	5,000,000,000	-	5,000,000,000	-
	553,609,362	493,202,676	553,609,362	493,202,676
	4,190,000,000	-	4,190,000,000	-
6.2.2	6,507,969,656	5,695,375,275	6,507,969,656	5,695,375,275
	27,671,579,018	15,498,577,951	25,423,718,052	13,431,621,587

6.2.1 Subordinated bonds (issued by other banks)

United Commercial Bank Subordinated Bonds
Jamuna Bank Subordinated Bond
MTBL Subordinated Bonds
SIBL Subordinated Bond
Standard Bank Subordinated Bond
Bank Asia Subordinated Bond
DBBL Subordinated Bond
SEBL Subordinated Bonds
IBBL Subordinated Bonds
Trust Bank Subordinated Bond
Exim Bank Subordinated Bond
IFIC Bank Subordinated Bond

2021	2020	2021	2020
1,100,000,000	1,200,000,000	1,100,000,000	1,200,000,000
240,000,000	320,000,000	240,000,000	320,000,000
1,180,000,000	1,240,000,000	1,180,000,000	1,240,000,000
300,000,000	150,000,000	300,000,000	150,000,000
300,000,000	400,000,000	300,000,000	400,000,000
1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
1,500,000,000	1,000,000,000	1,500,000,000	1,000,000,000
1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
1,000,000,000	-	1,000,000,000	-
1,000,000,000	-	1,000,000,000	-
10,420,000,000	8,310,000,000	10,420,000,000	8,310,000,000

6.2.2 Ordinary Shares & MFs (Quoted and Unquoted) - at cost

Quoted shares & MFs
Quoted shares (sector wise)

Banks
NBFI
Insurance
Cement & Ceramics
Engineering
Food & Allied
Fuel & Power
Pharmaceuticals & Chemicals
Textile
Others

2021	2020	2021	2020
1,847,244,659	1,011,261,727	1,280,699,235	634,523,448
643,956,384	843,226,904	1,96,844,524	305,065,800
644,062,979	38,142,960	20,044,382	9,159,914
28,157,706	3,449,440	25,405,734	3,449,440
97,099,626	384,883,456	52,189,251	242,196,541
572,385,127	179,581,180	562,723,255	179,581,180
346,571,484	960,794,858	203,034,619	693,583,079
870,397,769	615,187,054	614,188,571	265,020,751
127,726,372	69,945,232	27,927,711	69,945,232
281,959,389	407,618,059	156,604,692	259,380,751
5,462,604,194	4,604,057,896	3,307,603,568	2,642,505,562

Mutual Funds:
EBL Sponsored MFs:
EBL First Mutual Fund
EBL NRB Mutual Fund
First Bangladesh Fixed Income Fund
Other Mutual Funds

2021	2020	2021	2020
13,816,533	13,816,533	13,816,533	13,816,533
133,311,883	134,993,062	133,311,883	133,311,883
698,580,237	705,311,257	698,580,237	698,580,237
90,000,000	65,385,059	30,000,000	61,409,228
825,708,653	819,485,910	875,708,653	909,116,880

Total Quoted shares & MFs

2021	2020	2021	2020
6,888,312,846	5,523,578,805	4,183,312,220	3,551,622,441

Unquoted shares & MFs

2021	2020	2021	2020
74,656,810	76,796,470	31,796,470	31,796,470
45,000,000	95,000,000	45,000,000	45,000,000
119,656,810	171,796,470	76,796,470	76,796,470

Unit Fund

2021	2020	2021	2020
6,507,969,656	5,695,375,275	4,260,108,690	3,628,418,911

Total Ordinary Shares & MFs (Quoted and Unquoted)

6.2.2.1 Market Value of Quoted Shares and MFs (as on 31 December)

Quoted Shares & MFs:
Banks
NBFI
Insurance
Cement & Ceramics
Engineering
Food & Allied
Fuel & Power
Pharmaceuticals & Chemicals
Textile
Others

2021	2020	2021	2020
1,810,927,481	832,657,992	1,298,698,168	533,459,821
662,002,058	849,956,882	159,200,000	305,722,381
658,719,217	24,310,026	221,174,002	4,567,840
26,196,000	997,873	22,200,000	997,873
71,497,549	199,656,530	38,440,800	129,565,303
488,508,689	118,468,234	479,928,089	118,468,234
274,027,763	707,492,710	168,224,929	521,846,887
763,363,021	483,900,072	550,190,586	207,589,498
87,065,259	37,153,101	38,683,867	37,153,101
244,285,520	237,536,005	100,975,000	119,025,081
5,075,942,587	3,493,119,424	3,057,654,021	1,979,096,028
825,833,323	823,751,950	710,233,328	760,527,331
5,901,425,885	4,315,881,374	3,827,889,349	2,739,623,359

Mutual Funds/Unit Fund

Total



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Note	Consolidated		Bank	
	2021	2020	2021	2020
* Lock in status of Shares & Mutual Funds	Trading Started	Lock in period	Lock in expiry	
EBL First Mutual Fund (Sponsor Unit)	19-08-2009	20 Years	18-08-2029	
EBL NRB Mutual Fund (Sponsor Unit)	23-05-2011	20 Years	22-05-2031	
First Bangladesh Fixed Income Fund (Sponsor Unit)	19-03-2012	20 Years	18-03-2032	

10% of all three EBL sponsored MFs are to be under lock-in status for 20 years (initially it was 10 years but extended subsequently) from the date of prospectus issued.

6.2.2 Remaining maturity grouping of investments

On demand	4,696,900	3,129,500	4,696,900	3,129,500
In not more than one month	400,000,000	4,999,726,000	400,000,000	4,999,726,000
In more than one month but not more than three months	2,387,880,966	5,367,150,189	140,000,000	5,342,150,169
In more than three months but not more than one year	6,042,391,434	8,514,693,324	6,042,391,434	6,574,587,329
In more than one year but not more than five years	14,894,942,671	18,265,027,314	14,894,942,671	18,213,176,944
In more than five years	45,671,117,859	28,866,634,758	45,671,117,859	28,816,634,758
	68,901,009,830	66,016,361,066	66,653,148,864	63,949,404,702

7 Loans and advances

Accounting policy:

Loans and advances (initial recognition):

Loans and advances comprise of non-derivative financial assets with fixed or determinable payments and are not quoted in an active market. These are recognised at gross amount on the date when they are originated. The group has not designated any loans and advances upon initial recognition as at fair value through profit and loss account or other comprehensive income.

After initial recognition, loans, advances and interest receivables are subsequently measured at amortised cost using effective interest rate (EIR) over the relevant periods. The amortised cost of a financial asset is the amount at which the asset is measured at initial recognition less principal repayments, using EIR method. The EIR is the rate that exactly discounts estimated future cash receipts (estimates cash flows considering all contractual terms of the instrument but not future credit losses) during the expected life of the financial instrument.

Loans and advances (classification and provisioning):

Classification of loans i.e. substandard/doubtful/bad-loss, and Provisioning i.e. general provision @ 0.25% to 2% under different categories on unclassified loans (standard/SMA) and @ 0.5% to 1% on certain off balance-sheet exposures, special general provision Covid-19 @ 1% to 2%, and specific provision @ 5% to 100% on sub-standard/doubtful/bad-loss account including rescheduled loans are made on the basis of quarter-end review by the management and in compliance with BRPD Circular no. 14/2012, BRPD circular no. 03/2015, BRPD circular no. 16/2020, BRPD circular no. 19/2021 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (as amendment up to date). Instead of netting off with loans. Details of rate for provisioning is given below:

Rate for loan provisioning:

Heads	Rate of provision
General provision on:	
Unclassified (including SMA) small and medium enterprise	0.25%
Unclassified (including SMA) Loans to SMEs/MSBs/SOs against shares etc.	2%
Unclassified (including SMA) loans for housing finance	1%
Unclassified consumer financing including credit card (other than housing finance)	2%
Unclassified (including SMA) other loans and advances	1%
Short term agri credit and micro credit	1%
Special General Provision: Covid-19	1%-2%
Off-balance sheet exposures (excluding B/Ls for collection)	0%-1%
Specific provision on:	
Substandard loans other than short term agri credit, micro credit and CMSME	20%
Doubtful loans other than short term agri credit, micro credit and CMSME	50%
Substandard & doubtful loans short term agri credit and micro credit	5%
Substandard loans CMSME	5%
Doubtful loans CMSME	20%
Bad/Loss loans and advances	100%

Loans and advances (write-off):

Loans and advance are written off to the extent that there is no realistic prospect of recovery in the proximate future, classified as bad/ loss for 3 years at a stretch, and adequate provision are maintained as per BRPD circular no. 01 dated 6 February 2019. No loans and advances are written off partially and without prior approval of the board of directors in compliance with the said circular. At each reporting period end, the bank assesses loans and advances to be written off as per Bank's own process in compliance with BB guideline.

Loans and advances (recovery from written off):

The bank puts continuous effort for recovery from written off loans and advances in compliance with section 28ka of the Bank Company Act 1991 (as amended up to date) and BRPD circular no. 01 dated 6 February 2019. The Bank takes necessary legal measures against default borrowers for recovery against written off loans and advances as per relevant BR guidelines and Artha Rin Adalat Act-2003. Legal cost incurred against those borrowers are initially charged to the profit and loss account of the bank. However, recovery including any legal cost against written off loans and advances are recognised in profit and loss account as earned and on settlement basis. In 2021, the bank made a recovery of BDT 363.27 million from written off loans and advances and presented in profit and loss account after netting off with specific provision.



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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
Details of loans and advances:				
Loans, cash credits, overdrafts etc.	231,099,397,244	212,083,018,369	234,038,851,242	214,171,172,833
Bills purchased and discounted	40,502,266,414	18,462,037,803	35,355,122,969	14,772,690,062
	271,601,663,658	230,545,056,172	269,393,974,211	228,943,862,895
7.a Consolidated loans and advances by group entities:				
Eastern Bank Limited (Parent)	269,393,974,212	228,943,862,895		
EBL Securities Limited	3,843,972,752	3,070,938,335		
EBL Investments Limited	58,154,661	126,907,157		
EBL Finance (HK) Limited	3,147,343,445	3,689,347,741		
EBL Asset Management Limited	160,000,000	-		
	278,603,245,070	235,831,056,128		
Less: Inter company elimination	(7,001,581,417)	(5,285,999,956)		
Total	271,601,663,658	230,545,056,172		
7.1 Loans, cash credits, overdrafts etc.				
Inside Bangladesh				
Loans - general	195,151,411,436	176,093,659,327	195,151,411,436	176,093,659,327
Cash credit	1,919,846,190	1,070,455,565	1,919,846,190	1,070,455,565
Overdraft	35,555,793,477	36,218,247,409	31,653,666,064	31,021,401,917
Less: Inter company elimination (with EBL's borrowings)	(1,527,653,659)	(1,300,343,932)	-	-
	231,099,397,244	212,083,018,369	228,724,921,690	210,185,516,809
Outside Bangladesh				
Overdraft-EBL Finance (HK) Limited	5,313,927,553	3,983,656,024	5,313,927,553	3,983,656,024
Less: Inter company elimination (with borrowing)	(5,313,927,553)	(3,983,656,024)	-	-
	231,099,397,244	212,083,018,369	234,038,851,242	214,171,172,833
7.2 Bills purchased and discounted				
Inside Bangladesh				
Local bills / documents	35,198,112,487	14,644,372,768	35,198,112,487	14,644,372,768
Foreign bills / documents	157,010,482	128,117,293	157,010,482	128,117,293
	35,355,122,969	14,772,690,062	35,355,122,969	14,772,690,062
Outside Bangladesh				
Bills financed & UPAS (by EBL Finance HK Ltd)	5,147,343,445	3,689,347,741	-	-
	40,502,266,414	18,462,037,803	35,355,122,969	14,772,690,062
7.2.1 Bills purchased and discounted (on the basis of residual maturity grouping)				
On demand	984,961,212	208,452,452	984,961,212	208,452,452
Within one month	6,639,885,581	5,228,882,425	5,095,742,547	3,015,273,780
In more than one month but less than three months	13,033,101,015	7,420,320,455	10,459,529,282	6,862,450,907
In more than three months but less than six months	10,911,299,869	4,360,678,663	9,281,871,174	3,622,809,119
Above six months	9,533,018,744	1,243,703,907	9,533,018,744	1,243,703,907
	40,502,266,414	18,462,037,803	35,355,122,969	14,772,690,062
7.a.1 Residual maturity grouping of loans and advances (including bills purchased & discounted)				
Receivable				
On demand	7,312,228,100	17,895,121,648	7,312,228,100	17,895,121,648
In not more than one month	17,894,151,215	8,610,292,891	17,313,129,012	8,440,249,425
In more than one month but not more than three months	40,905,066,517	33,241,704,040	40,782,915,898	30,285,551,827
In more than three months but not more than one year	119,022,013,130	83,874,684,646	117,807,496,510	85,403,686,988
In more than one year but not more than five years	61,167,126,953	70,883,064,817	41,167,126,953	70,883,064,817
In more than five years	24,901,077,243	16,038,188,190	24,901,077,243	16,038,188,190
	271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895
7.a.2 As per BRPD circular no. 04 dated 04 January 2021, and BRPD circular letter no. 25 dated 06 July 2021, in order to validate financial statements for credit approval/renewal for the clients under relationship of Corporate Banking, the Bank has verified DVC mentioned in audited financials with DVS (Document Verification System) developed by ICAR (Institute of Chartered Accountants of Bangladesh) for 100% cases and has preserved with loan file accordingly.				
7.b Loans and advances on the basis of significant concentration				
7.b.1 Loans and advances to Directors, executives and others				
Advance to Directors and their allied concerns	41,645	-	41,645	-
Advances to Managing Director & CEO	11,714,836	12,674,505	11,714,836	12,674,505
Advances to other executives and staffs	1,810,923,471	1,491,607,277	1,810,923,471	1,491,607,277
Advances to customers (Group wise)	217,205,902,431	175,975,750,411	214,998,212,985	174,374,517,134
Industrial loans and advances	52,579,081,475	53,065,023,980	52,579,081,475	53,065,023,980
	271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895



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Note	Consolidated		Bank	
	2021	2020	2021	2020
7.2.2 Large loan details (Loans extended to any customer exceeding 10% of the Bank's total capital)				
* Total Loans and Advances (BOT million)			116,449	80,888
Number of Customers			22	17
Classified amount thereon			-	-
* This amount represents total loans and advances (comprising funded and non funded facilities) to each customer exceeding BOT 3,567.40 million which is equivalent to 10% of total capital of the bank as at 31 December 2021.				

7.2.3 Industry-wise concentration of loans and advances (including bills purchased and discounted)

Agri and micro credit through NGO	19,174,907,218	14,219,286,426	19,174,907,218	14,219,286,426
Commercial and trading	31,896,939,865	30,608,916,122	31,896,939,865	30,608,916,122
Construction	10,947,738,014	8,789,387,758	10,947,738,014	8,789,387,758
Cement and ceramic industries	3,891,666,013	3,666,702,809	3,891,666,013	3,666,702,809
Chemical and fertilizer	3,590,702,695	3,824,905,455	3,590,702,695	3,824,905,455
Crops, fisheries and livestock	740,623,727	1,324,443,160	740,623,727	1,324,443,160
Electronics and electrical goods	6,947,074,382	3,756,582,128	6,947,074,382	3,756,582,128
Food and allied industries	15,672,423,545	10,873,444,694	15,672,423,545	10,873,444,694
Consumer finance	34,571,008,127	32,827,061,558	34,571,008,127	29,629,216,066
Metal and steel products	19,137,968,412	17,487,616,658	19,137,968,412	17,487,616,658
Pharmaceutical industries	4,552,721,588	2,703,502,985	4,552,721,588	2,703,502,985
Power and fuel	14,203,762,643	8,058,075,313	14,203,762,643	8,058,075,313
Rubber and plastic industries	4,934,701,188	2,799,428,682	4,934,701,188	2,799,428,682
Readymade garments industry	40,356,406,325	36,830,131,190	40,356,406,325	33,140,783,449
Ship building & breaking industry	10,364,441,265	6,710,289,348	10,364,441,265	8,710,289,548
Sugar and edible oil refinery	1,488,466,608	4,878,212,590	1,488,466,608	4,878,212,590
Transport and e-communication	6,137,473,819	5,559,431,577	6,137,473,819	5,559,431,577
Textile mills	11,934,819,828	11,717,847,289	11,934,819,828	11,717,847,289
Other manufacturing or extractive industries	16,624,117,554	12,777,907,895	16,624,117,554	12,777,907,895
Others	14,412,811,811	11,181,522,423	14,412,811,811	16,467,522,379
	271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895

7.2.4 Sector-wise concentration of loans and advances (including bills purchased and discounted)

Government sector	38,348,026,660	542,640,067	38,348,026,660	542,640,067
Public sector	233,253,636,997	230,002,416,110	231,045,947,550	228,403,222,833
Private sector	771,601,663,657	230,545,056,172	269,393,974,212	228,943,862,895

7.2.5 Geographic location-wise concentration of loans and advances (including bills purchased and discounted)

Inside Bangladesh	202,349,552,427	165,780,242,739	199,975,078,873	169,882,741,179
Dhaka Division	52,633,548,679	50,343,078,450	52,633,548,679	50,343,078,450
Chattogram Division	1,786,366,437	1,607,253,725	1,786,366,437	1,607,253,725
Sylhet Division	3,879,946,903	3,574,734,351	3,879,946,903	3,574,734,351
Rajshahi Division	4,121,541,319	3,938,540,896	4,121,541,319	3,938,540,896
Khulna Division	753,857,430	729,116,147	753,857,430	729,116,147
Rangpur Division	408,187,443	390,493,592	408,187,443	390,493,592
Barisal Division	521,519,576	492,248,530	521,519,576	492,248,530
Mymensingh Division	266,454,520,713	226,855,708,431	264,080,046,659	224,958,306,871
Outside Bangladesh	3,147,143,445	3,689,347,741	3,113,227,553	3,885,656,024
Bills financed & UPAS (by EBL Finance HK Ltd)	771,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895

7.2.6 Geographic location and business segment wise concentration of loans and advances (including bills purchased and discounted) as on 31-12-2021

Division	Total Bank (Solo)			
	Corporate & Commercial	Retail and SME (S) banking (including staff)	2021	2020
Dhaka Division	159,083,549,897	40,891,528,976	199,975,078,873	169,882,741,179
Chattogram Division	38,962,683,958	13,650,864,721	52,633,548,679	50,343,078,450
Sylhet Division	54,335,605	1,731,830,572	1,786,366,437	1,607,253,725
Rajshahi Division	2,255,938,201	1,624,008,702	3,879,946,903	3,574,734,351
Khulna Division	1,113,623,238	3,007,918,081	4,121,541,319	3,938,540,896
Rangpur Division	-	753,857,430	753,857,430	729,116,147
Barisal Division	-	408,187,443	408,187,443	390,493,592
Mymensingh Division	-	521,519,576	521,519,576	492,248,530
Outside Bangladesh	3,113,227,553	0	3,113,227,553	3,885,656,024
	206,804,258,713	62,585,715,499	269,393,974,212	228,943,862,895



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7.b.7 Business segment - wise concentration of loans and advances (including bills purchased and discounted)

Corporate banking
Offshore banking
Retail and SME (S) banking
Executives & Staffs

Note	Consolidated		Bank	
	2021	2020	2021	2020
	166,761,118,461	143,744,965,586	168,455,556,428	145,841,617,802
	38,348,702,284	25,059,741,722	38,348,702,284	25,059,741,722
	64,669,204,605	60,236,067,082	60,767,077,192	57,018,221,590
	1,822,638,307	1,504,281,781	1,822,638,307	1,504,281,781
	271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895

7.b.8 Loans and advances (As categorised in CL Statement)

Inside Bangladesh
Continuous loan (CL-2)
Consumer Financing (CF)
Small & Medium Enterprise (SME)
Loans to Bhts/MBs/SDs against Shares
Other than SMEs, CF, Bhts/MBs/SDs

Demand loan (CL-3)
Small & Medium Enterprise (SME)
Other than SMEs, CF, Bhts/MBs/SDs

Term loan (CL-4)
Consumer Financing (including staff, other than HF)
Housing Financing (HF)
Small & Medium Enterprise
Other than SMEs, CF, Bhts/MBs/SDs

Short term agri credit and microcredit (CL-5)
Short term agri credit

Outside Bangladesh
Loans, cash credits, overdrafts etc.
Total

5,935,560,226	8,891,034,461	6,032,432,813	5,693,188,969
7,536,698,412	6,615,085,022	7,536,698,412	6,615,085,022
748,518,032	-	2,276,171,891	1,800,343,933
17,725,340,322	20,481,631,201	17,725,340,322	20,481,631,201
35,946,116,992	35,987,750,684	33,571,443,438	34,080,349,135
7,009,793,868	7,512,027,973	7,009,793,868	7,512,027,973
120,461,278,567	81,775,295,781	120,461,278,567	81,775,295,781
127,473,073,455	89,287,323,734	127,473,073,455	89,287,323,734
11,647,581,161	11,927,855,478	11,647,581,161	11,927,855,478
5,179,786,295	3,679,858,420	5,179,786,295	3,679,858,420
18,071,850,187	17,979,028,124	18,071,850,187	17,979,028,124
64,359,242,287	65,533,848,436	64,359,242,287	65,533,848,436
99,258,460,730	99,140,590,458	99,258,460,730	99,140,590,458
3,778,869,036	2,440,043,554	3,778,869,036	2,440,043,554
3,778,869,036	2,440,043,554	3,778,869,036	2,440,043,554
5,147,143,443	3,689,347,741	5,213,927,533	3,985,656,024
271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895

7.b.9 Security/ Collateral - wise concentration of loans and advances (including bills purchased and discounted)

Collateral of movable/immovable assets
Local banks and financial institutions guarantee
Government guarantee
Export documents
Fixed deposit receipts (FDR)-own bank
Personal guarantee
Other securities (Hypothecation charges)

95,109,167,938	99,835,957,892	95,109,167,938	99,835,957,892
9,441,042,660	7,759,307,284	4,293,899,215	4,089,999,543
493,256,141	542,640,062	493,256,141	542,640,062
21,801,145,010	18,033,434,069	21,801,145,010	18,033,434,069
29,362,255,204	17,612,093,180	29,362,255,204	17,612,093,180
15,835,419,949	15,996,820,549	15,835,419,949	15,996,820,549
99,759,376,950	70,825,383,156	122,688,840,949	72,913,517,621
271,601,663,658	230,545,056,172	269,393,974,212	228,943,862,895

7.b.10 Classification status of loans and advances

Unclassified
Standard (Excluding Staff Loan)
Special Mention Accounts (SMA)

Classified
Sub-standard
Doubtful
Bad/Loss

Executives & Staffs (HR Loan)

Total
Percentage of Classified Loans & Advances/NPL

7.b.11

257,394,932,202	220,586,643,131	255,564,655,620	219,480,207,242
2,028,005,272	1,732,993,015	2,028,005,272	1,732,993,015
259,422,937,474	222,319,636,146	257,592,660,892	221,213,198,257
925,149,156	1,092,797,745	925,149,156	1,032,797,745
608,750,578	287,325,617	603,750,578	287,325,617
8,827,088,143	5,401,017,893	8,449,625,278	4,906,259,486
10,356,087,877	6,721,141,245	9,978,675,012	6,226,383,857
1,822,638,307	1,504,281,781	1,822,638,307	1,504,281,781
271,601,663,658	230,545,056,171	269,393,974,211	228,943,862,895
3.81%	2.92%	3.70%	2.72%

7.b.10.a The amount reported above under SMA category includes certain loan accounts with an aggregate outstanding of BDT 301.60 million as at 31-12-2021 (BDT 1,225.70 million as at 31-12-2020) which has not been reported as classified as at year-end on the basis of stay order from the Honorable High Court Division of the Supreme Court of Bangladesh. As at year-end 2021, an aggregate amount of BDT 67.52 million (BDT 534.60 million as at 31-12-2020) has been kept as specific provision considering all those customers as bad/loss.



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	Note	Consolidated		Bank	
		2021	2020	2021	2020
Opening balance		15,618,345,039	15,618,345,039	15,618,345,040	15,618,345,040
During the year		136,143,515	-	136,143,515	-
Closing balance		15,754,488,554	15,618,345,039	15,754,488,555	15,618,345,040

7.b.14.1.a Cumulative number of written off loan accounts against which lawsuits have been filed

Opening balance	8,173	8,173
During the year	109	-
Closing balance	8,282	8,173

8 Fixed assets including land, building, furniture and fixtures

Accounting policy:

Fixed assets (other than lease items)

The group applies IAS 16 'Property, plant and equipment' for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets except land are stated at cost less accumulated depreciation as per IAS 16. Land is recognised at cost at the time of acquisition and subsequently measured at revalued amount which is the fair value at the time of revaluation done by independent valuer and any increase (by netting of decrease of value within same class) on revaluation is shown as equity component until the asset is disposed off.

The cost of an item of fixed assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases in the month when the assets are disposed. No depreciation is charged on capital work in progress until the usage of the assets.

The rates and useful lives at which fixed assets are depreciated for current and comparative years are given below:

Assets Category	Estimated useful lives (Years)	Rate of depreciation/ amortisation per annum
Building	40	2.50%
Furniture and Fixture	10	10.00%
Machineries and equipment	5	20.00%
Electromechanical equipment	20	5.00%
Digital banking equipment	8	12.50%
Computer and network equipment	5	20.00%
Vehicles	5	20.00%
Software	5	20.00%

Capital work in progress

Costs incurred for software development, licensing and implementation; hardware up gradation and related other costs incurred as capital expenditures are recognised as capital work in progress as per IAS 16, until the development or implementation work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation/amortisation of the asset is charged from the date of its intended use.

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is recorded in profit and loss account when the item is derecognised.

Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. The Group classifies its intangible assets as per IAS 38 'Intangible assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call centre, ATM service, Finance and HR operations i.e. PMS, FHR, HRMS, PMS, etc.

Recognition, subsequent expenditure and measurement

The Group recognises an intangible asset if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 'Intangible Assets'. The Group does not have any intangible assets with indefinite useful lives.

Subsequent expenditure on intangible asset of the Group is capitalised only when it increases the future economic benefits embodied in the



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Note	Consolidated		Bank	
	2021	2020	2021	2020
7.b.14.1 Cumulative amount of written off loans (including legal and other charges)				
7.b.14.1.a				
Opening balance	15,618,345,039	15,618,345,039	15,618,345,040	15,618,345,040
During the year	136,143,515	-	136,143,515	-
Closing balance	15,754,488,554	15,618,345,039	15,754,488,555	15,618,345,040

7.b.14.1.a Cumulative number of written off loan accounts against which lawsuits have been filed

Opening balance	8,173	8,173
During the year	109	-
Closing balance	8,282	8,173

8 Fixed assets including land, building, furniture and fixtures

Accounting policy:

Fixed assets (other than lease items)

The group applies IAS 16 'Property, plant and equipment' for its own assets which are held for current and future use in the business and are expected to be used for more than one year.

Recognition and measurement

Fixed assets except land are stated at cost less accumulated depreciation as per IAS 16. Land is recognised at cost at the time of acquisition and subsequently measured at revealed amount which is the fair value at the time of revaluation done by independent valuer and any increase (by netting of decrease of value within same class) on revaluation is shown as equity component until the asset is disposed off.

The cost of an item of fixed assets is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

The cost of an item of fixed assets comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.
- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs

Subsequent costs are capitalised only when it is probable that the future economic benefits associated with the costs will flow to the entity and cost can be measured reliably. The carrying amount of the replaced portion is derecognised. The costs of day to day servicing of fixed assets, i.e. repairs and maintenance is charged to profit and loss account as expense when incurred.

Depreciation

Depreciation is charged at the rates stated below on all the items of fixed assets on the basis of estimated useful lives as determined in the fixed asset policy of the Bank. In all cases depreciation is calculated on the straight line method. Charging depreciation commences from the month of acquisition (for full month) and ceases in the month when the assets are disposed. No depreciation is charged on capital work in progress until the usage of the assets.

The rates and useful lives at which fixed assets are depreciated for current and comparative years are given below:

Assets Category	Estimated useful lives (Years)	Rate of depreciation/ amortisation per annum
Building	40	2.50%
Furniture and Fixture	10	10.00%
Machineries and equipment	5	20.00%
Electromechanical equipment	20	5.00%
Digital banking equipment	8	12.50%
Computer and network equipment	5	20.00%
Vehicles	5	20.00%
Software	5	20.00%

Capital work in progress

Costs incurred for software development, licensing and implementation; hardware up-gradation, construction costs incurred as capital expenditures are recognised as capital work in progress as per IAS 16, until the development or implementation work is completed and the asset is ready for intended use. This asset is stated at cost and depreciation/amortisation of the asset is charged from the date of its intended use.

Derecognition of fixed assets

The carrying amount of an item of fixed assets is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from derecognition of an item of fixed assets is recorded in profit and loss account when the item is derecognised.

Intangible assets

Intangible asset is an identifiable non-monetary asset without physical substance. The Group classifies its intangible assets as per IAS 38 'Intangible assets' which comprises the value of all licensed computer software including core banking software of the Bank, cards management software, cheque processing software (i.e. BEFTN), software of subsidiaries and other integrated customised software for call centre, ATM service, Finance and HR operations (i.e. PMS, FMS, HRMS, PMS, etc.).



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Note	Consolidated		Bank	
	2021	2020	2021	2020

Recognition, subsequent expenditure and measurement

The Group recognises an intangible asset if it is probable that future economic benefits that are attributable to the assets will flow to the entity and the cost of the asset can be measured reliably in accordance with IAS 38 'Intangible Assets'. The Group does not have any intangible assets with indefinite useful lives.

Subsequent expenditure on intangible asset of the Group is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates; otherwise is charged as expense when incurred.

Core banking software of EBL

The core banking software used by EBL (net by subsidiaries) represents the value of application software licensed for the use of the Bank. The value of the software is carried at cost less accumulated amortisation. Initial cost comprises license fees paid at the time of purchase and other directly attributable costs incurred for customising the software for its intended use. The value of the software is amortised using the straight line method over the estimated useful life of 5 (five) years commencing from the month when the application of the software is made available for use.

Details of fixed assets are presented in note 8 and Annexure - A of these financial statements.

Leases:

As per IFRS 16 'Leases', the bank has made recognition, measurement and disclosure in the financial statements-2021 both as Lessee and Lessor from the date of commencement or 01 January 2019 (date of initial application), whichever is later.

Bank as lessee

The bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the bank considers the contract as a lease contract.

The bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value assets. The bank recognises lease liabilities to make lease payment and right-of-use (ROU) assets representing the right to use the underlying assets.

If a lease contract does not exceed twelve months from the date of initiation/application, the bank considers the lease period as short term in line with the recognition threshold of ROU assets as per FA policy of the bank. In case of low value, the Bank, on lease-by-lease basis, elected a single threshold on the basis of materiality level of Bank's total capital (BDT 35,974 million as on 31-12-2021). The reason behind considering the materiality level is that the bank operates many ATM booths with short tenure (not over 12 months) and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU)

The bank recognises the right-of-use assets (ROU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight line basis over the lease term, or remaining period of the lease term.

The bank assessed all five lease contracts in 2021 and recognised as ROU assets of all leases, except short tenure and low value of assets as per the Bank's own policy set as per IFRS 16 'Leases'. As leases under IFRS 16 has been first time adopted by the bank, the bank followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. However, in 2021, the bank reassessed all ROU assets recorded earlier considering a cut-off date i.e. 01 January 2021.

Lease Liabilities (Bank as a lessee)

At the commencement of the lease, the bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the bank and payment of penalties for terminating the lease.

In 2021 the bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2021. The lease liabilities are presented in the note 18.11 of these financial statements.

Bank as a lessor

Leases where the bank does not transfer substantially all of the risk and benefits of ownership of any asset are classified as operating assets. Rental income is recorded as earned based on the contractual term of the lease. However, the Bank did not hold any such assets in 2021.

Recognition of consideration made under contract in exchange of use of rental premises/assets:

As per IFRS 16 Leases, when consideration is made by the bank under contract in exchange of use of rental premises or assets for a period not exceeding a period of twelve months and/or the present value of the obligation plus initial payment under contract does not exceed the threshold of the bank, and substantially all the risk and benefit of ownership of those rental premises/assets does not transfer to the bank, then the bank considers the payment (other than advance payment) as rental expense under IFRS 15 Revenue from contracts with customers.

Therefore, EBL recognised those payment against contracts that do not qualify as lease item under IFRS 16 as rental expense in 2021 which is presented in note 28 of the financial statements for the year ended 31 December 2021. These are short term and low value contracts for ATM booths, godown premises that do not meet the materiality threshold for recognition of lease assets.

Details of Fixed Assets at Cost (revalued amount in case of lands)

Freehold lands and land development	4,060,205,301	3,986,656,786	4,060,205,301	3,986,656,786
Buildings and floor spaces	1,407,955,522	1,407,955,522	1,407,955,522	1,407,955,522
Capital work in progress *	127,218,237	120,262,652	127,218,237	120,262,652
General machineries and equipments	699,691,494	671,774,138	686,808,307	660,606,312
Computer and network equipments	1,078,011,550	923,182,539	1,062,262,600	908,872,414
Digital banking equipments	271,109,920	254,155,920	271,109,920	254,155,920
Electromechanical equipments	343,783,516	343,652,516	343,783,516	343,652,516
Furniture and fixtures	714,069,346	713,429,157	681,364,608	679,633,843
Vehicles	231,297,494	205,377,059	206,251,139	180,591,504
Right-of-use assets (Lease assets)	1,736,408,856	1,654,846,368	1,709,622,345	1,591,754,131
Software	770,963,709	666,394,719	766,731,454	662,449,964
Total cost	11,440,709,555	10,948,786,277	11,322,803,951	10,796,929,664
Accumulated depreciation and amortization	(3,777,698,804)	(3,175,630,306)	(3,690,614,217)	(3,286,031,647)
Written down value at 31 december	7,663,010,751	7,773,155,971	7,632,189,734	7,510,898,017



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Capital work in progress*

Initial payment made for automation or upgradation of bank's different software and construction cost is recognised as capital work in progress as per IAS 16, until the project/development work is completed and/or the asset is ready for intended use. These assets are stated at cost and depreciation of these assets will be charged from the date of intended use.

Details of the fixed assets are presented in 'Annexure-A'.

8.01 Right of use assets (Lease assets)

Right of Use (RoU) assets comprise of lease liabilities which is the present value of lease payments against rented premises less incentive, plus initial direct payment and dismantling cost etc. Any contractual obligation for use of any rented/leased premises or assets for a period exceeding twelve months and/or exceeding the threshold for low value asset, and substantially risks and benefits related to ownership of those rented premises/assets transfer to the bank, are recognised as RoU assets as per IFRS 16 'Leases'.

8.a Consolidated fixed assets of group entities:

	2021	2020
Eastern Bank Limited (Parent)	7,612,189,734	7,710,898,017
EBL Securities Limited	26,051,185	41,279,284
EBL Investments Limited	5,277,364	8,658,179
EBL Finance (HK) Limited	2,554,145	7,848,775
EBL Asset Management Limited	1,384,319	3,871,765
	7,668,010,751	7,772,646,571
Less: Inter company elimination	-	-
Total	7,668,010,751	7,772,646,571

9 Other assets**Accounting policy:**

As per BRPD circular no. 14 dated 25 June 2003, other assets have been presented separately in the balance sheet and categorized as 'income generating' and 'non-income generating' in notes to the financial statements. These assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the entity and costs are reliably measured. Other assets include investment in subsidiaries, TREC of DSE & CSE, advance for revenue and capital expenditure, stocks of stationary and stamps, security deposits to government agencies, other receivables etc; as per BRPD circular no. 14/2003.

Investment in subsidiaries

Investment in subsidiaries are accounted for under the cost method of accounting in accordance with IAS 27 'Consolidated and separate financial statements', IFRS 3 'Business combination' and IFRS 10 'Consolidated financial statements'. Impairment of investment in subsidiaries is made as per the provision of IAS 36 'Impairment of Assets'.

In 2021, the bank has done impairment assessment of its investment in the largest subsidiary company 'EBL Securities Limited' following guideline of IAS 36 'Impairment of Assets'. As value in use (using discounted cash flow method) is higher than carrying value of investment, no impairment is required to be recognised as on balance sheet date.

Impairment of assets

An asset is impaired when its carrying value exceeds its recoverable amount as per IAS 36 'Impairment of assets'. At the end of each reporting period, the Bank and its subsidiaries review the carrying value of financial and non-financial assets (other than investment in subsidiaries) and assess whether there is any indication that an asset may be impaired and/or whenever events or changes in circumstances indicate that the carrying value of the asset may not be recovered. If any such indication exists, the bank and the subsidiaries make an estimate of the recoverable amount of the asset. The carrying value of the asset is reduced to its recoverable amount if the recoverable amount is less than its carrying amount with associated impairment losses recognised in the profit and loss account. However, impairment of any financial assets is guided by relevant Bangladesh Bank circulars/instructions and IFRS 9.

Deferred tax

Deferred tax assets or liabilities are recognised by the Bank on deductible or taxable temporary differences between the carrying amount of assets and liabilities used for financial reporting and the amount used for taxation purpose as required by IAS 12 'Income taxes' and BRPD circular no.11 dated 12 December 2011. Deferred tax assets is recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which they can be used. Deferred tax assets and liabilities are reviewed at each reporting period and are measured at the applicable tax rate as per tax laws that are expected to be applied when the assets is realised and liability is settled. Any unrecognised deferred tax assets or liabilities are reassessed at each reporting period and recognised only if that has become probable that future taxable profit or loss will be available against which they can be used or settled.

Deferred tax asset has not been recognised on the implication of IFRS 16 'Leases' due to the fact that interest cost on lease liabilities and depreciation expense on RoU assets have been considered as admissible expense while calculating current tax liability. The Bank placed Income Tax Return to NBR (National Board of Revenue) for earlier periods since implementation of IFRS 16 showing interest cost on lease liabilities and depreciation on RoU assets as admissible business expense as per section 29 of the ITO 1984. However, assessment of these years are yet to be completed by NBR. Deferred tax asset on provision against diminution of value of quoted securities has not been recognised as adjustment of loss (for set off against gain under the same head) u/s 37 and u/s 40 of ITO 1984 is uncertain due to market volatility.

Details of deferred tax assets or liabilities and amount recognised in profit and loss account for deferred tax income or expense are given in note 9.10 in the financial statements.

Details of other assets**Income generating:**

Investment in subsidiary-EBL Securities Limited	9.1	-	-	1,967,400,000	1,967,400,000
Investment in subsidiary-EBL Investments Limited	9.2	-	-	299,999,900	299,999,900
Investment in subsidiary-EBL Finance (HK) Limited	9.3	-	-	14,779,352	14,779,352
Investment in subsidiary-EBL Asset Management Limited	9.4	-	-	249,999,900	249,999,900
Fair value of TREC to EBLSL and Shares of DSE	9.5.a	595,337,112	595,337,112	-	-
Fair value of TREC to EBLSL and Shares of CSE	9.5.b	245,379,755	245,379,755	-	-



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Note	Consolidated		Bank	
	2021	2020	2021	2020
Non-income generating:				
Receivable from subsidiaries	9.6	-	76,556,029	8,205,113
Stock of stationeries		14,951,628	12,191,604	14,951,628
Stamps on hand	9.7	5,364,587	4,791,068	5,355,437
Advance to staff for expenses		820,689	40,000	40,000
Security deposits with govt./non govt. agencies		19,826,181	15,992,392	9,034,234
Interest, fees and dividend receivables	9.8	1,615,863,808	1,343,478,795	1,935,455,355
Sundry receivables	9.9	1,339,322,099	1,254,018,166	1,337,696,283
Advance rent		62,717,244	44,416,462	60,137,688
Prepayments and advance to vendors		405,568,145	207,308,251	341,696,309
Deferred tax assets (net of liabilities)	9.10	2,395,811,691	2,150,731,502	2,310,033,677
Other assets of subsidiaries	9.11	188,119,814	42,831,627	-
		6,889,182,751	5,916,516,734	7,463,906,711

9.a Consolidated other assets of group entities:

Eastern Bank Limited (Parent)	8,621,907,370	7,463,906,712
EBL Securities Limited	1,178,730,710	1,009,549,816
EBL Investments Limited	48,585,421	18,717,890
EBL Finance (HK) Limited	1,590,906	2,017,786
EBL Asset Management Limited	26,479,116	3,647,897
	9,879,093,523	8,497,699,841
Less: Inter company elimination	(2,989,910,772)	(2,581,123,106)
Total	6,889,182,751	5,916,516,734

9.1 Investment in subsidiary-EBL Securities Limited

EBL acquired its securities brokerage subsidiary in two phases (2010 and 2011) at a total cost of BDT 479.90 million and injected afterwards BDT 1,487.50 million as fresh capital.

9.2 Investment in subsidiary-EBL Investments Limited

This fully owned subsidiary of EBL was incorporated on 30 December 2009 with an initial authorized capital of BDT 1,000 million and paid up capital of BDT 300 million. It was awarded merchant banking license by BSEC on January 2013 and started its full fledged merchant banking operations since then.

9.3 Investment in subsidiary-EBL Finance (HK) Limited

EBL Finance (HK) Limited, the fully owned foreign subsidiary of EBL, was incorporated on 28 November 2011 with an initial authorized capital of HKD 1.41 million (equivalent to BDT 14.78 million). Afterwards, in 2019 HKD 10.00 million was transferred to capital account from retained earnings. This subsidiary commenced its full fledged operations in Hongkong from early 2019.

9.4 Investment in subsidiary-EBL Asset Management Limited

Another fully owned subsidiary of EBL, was incorporated on 9 January 2011 with an initial authorized capital of BDT 250 million. It has fully subscribed paid up capital of BDT 250 million and has been registered under BSEC on 25 May 2017. It started full fledged operations on asset management, capital market, equity investment etc since then.

9.5 Fair value measurement of TREC and Shares of both DSE and CSE (held by EBLSL)

As per Exchange Demutualization Act 2015, EBLSL was awarded Trading Right Entitlement Certificate (TREC) as well as ordinary shares of both the bourses i.e. DSE and CSE in exchange of membership licenses under Demutualization Scheme (The Scheme). Subsequently, under a purchase agreement between demutualized DSE and strategic partner China Consortium, EBLSL sold out 25% of its holding to China Consortium at a negotiated price of BDT 21 per share (Face value: BDT 10 each). As of 31-12-2021, Share composition of DSE and CSE held by EBLSL was as follows:

Particulars	No of Shares held	Face Value (BDT)
Dhaka Stock Exchange Limited	5,411,329	10.00
Chittagong Stock Exchange Limited	4,287,330	10.00
Total	9,698,659	10.00

Earlier, EBLSL carried out a valuation by ACNARIN, chartered accountants, to determine the fair value of TREC and Shares of both the bourses i.e. DSE and CSE. The value of TREC was determined applying varying weights to the results of three valuation approaches i.e. Cost approach, Market approach and Income approach. Fair value of DSE shares was determined on the basis of recent transaction price made between DSE and China Consortium but face value of CSE shares was taken as fair value as there was no offer price from any third party. However, EBL management expects the fair value of TREC and Shares of DSE and CSE altogether is to be similar to net realizable value in line with present growth pattern of business and outlook of EBLSL. The valuation result of TREC and Shares held by EBLSL under the above methodologies are as follows:

9.5.a Fair value of DSE-TREC and Shares (held by EBLSL)

Value of TREC (Trading Right Entitlement Certificate) held by EBLSL
Value of Shares (5,411,329 No @BDT 21.05, face value is BDT 10 each)

481,427,540	481,427,540
113,909,872	113,909,872
595,337,412	595,337,412

9.5.b Fair value of CSE-TREC and Shares (held by EBLSL)

Value of TREC (Trading Right Entitlement Certificate) held by EBLSL
Value of Shares (4,287,330 No @BDT 10.23, face value is BDT 10 each)

201,500,000	201,500,000
43,879,755	43,879,755
245,379,755	245,379,755



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Note	Consolidated		Bank	
	2021	2020	2021	2020
9.6 Receivable from Subsidiaries				
Receivable from:				
EBL Securities Limited (in trading account)			76,556,929	3,205,113
			<u>76,556,929</u>	<u>3,205,113</u>
9.7 Advance to staff for expenses				
Due for:				
Less than three months	820,689	40,000	820,689	40,000
More than three months but less than six months	-	-	-	-
More than six months but less than nine months	-	-	-	-
More than nine months but less than twelve months	-	-	-	-
More than twelve months	-	-	-	-
	<u>820,689</u>	<u>40,000</u>	<u>820,689</u>	<u>40,000</u>
9.8 Interest, fees and dividend receivables				
Interest receivable on placements/margin loans *	59,196,631	138,285,615	59,196,631	138,285,615
Income receivable on government securities	697,858,303	874,257,940	697,858,303	874,257,940
Interest receivable on non-government securities	196,891,558	104,422,515	196,891,558	104,422,515
Interest receivable under stimulus package (subsidized by BB)	384,060,263	80,960,850	384,060,269	80,960,850
Fees, commission and charges receivable	114,624,078	105,824,545	114,584,141	102,728,408
Dividend receivable	496,771,299	81,597,821	482,884,040	64,094,628
	<u>1,951,362,528</u>	<u>1,384,751,687</u>	<u>1,995,455,355</u>	<u>1,384,453,355</u>
Less: Inter unit/company elimination	(835,518,720)	(41,773,897)	-	-
	<u>1,615,863,808</u>	<u>1,343,478,790</u>	<u>1,995,455,355</u>	<u>1,384,453,355</u>
* Margin loans by subsidiaries.				
9.9 Sundry receivables				
Excise duty receivable from customers	75,581,528	74,782,092	75,581,523	74,782,092
Protested bills to be recovered	106,185,947	103,824,965	106,185,947	103,824,965
AIT receivable from customers	76,500,000	76,500,000	76,500,000	76,500,000
Cards and ATM acquiring/transactional account	412,024,155	357,388,543	412,014,155	357,388,543
Receivable (net off) from Bangladesh Bank for SP, WEDB, DIB, DPB etc.	473,857,066	488,650,644	473,857,066	488,650,644
Other receivables (Margin, remittance, Bidding Money, IPO Subscription etc)	195,173,408	150,971,899	191,547,592	134,996,388
	<u>1,399,322,099</u>	<u>1,254,018,166</u>	<u>1,337,686,283</u>	<u>1,218,042,671</u>
9.9.a Receivable (net off) from Bangladesh Bank for SP, WEDB, DIB, DPB etc.				
Receivable from Bangladesh Bank for SP, WEDB, DIB, DPB etc.				
For sale of Sanchayatra	451,509,794	487,825,636	451,509,794	487,825,636
For sale of WEDB, DIB, DPB etc.	36,613,272	12,175,008	36,613,272	12,175,008
	<u>488,123,066</u>	<u>500,000,644</u>	<u>488,123,066</u>	<u>500,000,644</u>
Payable to Bangladesh Bank				
For encashment of Sanchayatra	1,500,000	11,350,000	1,500,000	11,350,000
For encashment of WEDB, DIB & DPB	12,766,000	-	12,766,000	-
	<u>14,266,000</u>	<u>11,350,000</u>	<u>14,266,000</u>	<u>11,350,000</u>
Closing balance	<u>473,857,066</u>	<u>488,650,644</u>	<u>473,857,066</u>	<u>488,650,644</u>
9.10 Deferred tax asset (net of liability)				
Deferred tax asset	2,681,816,620	2,281,694,923	2,595,976,978	2,184,488,290
Deferred tax liability	286,004,929	130,963,421	285,943,301	130,882,791
	<u>2,395,811,691</u>	<u>2,150,731,502</u>	<u>2,310,033,677</u>	<u>2,053,605,499</u>
9.a Consolidated deferred tax asset (net of liability)				
Eastern Bank Limited (Parent)	2,310,033,677	2,053,605,499		
EBL Securities Limited	82,940,940	82,687,487		
EBL Investments Limited	2,742,712	13,946,737		
EBL Asset Management Limited	94,362	491,779		
Total	<u>2,395,811,691</u>	<u>2,150,731,502</u>		
9.10.b Deferred tax asset (Bank only)				
On specific loan provision kept against B/L loans			2,352,347,541	2,058,496,852
On actuarial re-measurement gain/(Loss) on defined benefit plans			18	125,991,338
			<u>2,352,365,559</u>	<u>2,184,488,190</u>



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Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

	Note	Consolidated		Bank	
		2021	2020	2021	2020
11 Borrowing from banks, financial institutions and agents					
Accounting policy:					
Borrowing from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal outstanding. Interest payable on such borrowings are reported under other liabilities.					
Debt securities (subordinated debt)					
The Bank issued 02 (two) 7-year non-convertible floating rate subordinated debts mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Principal outstanding against the debt is reported under long term borrowing and interest payable of which is reported under other liabilities.					
Details of Borrowing:					
Inside Bangladesh (including subordinated bond)	11.1	34,214,351,306	28,855,081,536	32,104,494,480	26,860,390,048
Outside Bangladesh	11.2	31,082,021,370	17,425,999,081	31,082,021,371	17,425,999,081
		65,296,372,676	46,281,080,617	63,186,515,851	44,286,389,129
11.a Consolidated borrowings from Banks, FIs by group entities:					
Eastern Bank Limited (Parent)		63,186,515,851	44,286,389,129		
EBL Securities Limited		3,797,510,684	3,433,140,420		
EBL Finance (HK) Limited		5,286,132,332	3,985,656,024		
		72,270,158,867	51,705,185,573		
Less: Inter company elimination		(6,973,786,191)	(5,424,104,956)		
Total		65,296,372,676	46,281,080,617		
11.1 Borrowing from - Inside Bangladesh					
Demand Borrowing:					
Banks		10,423,037,628	12,461,675,647	6,625,526,943	9,028,535,227
NBFIs		-	-	-	-
		10,423,037,628	12,461,675,647	6,625,526,943	9,028,535,227
Less: Inter unit/company elimination		(8,313,180,802)	(10,466,984,159)	(6,625,526,943)	(9,028,535,227)
		2,109,856,826	1,994,691,488	0.00	(0)
Term Borrowing:					
Banks		6,573,132,332	4,240,059,324	1,287,000,000	254,403,300
NBFIs		-	-	-	-
		6,573,132,332	4,240,059,324	1,287,000,000	254,403,300
Less: Inter unit/company elimination		(5,286,132,332)	(3,985,656,024)	-	-
		1,287,000,000	254,403,300	1,287,000,000	254,403,300
Subordinated bond & other borrowings under schemes:					
From Bangladesh Bank & others					
Investment Promotion & Financing Facility (IPFF)		257,662,903	302,388,801	257,662,903	302,388,801
Export Development Fund (EDF)		19,524,184,927	15,437,149,850	19,524,184,927	15,437,149,850
Refinance scheme under BADP		129,445,400	258,890,800	129,445,400	258,890,800
Refinance scheme under SMESPD		890,553,047	1,010,617,484	890,553,047	1,010,617,484
Second Crop Diversification Project		662,589,850	764,526,750	662,589,850	764,526,750
SME Foundation Pre-finance		13,050,000	9,000,000	13,050,000	9,000,000
Long Term Financing Facility (LTFF)		872,748,872	1,276,489,063	872,748,872	1,276,489,063
Stimulus Fund - Wages & Salaries		1,069,478,321	1,546,924,000	1,069,478,321	1,546,924,000
Refinance scheme-others		1,847,749,000	-	1,847,749,000	-
Green Transformation fund		49,432,160	-	49,432,160	-
Non-Convertible Subordinated Bond	11.1.a	5,500,000,000	6,000,000,000	5,500,000,000	6,000,000,000
		30,817,494,480	26,605,986,748	30,817,494,480	26,605,986,748
		34,214,351,306	28,855,081,536	32,104,494,480	26,860,390,048
11.1.a Non-Convertible Subordinated Bond					
The Bank with due approval from Bangladesh Bank and BSEC issued 02 (two) 7-year unsecured and non-convertible subordinated bonds through private placement to enhance Tier-II capital: 1st one of BDT 2,500 million in 2015 and 2nd one of BDT 5,000 million in 2019. These Bonds are redeemable at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% per year. Coupon rates of both the instruments are variable with a floor and ceiling rate. These two instruments have been rated and awarded AA and AA2 by CRISIL and CRAB respectively in the long term. Although these are recognized component of Tier-II capital, the outstanding amount of these Bonds is shown as borrowing as per BB guidelines/instruction. Following is the list of subscribers to these Bonds on current outstanding basis:					
EBL 1st Subordinated Bond:					
Agrani Bank Limited		40,000,000	80,000,000	40,000,000	80,000,000
Brac Bank Limited		20,000,000	40,000,000	20,000,000	40,000,000
Janata Bank Limited		50,000,000	100,000,000	50,000,000	100,000,000
Mercantile Bank Limited		50,000,000	100,000,000	50,000,000	100,000,000
One Bank Limited		120,000,000	240,000,000	120,000,000	240,000,000
Rupali Bank Limited		120,000,000	240,000,000	120,000,000	240,000,000
Sonali Bank Limited		100,000,000	200,000,000	100,000,000	200,000,000
		500,000,000	1,000,000,000	500,000,000	1,000,000,000
EBL 2nd Subordinated Bond:					
Sadharan Bima Corporation		50,000,000	50,000,000	50,000,000	50,000,000



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Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
11 Borrowing from banks, financial institutions and agents				
Accounting policy				
Borrowing from other banks, financial institutions and agents include interest bearing borrowings which are stated in the financial statements at principal outstanding. Interest payable on such borrowings are reported under other liabilities.				
Debt securities (subordinated debt)				
The Bank issued Q2 (two) 7-year non-convertible floating rate subordinated debts mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Principal outstanding against the debt is reported under long term borrowing and interest payable of which is reported under other liabilities.				
Details of Borrowing:				
Inside Bangladesh (including subordinated bond)	11.1	34,214,351,306	28,855,081,536	32,104,494,480
Outside Bangladesh	11.2	31,082,021,370	17,425,999,081	31,082,021,371
		65,296,372,676	46,281,080,617	63,186,515,851
				44,286,389,129
11.a Consolidated borrowings from Banks, FIs by group entities:				
Eastern Bank Limited (Parent)		63,186,515,851	44,286,389,129	
EBL Securities Limited		3,797,510,684	3,432,140,430	
EBL Finance (HK) Limited		5,286,132,332	3,985,856,024	
		72,270,158,867	51,705,185,573	
Less: Inter company elimination		(6,973,786,191)	(5,424,104,956)	
Total		65,296,372,676	46,281,080,617	
11.1 Borrowing from - Inside Bangladesh				
Demand Borrowing:		10,421,037,628	12,461,675,647	6,625,526,943
Banks				9,028,535,227
NBFI				
		10,421,037,628	12,461,675,647	6,625,526,943
Less: Inter unit/company elimination		(8,311,180,602)	(10,466,985,159)	(6,925,526,943)
		2,109,856,826	1,994,690,488	0.00
Term Borrowing:		6,573,132,332	4,240,059,324	1,287,000,000
Banks				254,403,300
NBFI				
		6,573,132,332	4,240,059,324	1,287,000,000
Less: Inter unit/company elimination		(5,265,132,332)	(3,985,656,024)	
		1,287,000,000	254,403,300	254,403,300
Subordinated bond & other borrowings under schemes:				
From Bangladesh Bank & others		257,662,903	302,388,801	302,388,801
Investment Promotion & Financing Facility (IPFF)		19,524,184,927	15,437,149,850	19,524,184,927
Export Development Fund (EDF)		129,445,400	258,890,800	129,445,400
Refinance scheme under BAPF		890,553,047	1,010,617,484	890,553,047
Refinance scheme under SMESPD		662,589,850	764,526,750	662,589,850
Second Crop Diversification Project		13,650,000	9,000,000	13,650,000
SME Foundation Pre-finance		872,748,872	1,276,489,063	872,748,872
Long Term Financing Facility (LTFF)		1,069,478,321	1,546,924,000	1,069,478,321
Stimulus Fund - Wages & Salaries		1,847,749,000	-	1,847,749,000
Refinance scheme-others		49,432,160	-	49,432,160
Green Transformation Fund		5,500,000,000	5,500,000,000	5,500,000,000
Non-Convertible Subordinated Bond	11.1.a	30,817,494,480	26,605,986,748	30,817,494,480
		34,214,351,306	28,855,081,536	32,104,494,480
				26,860,390,048
11.1.a Non-Convertible Subordinated Bond				
The Bank with due approval from Bangladesh Bank and BSEC issued Q2 (two) 7-year unsecured and non-convertible subordinated bonds through private placement to enhance Tier-II capital: 1st one of BDT 2,500 million in 2015 and 2nd one of BDT 5,000 million in 2019. These Bonds are redeemable at the end of 3rd, 4th, 5th, 6th and 7th year of maturity at 20% per year. Coupon rates of both the Instruments are variable with a floor and ceiling rate. These two instruments have been rated and awarded AA and AA2 by CRIS, and CRAB respectively in the long term. Although these are recognized component of Tier-II capital, the outstanding amount of these bonds is shown as borrowing as per BB guidelines/instruction. Following is the list of subscribers to these Bonds on current outstanding basis:				
EBL 1st Subordinated Bond:				
Agrani Bank Limited		40,000,000	80,000,000	40,000,000
Brac Bank Limited		20,000,000	40,000,000	20,000,000
Janata Bank Limited		50,000,000	100,000,000	50,000,000
Mercantile Bank Limited		50,000,000	100,000,000	50,000,000
One Bank Limited		120,000,000	240,000,000	120,000,000
Rupali Bank Limited		120,000,000	240,000,000	120,000,000
Sonali Bank Limited		100,000,000	200,000,000	100,000,000
		500,000,000	1,000,000,000	500,000,000



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EBL 2nd Subordinated Bond:
Satharan Bima Corporation
Pubali Bank Limited
Janata Bank Limited
National Life Insurance Co. Limited
Sonali Bank Limited
Agrani Bank Limited
Dhaka Bank Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
	50,000,000	50,000,000	50,000,000	50,000,000
	1,000,000,000	1,000,000,000	1,000,000,000	1,000,000,000
	500,000,000	500,000,000	500,000,000	500,000,000
	500,000,000	500,000,000	500,000,000	500,000,000
	500,000,000	500,000,000	500,000,000	500,000,000
	2,250,000,000	2,250,000,000	2,250,000,000	2,250,000,000
	200,000,000	200,000,000	200,000,000	200,000,000
	5,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000
	5,500,000,000	6,000,000,000	5,500,000,000	6,000,000,000

11.2 Borrowing from - Outside Bangladesh

Non-interest bearing:

Citibank NA, USA
Commerzbank, Germany
JP Morgan AG, Germany
Standard Chartered Bank, USA
Standard Chartered Bank, Germany
Wells Fargo Bank, NA, USA

		210,594,830		210,594,830
	22,613,196	-	22,613,196	-
	1,517,217	121,359,906	1,517,217	121,359,906
	665,228,599	665,831,473	665,228,599	665,831,473
	395,040	-	395,040	-
	17,347,262	14,670,310	17,347,262	14,670,310
	707,071,314	1,012,456,519	707,071,314	1,012,456,519

Interest bearing:

Abu Dhabi Commercial Bank, UAE
Asian Development Bank (ADB), Philippines
Bank Al-Falah Ltd., UAE
Bank Muscat, Muscat
CaixaBank, S.A., Spain
Citibank NA, USA
Deutsche Investitions und Entwicklungsgesellschaft MBH (DEG)
Doha Bank, Qatar
HDFC Bank, India
ICICI Bank, India
JP Morgan Chase, Singapore
Korea Development Bank, Singapore
Nabil Bank, Nepal
National Bank of Ras Al-Khaimah, UAE
Opac Fund for International Development (OFID), Austria
OEBS, Development Bank, Austria
PROPARCO, France
Standard Chartered Bank, Singapore
Standard Chartered Bank, Thailand
Shiddharts Bank Limited, Nepal
Standard Chartered Bank, Hongkong
State Bank of India, Hongkong
United Bank Limited, UAE
Wells Fargo, USA

	1,958,833,322	-	1,958,833,322	-
	504,705,861	897,893,999	504,705,861	897,893,999
	429,000,000	-	429,000,000	-
	643,500,000	-	643,500,000	-
	5,642,902,176	-	5,642,902,176	-
	772,200,000	-	772,200,000	-
	3,689,400,000	4,748,861,600	3,689,400,000	4,748,861,600
	858,000,000	-	858,000,000	-
	429,000,000	848,011,000	429,000,000	848,011,000
	1,978,247,821	-	1,978,247,821	-
	806,520,000	1,366,969,732	806,520,000	1,366,969,732
	1,016,358,326	2,797,048,041	1,016,358,326	2,797,048,041
	858,000,000	-	858,000,000	-
	1,622,570,307	-	1,622,570,307	-
	-	2,120,027,500	-	2,120,027,500
	1,716,000,000	1,696,022,300	1,716,000,000	1,696,022,300
	156,000,000	462,551,458	156,000,000	462,551,458
	871,029,896	12,877,949	871,029,896	12,877,949
	858,000,000	-	858,000,000	-
	386,100,000	-	386,100,000	-
	1,115,400,000	-	1,115,400,000	-
	1,287,000,000	-	1,287,000,000	-
	429,000,000	-	429,000,000	-
	2,347,182,583	1,463,255,289	2,347,182,583	1,463,255,289
	30,374,950,056	16,418,542,562	30,374,950,057	16,418,542,562
	31,082,021,370	17,475,999,081	31,082,021,371	17,475,999,081

11.2.1 Remaining maturity grouping of Borrowings

Payable

On demand
In not more than one month
In more than one month but not more than three months
In more than three months but not more than one year
In more than one year but not more than five years
In more than five years

	2,248,357,456	1,994,691,488	138,500,640	-
	7,043,950,003	4,427,195,735	8,309,864,099	5,392,469,886
	17,529,960,281	13,041,208,885	16,264,045,186	10,950,712,667
	28,644,500,443	10,459,762,873	28,644,502,443	14,207,182,739
	9,487,385,862	14,383,975,141	9,487,365,602	12,078,242,881
	342,736,821	1,974,251,975	342,736,821	1,657,780,956
	65,296,877,676	46,281,080,617	63,186,515,891	44,286,589,129

12 Deposits and other accounts

Accounting policy:

Deposits and other accounts include non-interest bearing current deposits redeemable at call, interest bearing short-term deposits, savings deposits and fixed deposits which are initially measured at the consideration received. These items are subsequently measured and accounted for at the gross value of the outstanding balance in accordance with the contractual agreements with the counterparties.

Current deposits and other accounts etc.	12.1	32,338,170,288	27,698,304,935	32,747,951,058	28,274,079,619
Bills payable	12.2	1,155,851,680	1,492,231,668	1,155,851,680	1,492,231,668
Savings bank deposits	12.3	70,405,378,712	63,784,873,554	70,403,378,712	63,784,873,554
Fixed deposits	12.4	101,607,706,108	111,289,608,120	101,607,706,168	111,289,608,129
Special notice deposit (SND) account		61,982,493,378	37,030,361,979	62,103,962,762	37,516,995,999
		267,447,600,226	241,295,379,865	268,018,850,380	242,357,774,879

As on the reporting date, the bank had no Bearer certificates of deposits.



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Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
12.a Group entity-wise consolidated deposits and other accounts:				
Eastern Bank Limited (Parent)	268,018,850,380	242,357,774,879		
Subsidiary Companies	-	-		
	268,018,850,380	242,357,774,879		
Less: inter company elimination	(571,250,154)	(1,062,395,014)		
Total	267,447,600,226	241,295,379,865		
12.1 Current deposits and other accounts				
Current deposits	22,118,235,981	17,705,775,055	22,568,016,701	18,281,545,739
Margin on facilities (I/C, L/G, Acceptance etc.)	9,047,252,831	7,342,082,218	9,047,252,831	7,342,052,213
Interest accrued on deposits	1,132,681,525	2,850,477,668	1,132,681,525	2,850,477,668
	32,298,170,288	37,908,304,935	32,747,951,058	28,274,075,619
12.2 Bills payable				
Payment order issued	1,150,990,705	1,487,810,693	1,150,990,705	1,487,810,693
Demand draft issued	4,920,976	4,920,976	4,920,976	4,920,976
	1,155,911,680	1,492,731,668	1,155,911,680	1,492,731,668
12.3 Savings bank deposits				
Transactional deposit accounts	58,623,764,655	52,452,738,036	58,623,764,655	52,452,738,036
Scheme deposit accounts	11,779,614,057	11,332,135,518	11,779,614,057	11,332,135,518
	70,403,378,712	63,784,873,554	70,403,378,712	63,784,873,554
12.3.a Scheme deposit accounts:				
EBL confidence account	5,589,096,386	5,611,737,099	5,589,096,386	5,611,737,099
EBL child future plan account	952,489,350	881,695,328	952,489,350	881,695,328
EBL millionaire scheme account	2,543,879,648	3,085,513,919	2,543,879,648	3,085,513,919
EBL millionaire scheme women account	527,005,070	281,440,191	527,005,070	281,440,191
EBL aspire account	61,180,805	48,666,535	61,180,805	48,666,535
EBL kotipoti account	775,199,394	563,331,723	775,199,394	563,331,723
EBL multiplier account	788,022,790	660,660,384	788,022,790	660,660,384
Retail equity builder account	142,735,613	196,090,319	142,735,613	196,090,319
	11,779,614,057	11,332,135,518	11,779,614,057	11,332,135,518
12.4 Fixed deposits				
Term deposit account	101,545,143,199	111,213,240,539	101,545,143,199	111,213,240,539
RFCD account	4,757,209	4,576,074	4,757,209	4,576,074
NFCD account	57,805,770	71,791,516	57,805,770	71,791,516
	101,607,706,168	111,289,608,129	101,607,706,168	111,289,608,129
12.b Deposit concentration				
Deposit from banks	508,463,295	770,743,979	508,463,295	770,743,979
Deposit from other than banks	268,939,136,931	240,534,635,885	267,510,387,089	241,527,030,899
	267,447,600,226	241,295,379,865	268,018,850,380	242,357,774,879
12.b.1 Deposit from banks				
Bangladesh Development Bank Limited	130	130	130	130
Community Bank Bangladesh Limited	13,516,183	18,603,660	13,516,183	18,603,660
First Security Islami Bank Limited	15,382,357	12,738,812	15,382,357	12,738,812
Janata Bank Limited	38,180	39,152	38,180	39,152
Meghna Bank Limited	379,529	2,794,475	379,529	2,794,475
Midland Bank Limited	1,110,039	3,099,572	1,110,039	3,099,572
Modhumoti Bank Limited	231,071,918	102,014,400	231,071,918	102,014,400
National Bank Limited	155,969	156,555	155,969	156,555
NCC Bank Limited	527,715	528,501	527,715	528,501
NRB Bank Limited	50,608,479	43,900,173	50,608,479	43,900,173
NRB Commercial Bank Limited	11,498,356	3,134,530	11,498,356	3,134,530
One Bank Limited	556,830	555,942	556,830	555,942
Shimanto Bank Limited	158,267,459	495,494,499	158,267,459	495,494,499
Southeast Bank Limited	-	24,486	-	24,486
SBAC Bank Limited	21,350,036	87,660,960	21,350,036	87,660,960
Standard Bank Limited	135	134	135	134
	508,463,295	770,743,979	508,463,295	770,743,979



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Managing Director & CEO
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Note	Consolidated		Bank	
	2021	2020	2021	2020
12.4 Deposits on the basis of significant concentration:				
12.4.1 Sector - wise concentration of Deposits and other accounts				
Government sector	4,124,325,527	4,553,626,030	4,124,325,527	4,553,626,030
Other public sector	17,710,022,389	9,707,323,557	17,710,022,389	9,707,323,557
Private sector	245,613,252,310	227,034,430,278	246,184,302,664	228,096,825,292
	267,447,600,226	241,295,379,865	268,018,650,580	242,357,774,879
12.4.2 Business segment - wise concentration of Deposits and other accounts				
Corporate banking	84,897,746,957	57,688,603,263	85,468,997,111	58,721,088,277
Offshore banking	120,058,956	256,695,118	120,058,956	256,695,118
Retail and SME (S) banking	181,264,942,633	181,887,739,816	181,264,942,633	181,887,739,816
Others- Bills Payables	1,155,851,680	1,492,231,668	1,155,851,680	1,492,231,668
	267,447,600,226	241,295,379,865	268,018,650,580	242,357,774,879
12.5 Residual maturity grouping of Deposits				
From banks				
Payable:				
On demand	82,125,634	134,494,573	82,125,634	134,494,573
Within one month	96,251	54,950	96,251	54,950
In more than one month but less than six months	941,073	1,434,087	946,073	1,434,087
In more than six months but less than one year	889,026	1,347,612	889,026	1,347,612
In more than one year but within five years	424,462,310	643,412,757	424,462,310	643,412,757
In more than five years but within ten years	-	-	-	-
	508,463,293	770,743,979	508,463,293	770,743,979
From other than banks				
Payable:				
On demand	16,989,785,511	12,081,569,137	16,989,785,511	12,081,569,137
Within one month	14,193,374,364	16,788,424,397	14,470,874,426	16,864,105,081
In more than one month but less than three months	42,293,653,536	37,593,353,104	42,635,403,628	37,669,209,897
In more than three months but less than one year	49,633,621,556	60,547,792,989	49,633,621,556	60,958,560,526
In more than one year but within five years	142,301,950,989	112,431,438,610	142,301,950,939	112,431,438,610
In more than five years but within ten years	1,528,751,026	1,582,097,648	1,528,751,026	1,582,097,648
	266,999,418,983	240,324,695,885	267,510,387,087	241,587,080,899
Total	267,447,600,226	241,295,379,865	268,018,650,580	242,357,774,879
Undeclared deposit aging 10 years or more	159,544,030	9,238,075	159,544,030	9,238,075
13 Other liabilities				
Accounting policy:				
Other liabilities comprise items such as provision for loans and advances/investments, provision for taxes, interest payable on borrowing, interest suspense and accrued expenses etc. Individual item-wise liabilities are recognized as per the guidelines of Bangladesh Bank and International Financial Reporting Standards.				
Provision for current tax expense				
Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to the tax payable in respect of previous years.				
Provision for current income tax of the Bank has been made on taxable income @ 37.5 % considering major disallowances of expenses and concessional rates on certain incomes (0% on gain from govt. securities, 10% on capital gain of shares & mutual funds and 20% on dividend income) as per Income Tax Ordinance (ITO) 1984. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated. Details of provisioning are stated in note 13.3 of these financial statements.				
Assessment for uncertainty over income tax treatments (under IFRIC 23):				
At each reporting period, the Bank assesses uncertain tax treatment (if any) separately or together in line with Income Tax Ordinance 1984. The Bank applies own judgment and past records of tax assessment and demand in identifying uncertainties over income tax treatments. Since the Bank is being operated as complex financial intermediary to provide comprehensive financial solutions, it assesses whether the interpretation of IFRIC 23 'Uncertainty over income tax treatments' has any impact particularly on those relating to transfer pricing, payment under credit facilities etc., in its consolidated financial statements. The Bank believes that its tax treatments (including those for the subsidiaries) is more likely to be accepted by the tax authority. Therefore, this interpretation does not have any impact on the consolidated financial statements of the Bank.				
Provision for loans and advances				
Provision for loans and advances is made on the basis of quarter-end review by the management and in compliance BRPD Circular no.14/2012, BRPD circular no. 05/2015, BRPD circular no. 14/2020, BRPD circular no. 19/2021 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Details of provisioning are stated in note 13.4 of these financial statements.				
Provision for off-balance sheet exposures				
In compliance with BRPD circular no. 14 dated 23 September 2012 and related earlier circulars, the Bank has been maintaining provision @ 0% to 1% against off-balance sheet exposures (mainly contingent assets/liabilities).				



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Managing Director & CEO
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Note	Consolidated		Bank	
	2021	2020	2021	2020

Provision against investment in capital market

Provision for diminution of value of quoted shares and mutual funds (closed-end) has been made on portfolio basis (gain net off) as per DOS circular No. 4 dated 24 November 2011 and DOS circular letter no. 3 dated 12 March 2015 and placed under other liabilities. For unquoted shares, provision has been made on the basis of available net assets value (NAV) or recoverable value (whichever is lower) of shares. Details are stated in note 13.8 of these financial statements.

Provision for other assets

Provision for other assets is made following BRPD circular No. 14 dated 25 June 2001. Full provision is kept on other assets which are outstanding for one year or more or classified as Bad/Loss. Details of provisioning are stated in note 13.6 of these financial statements.

Provision for nostro accounts

Provision for unsettled transactions in nostro accounts is made as per FEPO circular no. FEPO (FEMO)/01/2005-077 dated 13 September 2005 of Bangladesh Bank. As on the reporting date, the Bank has no unsettled transactions outstanding for more than 3 months and no provision has been made in this regard.

Provision for liabilities and accrued expenses

In compliance with IAS 37 'Provisions, contingent liabilities and contingent assets', provisions for other liabilities and accrued expenses are recognised in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Retirement/post-employment benefits

The Bank contributes to a defined contribution plan (Provident Fund) and two defined benefit plans (gratuity fund and superannuation fund) in compliance with the provisions of IAS 19 'Employee benefits'. Three local subsidiaries i.e. EBLI, EBLI & EBLAM of the Bank have also been maintaining provident fund and gratuity fund under separate trustee boards.

Defined contribution plans

Post-employment benefit plans under which rate of contributions into the plan is fixed. Any payment out of the plan to eligible outgoing members is based on the size of the 'fund' that comprises cumulative contributions made into the scheme and investment returns on scheme assets. The Group maintains one funded defined contribution plan i.e. provident fund for its employees under a trustee board.

Provident fund

The Bank operates a contributory provident fund (recognised by National Board of Revenue or NBR on 31 July 1997) for its permanent employees funded by the employees (10% of basic salary) and the Bank equally. The Bank's contribution is made each month and recorded under salary and allowances. This fund is managed by a separate trustee board i.e. 'EBL Employees Provident Fund Trust' and any investment decision out of this fund is made separately by that independent Board of Trustees. Subsidiaries of the Bank also operate separate contributory provident funds for its permanent employees funded by both the employees and organisation equally.

Amount charged in profit and loss account as expense on defined contribution plan of the group is detailed in note 27 of these financial statements.

Defined benefit plans

Post-employment benefit plans those define the amount that outgoing members will receive from the plans on separation on the bases of length of service and salary levels.

Contributions are made by the Bank into the scheme based on actuarial valuation. The Bank has an obligation to make up any shortfall in the plan, thereby bearing the risk of the plan under performing. The Bank maintains two defined benefit plans i.e. gratuity fund and superannuation fund for its employees under two separate trustee boards. Three local subsidiaries (EBLI, EBLI & EBLAM) also maintain a funded defined benefit plan i.e. 'Gratuity fund' under separate trustee boards.

Gratuity fund

The Bank operates a funded gratuity scheme recognised by NBR with effect from 1 January 1997. This fund is managed separately by 'EBL Employees Gratuity Fund Trust' and any investment decision out of this fund is also made by this Board of Trustees. The benefit is paid on separation to the eligible employees i.e. who have completed at least 5 (five) years of continuous service. As per the Bank's policy, eligible employees are provided with the benefit equal to the latest monthly basic salary multiplied by applicable rates that varies as per service length. Contribution to gratuity fund is made monthly on the basis of actuarial valuation made each year, or immediately after any major change in the salary structure that could impact the periodic amount of contributions. The last actuarial valuation was carried out on 31 December 2021 by Air Consulting Limited and as per their recommendation the Bank charged BDT 181.40 million to the Profit & Loss Account in 2021 as current service cost. The Bank also continued to contribute at 18.3% of basic salary to the gratuity fund in 2021 as per actuarial recommendation.

Superannuation fund

The Bank operates a recognised superannuation fund effective from 20 November 1999 which is governed by the trust deed of 'EBL Employees Superannuation Fund Trust'. As per the trust deed, benefit is payable to the eligible employees of the Bank as per their grade, length of service etc. As per the last valuation by Air Consulting Limited carried out on 31 December 2021, the Bank charged current service cost of BDT 9.2 million to the Profit & Loss Account in 2021. The Bank also continued to contribute BDT 21.30 million to the superannuation fund in 2021 as per actuarial recommendation.

Details i.e. actuarial liability, valuation method, service cost, required contribution etc. of defined benefit plans and amount recognised in profit & loss account are stated in note 23.12 of these financial statements.

Workers Profit Participation Fund

Consistent with widely accepted industry practice and in line with section 12(1) of the Bank Company Act 1991 (as amendment up to date) and subsequent clarification given by Bank & Financial Institutions Division (BFID), Ministry of Finance, no provision has been made by the Bank in the reporting period against Workers Profit Participation Fund (WPPF).

Other long-term benefits

The Bank's obligation in respect of long term benefit other than gratuity fund and superannuation fund is the amount of future benefits that employees have earned i.e. earned leave encashment in return for their service in the current and prior periods. The nature of this benefits to the eligible employees is encashment of earned leave up to maximum 90 days which is calculated based on last Basic Salary, House rent and Medical allowance and is paid at the time of paying end service benefit. The Bank has kept required provision against liability for earned leave encashment as per actuarial valuation.

The Group does not have any other long term employee benefit plans.



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	Note	2021	2020	2021	2020
Short term benefits					
Short term employee benefits i.e. group insurance policy, hospitalisation facilities etc. are expensed as the related service is provided to the eligible employees as per EBL people management policy. Liability is recognised only for the amount expected to be paid if the Group has a present legal or constructive obligation to pay any amount as a result of past service provided by the employee and the obligation can be estimated reliably.					
Dividend payments					
Interim dividend is recognised only when the shareholders' right to receive payment is established. Final dividend is recognised when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2021 has not been recognised as a liability in the balance sheet in accordance with IAS 10 'Events after the reporting period'. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.					
Privileged creditors	13.1	809,991,826	696,520,198	809,991,826	696,520,198
Acquirer liabilities	13.2	1,286,229,244	1,308,342,901	1,286,229,244	1,308,342,901
Sundry creditors		210,513,976	114,465,841	210,513,976	114,465,841
Security deposit		5,797,180	6,727,979	5,797,180	6,727,979
Current tax liability/(assets)	13.3	3,368,573,510	1,794,622,025	3,335,858,484	1,771,534,658
Provision for loans, advances and OBS exposures (excluding OBO)	13.4	12,310,907,332	10,560,988,589	12,012,295,650	10,320,670,867
Provision for loans, advances and OBS exposures (OBO)	13.4.a	1,332,329,766	253,985,199	1,332,329,766	253,985,199
Special general provision -Covid 19	13.4.b	756,003,206	602,852,869	756,003,206	602,852,869
Interest suspense account	13.5	2,999,008,519	2,425,168,343	2,750,794,589	2,233,375,188
Provision for protested bill and others	13.6	219,304,150	191,142,995	219,304,150	191,142,995
Provision for non-banking assets	13.6.a	-	12,345,380	-	12,345,380
Provision for start-up fund	13.7	87,805,831	76,822,811	87,805,831	76,822,811
Provision for rebate to good borrowers		46,100,257	46,100,257	46,100,257	46,100,257
Provision for loss on revaluation of shares (net)	13.8	408,519,732	843,471,728	258,487,323	680,959,533
Advance interest/commission received		47,469,311	59,166,828	44,036,445	55,708,640
Expenses payable		846,890,274	533,270,894	801,785,369	501,654,571
Interest payable on borrowing	13.9	266,102,477	296,600,882	266,192,477	296,863,421
Miscellaneous liabilities/payables	13.10	982,488,812	990,877,633	976,920,826	850,848,682
Lease liabilities (present value of lease payments)	13.11	752,382,202	893,842,167	743,558,930	866,681,805
Net Benefit Obligation	13.12	650,816,131	422,781,132	650,816,131	422,781,132
Other liabilities of subsidiaries	13.13	477,042,227	352,816,687	-	-
		27,804,365,660	22,482,811,084	26,592,772,458	21,515,844,877
Group entity-wise consolidated other liabilities:					
Eastern Bank Limited (Parent)		26,592,772,458	21,515,844,876		
EBL Securities Limited		1,553,955,515	859,721,360		
EBL Investments Limited		58,850,049	145,991,004		
EBL Finance (HK) Limited		82,054,861	59,122,430		
EBL Asset Management Limited		2,237,136	12,975,385		
		28,290,870,223	22,393,650,035		
Less: Inter company elimination		(486,504,563)	89,161,049		
Total		27,804,365,660	22,482,811,084		
Privileged creditors (payable to government)					
Tax deducted at source (TDS)		276,643,462	248,934,579	276,643,462	248,934,579
VAT deducted at source (VDS)		69,940,851	71,275,953	61,940,651	71,275,953
Excise duty deducted from customer accounts		466,407,713	376,309,666	462,407,713	376,309,666
		809,991,826	696,520,198	809,991,826	696,520,198
Acquirer liabilities					
These liabilities are temporary in nature arisen from prepaid, debit and credit card transactions. Transactions are settled next day with relevant parties and reconciled monthly. Major balance includes 'Acquirer Cash' which is a liability to relevant parties arisen due to withdrawal of cash by EBL cardholders from Q-Cash/VISA ATMs (Not owned by EBL):					
Prepaid (Lifestyle, travel etc) card liability		892,825,992	947,612,510	892,825,992	947,612,510
Credit card liability		36,047,195	27,126,210	36,047,195	27,126,210
Debit card liability		179,537,155	176,886,989	179,537,155	176,886,989
Acquirer cash and other liabilities		178,018,902	156,717,191	178,018,902	156,717,191
		1,286,229,244	1,308,342,901	1,286,229,244	1,308,342,901
Current tax liability / (assets)					
Provision for tax		3,661,662,395	3,924,795,548	3,410,362,765	3,729,199,174
Opening balance		(2,510,326,516)	(2,972,839,079)	(2,417,959,518)	(2,959,316,843)
Settlement/adjustments for previous years		4,021,028,809	2,709,205,926	3,855,014,674	2,040,080,434
Provision for tax made during the year	13.3.1	5,172,364,687	3,661,662,395	4,847,617,920	3,410,362,765
Balance of income tax paid		1,847,040,369	1,144,970,138	1,639,028,107	1,014,296,336
Opening balance		(2,483,295,893)	(2,908,286,831)	(2,417,959,518)	(2,959,316,843)
Settlement/adjustment for previous years		2,430,044,758	3,690,357,073	2,290,690,848	3,584,048,614
Paid during the year	13.3.2	1,803,791,177	1,857,040,369	1,511,759,437	1,639,028,107
		3,368,573,510	1,794,622,025	3,335,858,484	1,771,534,658



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Note	Consolidated		Bank	
	2021	2020	2021	2020
13.3.1 Income tax expenses / Provision for tax				
Current tax expenses				
Current year	4,028,567,416	2,807,224,189	3,855,014,674	2,738,698,697
Adjustment for prior years	(7,538,637)	(98,018,263)	-	(98,018,263)
Total income tax expenses	4,021,028,809	2,709,205,926	3,855,014,674	2,640,680,434
13.3.2 Income tax paid during the year				
Withholding tax deducted at source	517,250,285	291,385,450	419,434,469	282,199,122
Advance tax paid in cash	1,902,796,473	3,398,971,623	1,872,256,979	3,301,855,492
Advance income tax paid	2,420,046,758	3,690,357,073	2,290,690,448	3,584,048,614
13.3.a Reconciliation of effective tax rate (Bank)				
	Bank-Solo			
	2021	2020	2021	2020
	%	Taka	%	Taka
Profit before income tax as per profit and loss account		8,307,880,511		6,690,791,752
Income tax as per applicable tax rate	37.5%	3,077,880,192	37.5%	2,509,046,907
Factors affecting the tax charged in current year				
On non deductible expenses	13.11%	1,075,651,270	11.79%	789,021,894
Tax exempted income (on govt. treasury securities)	-1.88%	(96,459,368)	-7.84%	(524,602,868)
Tax savings from reduced tax rates (on dividend income)	-1.32%	(108,183,008)	-0.36%	(23,994,906)
Tax savings from reduced tax rates (on gain on sale of quoted securities)	-1.14%	(93,874,412)	-0.10%	(10,772,129)
Prior year adjustment (release of excess provision for the Inc. Year 2016)	0.00%	-	-1.46%	(98,018,263)
Deferred tax income (net)	-3.67%	(301,198,990)	-0.78%	(52,451,737)
Total income tax expenses	41.80%	3,553,811,784	38.68%	2,586,728,698
13.4 Provision for loans, advances and OBS exposures (excluding OBO)				
A) Specific provision movement				
Opening balance	7,739,757,059	6,085,752,541	7,499,438,356	6,008,878,681
On fully provided debt written off during the year	(123,973,846)	-	(103,857,339)	-
On recovery from loans written off earlier	343,274,439	725,759,332	363,274,439	725,759,332
Additional provision moved to GP	(859,700,000)	-	(859,700,000)	-
Specific provision charged (net of recovery) for the year	789,039,729	928,245,166	770,629,442	764,801,333
Provision held at the end of the year	7,508,397,581	7,739,757,059	7,408,785,899	7,499,438,356
B) General provision movement on loans and advances				
Opening balance	1,933,422,077	2,243,972,050	1,933,422,077	2,243,972,050
Provision made during the year	359,711,720	(310,549,973)	359,711,720	(310,549,973)
Additional provision moved from SP	859,700,000	-	859,700,000	-
Provision held at the end of the year	3,152,833,796	1,933,422,077	3,152,833,796	1,933,422,077
C) General provision movement on off-balance sheet exposures				
Opening balance	887,809,454	858,679,885	887,809,454	858,679,885
Provision made during the year	361,866,501	29,129,469	351,866,501	29,129,469
Provision held at the end of the year	1,249,675,955	887,809,454	1,249,675,955	887,809,454
Provision for loans, advances and OBS exposures (excluding OBO)	12,310,907,333	10,560,968,589	12,612,295,650	10,820,670,887
13.4.a Provision for loans, advances and OBS exposures (for OBO)				
General provision on loans and advances	370,047,685	250,597,417	370,047,685	250,597,417
General provision on off-balance sheet exposures	9,685,980	3,887,781	9,685,980	3,887,781
Specific provision on loans and advances	952,596,101	-	952,596,101	-
Total	1,332,329,766	254,485,199	1,332,329,766	254,485,199
13.4.b Special General Provision: Covid-19				
Special General Provision: Covid-19 (for DBO)	683,737,969	560,480,082	683,737,969	560,480,082
Special General Provision: Covid-19 (for CBO)	72,265,237	41,872,787	72,265,237	41,872,787
Total	756,003,206	602,352,869	756,003,206	602,352,869
As per BRPD circular no. 19/2021 and subsequent circular letters no. 50/2021, 51/2021, 52/2021, and 53/2021, loan status of few borrowers are remain kept as "Unclassified" upon receive of 15% payment against total dues for the year 2021, and Special General Provision-Covid 19 @ 1.5% for CMSME and @ 2% for other than CMSME has been maintained in addition to the required general provision. Besides, Special General Provision-Covid 19 @ 1% had been maintained in 2020 for those accounts enjoyed payment by deferral (PBD) facilities as per BRPD circular letter no. 54/2020 and subsequent BR clarification letter ref. BRPOF-11 66/13/2021-117 dated 05 January 2021. However, the bank released Special General Provision of BDT 187.88 million in 2021 upon full settlement of some PBD facilitated accounts.				
Total Provision (SP, GP & Special GP) for loans, advances and OBS exposures	14,399,240,303	11,417,326,857	14,100,628,632	11,177,008,955
(Note: 13.4+13.4.a+13.4.b)				



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Note	Consolidated		Bank	
	2021	2020	2021	2020
13.4.a.1 Provision for loans, advances and OBS exposures (including OBS):				
General provision on loans and advances	3,522,881,482	2,184,019,494	3,522,881,482	2,184,019,494
Special General Provision-Covid 19	756,003,206	602,852,869	756,003,206	602,852,869
General provision on off-balance sheet exposures	1,259,361,934	891,197,235	1,259,361,934	891,197,235
Specific provision on loans and advances	8,860,993,682	7,739,757,059	8,862,382,000	7,499,439,355
	14,399,240,303	11,417,826,657	14,100,628,622	11,177,008,953

13.4.1 Provision for loans and advances charged during the year

	2021 (Bank- Solo)		2021	2020
	Onshore	Offshore	Total	Total
General Provision on loans and advances	359,711,720	115,523,419	475,235,139	(283,454,371)
Special General Provision-Covid 19	123,257,887	29,668,719	152,926,606	602,388,520
General Provision on off-balance sheet exposures	361,866,501	6,206,760	368,073,261	19,415,553
General Provision charged during the year	844,836,107	151,398,899	996,235,006	328,349,702
Specific Provision charged during the year	1,073,903,881	944,752,172	2,018,656,053	1,490,540,645
Recovery from loans written off earlier	(363,274,439)	-	(363,274,439)	(725,719,332)
Specific Provision (net of recovery) for the year *	710,629,442	944,752,172	1,655,381,613	764,801,313
Total Provision for loans and advances charged during the year	1,555,465,549	1,096,151,070	2,651,616,619	1,093,151,035

* Specific provision charged during the year has been presented after netting of recovery from written off loans in the current year as per BRPD circular no. 14, dated 25 June 2003.

13.4.2 Maintenance of provision on loans and advances including OBS exposures (Solo) as per BR NOC:

	Solo-2021	Solo-2020
Required provision on loans & advances and OBS exposures:		
General provision on unclassified accounts (including SMA)	2,633,616,000	2,182,485,000
Special General Provision-Covid-19	756,003,206	602,352,869
Specific provision on classified accounts	6,493,582,193	3,432,492,829
Specific provision on stay order accounts	87,521,807	534,605,000
Specific provision on rescheduled accounts	2,001,278,000	1,769,547,437
General Provision on off-balance sheet exposures	1,259,361,932	891,197,235
Total required provision on loans and advances including OBS exposures	13,211,368,138	9,408,680,370
Total maintained provision on loans and advances and OBS exposures	14,100,628,622	11,177,008,953
Surplus provision *	889,260,484	1,768,328,583

* General provision maintained on qualitative ground for some loan accounts in addition to the requirement to strengthen the provision base of the bank.

13.5 Interest suspense account

Opening balance	2,425,183,343	1,823,520,136	2,231,375,188	1,653,910,317
Amount transferred during the year	2,271,924,361	1,124,868,127	2,265,433,813	1,102,689,792
Amount recovered during the year *	(1,744,292,526)	(523,724,921)	(1,735,748,720)	(523,724,921)
Amount written off during the year	(13,786,609)	-	(13,263,693)	-
Balance at the end of the year	2,939,008,519	2,425,183,343	2,750,794,588	2,231,375,188

* Interest receivable on margin loan having negative equity (extended by subsidiaries) is included in the consolidated interest suspense account.

13.6 Provision for protested bill and others

Opening balance	191,142,995	145,373,498	191,142,995	145,373,498
Provision made during the year	28,161,155	49,545,498	28,161,155	49,545,498
Adjusted during the year	-	(3,776,000)	-	(3,776,000)
Balance at the end of the year	219,304,150	191,142,995	219,304,150	191,142,995

13.6.a Provision for non-banking assets

Opening Balance	12,345,330	12,345,330	12,345,330	12,345,330
Adjustment made during the year	(12,345,330)	-	(12,345,330)	-
Balance at the end of the year	-	12,345,330	-	12,345,330

13.7 Provision for start-up fund

Opening Balance	76,922,811	-	76,922,811	-
Provision made during the year	10,882,820	76,922,811	10,882,820	76,922,811
Balance at the end of the year	87,805,631	76,922,811	87,805,631	76,922,811

As per BR SMESPD circular no. 04 dated 29 March 2021 and subsequent SMESPD circular letter no. 05 dated 26 April 2021, the bank has been maintaining a provision for startup fund @ 1% of profit after tax each year since 2020.



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13.10 a. Unclaimed dividend account

13.11 Lease liabilities (present value of lease payments)

13.12 Net defined benefit obligation

Defined benefit obligation

Less: Fair value of plan assets

13.12.a Defined benefit obligation

The amount of obligation for gratuity fund is determined considering present value of last basic salary multiplied by applicable rates as per service length which is discounted on actuarial financial and demographical assumptions/factors such as interest rate, salary growth rate, mortality rate, probable length of service etc.

The amount of obligation for superannuation fund is determined on the occurrence of certain pre-defined events which is related with employee rank (not salary) and certain threshold level of service being reached (i.e. survival or withdrawal probabilities).

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Note

Consolidated

Bank

2020

13.12.b Fair value of plan assets

IAS 19 prescribes a fair valuation of fund assets and where market price is not available, fair value of the fund assets is estimated. Here, fair value of plan assets is not readily available, hence historical book value (audited) of fund assets is considered as fair value of plan assets of the funds.

Opening balance (as per audited FS)
Interest income
Contribution to the fund
Adjustment for opening balance
Paid to outgoing employees

Bank-Solo	2021	2020
Gratuity Fund	Superannuation Fund	
1,375,802,521	122,636,203	1,498,438,624
109,300,000	3,900,000	113,200,000
261,800,000	21,300,000	283,100,000
-	(135,000)	(135,000)
(136,400,009)	(21,900,000)	(148,300,009)
1,620,502,421	125,801,203	1,746,303,625

13.12.a.1 Remeasurement loss (as per actuarial report)

Opening balance
Remeasurement loss on defined benefit obligation

Bank-Solo	2021	2020
Gratuity Fund	Superannuation Fund	
274,826,750	61,151,750	335,978,500
307,500,000	6,200,000	313,700,000
582,326,750	67,351,750	649,678,500

13.13 Other liabilities of subsidiaries

Accounts payable (trading)
Sundry creditors
Dividend payable
Provision for Employees Gratuity Fund

593,092,582	353,577,290
5,752,529	3,313,054
335,518,720	40,580,480
409,918	127,515
934,773,747	397,608,339
Less: Intra group outstanding balances	
Share trading account	(118,527,064)
Dividend & other accounts	(338,206,556)
	(457,733,620)
Net other liabilities	477,042,127

13.b Net Asset Reconciliation

The Bank is not required to keep provision on the unrecalled debit balance as at balance sheet date as there was no debit entry aging more than three months.

14 Share Capital

Authorized and issued capital

The authorized capital of the Bank is the maximum limit of share capital that the Bank is authorized by its Memorandum and Articles of Association to issue (allocate) among shareholders. Part of the authorized capital usually remains unissued. The part of the authorized capital already issued to shareholders is referred to as the issued share capital of the Bank.

Paid-up capital

The paid-up capital represents the amount of Bank's capital that has been contributed by ordinary shareholders. The ordinary shareholders are entitled to receive dividend as recommended by the Board and subsequently approved by the shareholders from time to time in the Annual General Meeting (AGM).

Share premium

The share premium represents the excess amount received by the Bank from its shareholders over the nominal/par value of its share. The amount of share premium can be utilized as per the provision of section 57 of the Companies Act 1994. Currently, the Bank does not have any share premium.

A) Authorized capital

1,200,000,000 ordinary shares of BDT 10 each

12,000,000,000	12,000,000,000	12,000,000,000	12,000,000,000
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B) Issued, subscribed and fully paid up capital

	2021	2020
Issued against cash	129,345,000	129,345,000
Issued as bonus share	824,519,667	682,454,547
	953,864,667	811,799,547

1,293,450,000	1,293,450,000	1,293,450,000	1,293,450,000
8,245,545,670	8,245,545,670	8,245,545,670	8,245,545,670
9,538,995,670	9,538,995,670	9,538,995,670	9,538,995,670

14.1 Share wise list as on 31 December

Pursuant to clause (ix) of the Memorandum of Association and Article 4 of the Articles of Association of the Bank and clause 4 of BCD Reconstruction Scheme 1992, the Authorized Capital of the Bank is BDT 12,000,000,000 and issued/subscribed/fully paid up capital is BDT 9,538,995,670 denominated by BDT 10 per share. Detailed break up of paid up capital of BDT 9,538,995,670 as on 31 December 2021 is as follows:

Percentage of group wise shareholding:

Shareholders group	2021	Taka	2020	Taka
	No. of shares	% of shareholding	No. of Shares	% of shareholding
Directors	287,911,286	30.18%	245,030,885	30.18%
General Public	539,089,564	56.52%	478,452,756	58.08%
Financial Institutions	126,863,817	13.30%	87,315,906	10.74%
Total	953,864,667	100.00%	811,799,547	100.00%



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Range-wise distribution of the subscribed share:

Range	No. of shareholders	No. of shares	(%) of shareholding
001-500	3,438	609,236	0.66%
501-5000	3,048	5,265,920	0.55%
5001-10000	414	3,137,661	0.33%
10001-20000	308	4,509,567	0.47%
20001-30000	98	2,440,492	0.26%
30001-40000	62	2,147,742	0.23%
40001-50000	54	2,499,908	0.26%
50001-100000	108	7,524,107	0.79%
100001-1000000	204	71,074,851	7.45%
1000001 and above	95	854,654,983	89.60%
Total	7,844	953,864,497	100.00%

Status of shareholding (shares of EBL) as on 31 December 2021 by CEO, CS, CFO, Head of Internal Control and Compliance and top five salaried executives is shown in the following table:

Name	Designation	No. of shares (EBL) held
CEO, CS, CFO & HoICC and their spouses & minor children:		
Ali Reza Iftikhar	Managing Director & CEO	280,065
Md. Mustafa Haikal Hashmi	DMD, Head of ICC & CAMLCO	-
Masudul Hoque Sardar	Chief Financial Officer	-
Md. Abdullah Al Mamun	Company Secretary	-
Executives (Top five salaried executives other than CEO, CS, CFO & HoICC)		
Ahmed Shaheen	DMD, Head of Corporate Banking	-
Riad Mahmud Chowdhury	DMD, Head of Corporate Business, Dhaka	10,046
Mehdi Zaman	DMD, Head of Treasury, Fix & Offshore Banking	-
M. Khorshed Anwar	DMD, Head of Retail & SME Banking	-
Mahdiar Rahman	Head of Relationship Unit 04	3,348

Shares held by any shareholder to the extent of 10% or more

Nil

14.2 Capital to risk weighted assets ratio (CRAR):

As per the Revised Guidelines on Risk Based Capital Adequacy (RBCA) issued by Bangladesh Bank in December 2014, all scheduled banks are required to calculate Capital to Risk Weighted Assets Ratio based on 'Solo' as well as 'Consolidated' basis since early 2015. Here, regulatory capital base is quite different from accounting capital. Regulatory capital consists of Tier-1 (Common Equity Tier 1 and Additional Tier 1) and Tier 2 capital. Assessing regulatory capital in relation to overall risk exposures of a bank is an integrated and comprehensive process. EBL has been generating most of its incremental capital from retained profit (stock dividend and statutory reserve transfer etc.) and occasional issue of subordinated debt and right shares to support incremental growth of Risk Weighted Assets (RWA). Besides regulatory capital requirement, the Bank maintains surplus capital which will act as buffer for absorbing all material risks and to support foreseen business growth activities.

Common Equity Tier-1 Capital

Paid up capital	9,538,644,670	8,117,995,470	9,538,644,670	8,117,995,470
Statutory reserve	9,538,644,670	8,117,995,470	9,538,644,670	8,117,995,470
General reserve	603,493,370	603,493,370	603,493,370	603,493,370
Dividend equalization reserve	356,040,000	356,040,000	356,040,000	356,040,000
Retained earnings:	9,504,261,954	8,969,072,019	8,975,293,009	8,583,707,111
Regulatory adjustments:	25,541,084,664	26,164,596,329	29,012,116,619	25,779,231,430
Goodwill and all other intangible assets (WOW of Software)	(269,704,015)	(225,786,420)	(268,713,120)	(225,271,236)
Reciprocal crossholdings in the CET 1 capital	(479,615,523)	(170,605,317)	(356,836,600)	(88,255,255)
Investment in own CET1 capital (mutual fund)	(16,132,580)	(43,481,580)	(16,132,580)	(43,481,580)
Deferred tax asset (95% as per BB Circular)	(2,234,750,164)	(1,955,571,535)	(2,234,750,164)	(1,955,571,535)
Tier-1 Capital	26,540,902,382	23,769,151,477	26,135,704,155	23,466,651,825
General provision	5,538,246,622	3,677,569,598	5,538,246,622	3,677,569,598
Subordinated debt (This amount differs with the outstanding amount to comply with Basel III guideline)	4,000,000,000	6,000,000,000	4,000,000,000	6,000,000,000
Regulatory adjustment:	9,538,246,622	9,677,569,598	9,538,246,622	9,677,569,598
A. Total regulatory capital	36,079,149,003	33,446,721,075	35,673,950,776	33,144,221,423
B. Total risk weighted assets (RWA)	260,049,340,559	222,340,458,869	253,387,802,954	217,653,889,659
C. Minimum capital requirement (MCR) (10% on B)	26,004,934,056	22,234,045,887	25,338,780,295	21,765,388,956
D. Surplus/Deficiency: (A - C)	10,074,214,948	11,192,675,188	10,335,190,481	11,378,832,457



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Capital to risk weighted assets ratio (CRAR)	Minimum requirement	Note	Consolidated		Bank	
			2021	2020	2021	2020
			2021	2020	2021	2020
On Tier-1 capital to RWA	6.00%	6.00%	10.21%	10.68%	10.31%	10.78%
Capital to RWA ratio (CRAR)	Against standard of minimum 10% with capital conservation buffer 2.50%	Against standard of minimum 10% with capital conservation buffer 2.50%	13.87%	13.03%	14.08%	13.29%

15 Statutory Reserve

In compliance with the provision of section 24 of the Bank Company Act 1991 (as amended up to date), the Bank is to transfer at least 20% of its profit before tax (PBT) to statutory reserve each year until the sum of statutory reserve and share premium (if any) equal the paid up capital of the Bank. In 2021, the bank has transferred BDT 1,420.85 million to statutory reserve account in compliance with the said provision.

Opening balance	8,117,995,470	8,117,995,470	8,117,995,470	8,117,995,470
Transferred from profit during the year	1,420,649,200	-	1,420,649,200	-
Closing balance	9,538,644,670	8,117,995,470	9,538,644,670	8,117,995,470

16 Dividend equalization reserve

As per BRPD Circular No. 18 dated 20 October 2002, Banks had to transfer an equal amount of net profit (amount by which cash dividend exceeds 20%) to Dividend Equalization Account while paying cash dividend in excess of 20%. This is treated as 'Core Capital' of the Bank. However, bank's current dividend decision is made in compliance with DOS Circular no. 01 dated 07 February 2021.

17 Assets revaluation reserve (land and other assets)

Reserve for revaluation of land properties	17.01	2,387,214,661	2,476,074,358	2,387,214,661	2,476,074,358
Reserve for revaluation of treasury securities (HTM)	17.02	-	817,134,941	-	817,134,941
Reserve for amortization of treasury securities (HTM)	17.03	29,260,251	20,221,049	29,260,251	20,221,049
Reserve against non-banking assets	17.04	-	93,231,165	-	93,231,165
Reserve for fair value of TRECs to EBL and Shares of DSE and CSE	17.05	85,418,367	85,418,367	-	-
		2,501,893,279	3,482,079,880	2,416,474,912	3,406,661,513

17.01 Reserve for revaluation of land properties

When carrying amount of same class of assets is increased as a result of revaluation, the increased amount of the entire class of same assets netting off deferred tax liability (as per IAS 12 'Income tax'), is credited directly to equity under the heading of assets revaluation reserve as per IAS 16 'Property, plant and equipment'. Apart from financial assets, the Bank revalues its lands following relevant circulars of Bangladesh Bank and Bangladesh Securities & Exchange Commission.

Opening balance	2,476,074,358	2,476,074,358	2,476,074,358	2,476,074,358
Reserve made during the year	73,548,515	-	73,548,515	-
Less: Deferred tax liability	2,549,622,873	2,476,074,358	2,549,622,873	2,476,074,358
Closing balance	162,408,712	-	162,408,712	-
	2,387,214,661	2,476,074,358	2,387,214,661	2,476,074,358

17.01.a Details of land properties and revaluation result as of 31-12-2021:

Particulars of land	Year of acquisition	Purpose for holding of land	Cost of Land (incl. development cost)	Revalued amount	Revaluation surplus/deficit
39 CA, Agrabad, Chortagram (Size: 13.43 Katha or 22.37 Decimal)	Feb 1981	Regional Head Office	Acquired as BCO property	443,400,000	443,400,000
New 100 Gulshan Avenue, Dhaka (Size: 26.28 Katha or 43.332 Decimal)	Nov 2002	Corporate Head Office	95,624,950	2,099,975,757	2,004,350,807
Plot-832/8, Block-I, Bashundhara R/A, Dhaka (Size: 100 Katha or 165 Decimal)	July 2008	Proposed country sales center, Retail banking, Credit sales, Call center, Collection/recovery unit, etc.	326,733,201	800,000,000	473,267,799
Plot-15, Block-A, Bashundhara R/A, Dhaka (Size: 5 Katha or 8.25 Decimal)	Nov 2008	Proposed branch, Card center and others	52,418,163	52,000,000	(418,163)
Rupayan Point, Plot # 1/11 Labania Housing, Dhaka (Size: 7.75 Katha or 13.787 Decimal)	Jun 2013	Proposed branch, Zonal office for SME & Corporate business, operations etc.	533,986,690	251,875,000	(282,111,690)
Purbachal, Kaliguri, Gazipur, Dhaka (Size: 85.15 Katha or 140.50 Decimal)	Aug 2007	Proposed Central Warehouse	85,319,280	81,734,847	(36,155,558)
Polish Bari, Ashulia, Savar, Dhaka (Size: 378.69 Katha or 626.50 Decimal)	Nov 2013	Proposed Residential Training Academy	486,501,135	351,213,697	(135,287,438)
Total			1,510,582,428	4,080,205,301	2,569,622,873



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Note	Consolidated		Bank	
	2021	2020	2021	2020
17.02 Reserve for revaluation of treasury securities (HFT)				
Reserve for revaluation of HFT securities is recognised as per the instruction/circular of Bangladesh Bank vide DOS circular Letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. Any increase in the value of such securities categorised as HFT as a result of mark-to-market is booked under equity as revaluation reserve but any decrease is directly charged to profit and loss account.				
Opening balance	817,134,941	211,787	817,134,941	211,787
Addition during the year	744,876,128	1,793,876,362	744,876,128	1,793,876,362
Adjustment made during the year	(1,562,011,070)	(976,951,208)	(1,562,011,070)	(976,951,208)
Closing balance	-	817,134,941	-	817,134,941
17.03 Reserve for amortization of treasury securities (HTM)				
Reserve for amortization of HTM securities is recognised as per the instruction/circular of Bangladesh Bank vide DOS circular Letter No 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009. When the value of a government treasury security categorised as HTM increases as a result of amortisation, the amount thus increased is recognised directly to equity as reserve for amortisation.				
Opening balance	20,221,049	95,985,850	20,221,049	95,985,850
Addition during the year	15,451,834	14,358,937	15,451,834	14,358,937
Adjustment made during the year	(6,412,632)	(94,127,738)	(6,412,632)	(94,127,738)
Closing balance	29,260,251	20,221,049	29,260,251	20,221,049
17.04 Reserve against non-banking assets				
The bank recognized 11 NBAs and adjusted corresponding 'Reserve & Provision' against those NBAs in 2021 as these properties do not qualify as 'Non-Banking Asset' as per the latest BRPD circular BRPD 22/2021 due to absence of mutation and physical possession.				
Opening balance	93,231,165	96,391,165	93,231,165	96,391,165
Adjustment made during the year	10.0 (93,231,165)	(8,160,000)	(93,231,165)	(8,160,000)
Closing balance	-	93,231,165	-	93,231,165
Details of NBAs awarded to the Bank under section 33(7) of Artharin Adalat Act, 2003 as at 31 December 2021 are in 'Annexure-D1'.				
17.05 Reserve for fair value of TREC to EBLSL and Shares of DSE and CSE (held by EBLSL under Demutualization Scheme)				
Fair value of DSE-TREC held by EBLSL	481,427,540	481,427,540		
Fair value of CSE-TREC held by EBLSL	201,500,000	201,500,000		
Fair value of Shares of DSE (5,411,329 shares @ BDT 10)	113,909,572	113,909,572		
Fair value of Shares of CSE (4,287,330 shares @ BDT 10)	43,879,755	43,879,755		
	840,716,867	840,716,867		
Less:				
Value of DSE Membership booked earlier	55,798,500	55,798,500		
Value of CSE Membership booked earlier	201,500,000	201,500,000		
	755,298,500	755,298,500		
Revaluation reserve	85,418,367	85,418,367		
18 Actuarial re-measurement gain/(loss) on defined benefit plans				
Actuarial re-measurement gain/(loss) results from increase in the present value of the defined benefit obligation (Gratuity Fund and Superannuation Fund) due to changes in actuarial assumptions and experience adjustment which has been shown as equity component as element of OCI as per IAS 19 'Employee Benefits'.				
Opening balance	(335,978,500)	-	(335,978,500)	-
Re-measurement gain/(loss) on defined benefit obligation (current year)	(313,700,000)	(335,978,500)	(313,700,000)	(335,978,500)
	(649,678,500)	(335,978,500)	(649,678,500)	(335,978,500)
Less: Adjustment with deferred tax assets	243,625,438	125,991,938	243,625,438	125,991,938
Closing balance	(406,048,063)	(209,986,563)	(406,048,063)	(209,986,563)
19 Foreign currency translation difference: [gain/(loss)]				
Assets and liabilities of EBL Offshore Banking Operation and EBL Finance (HK) Ltd (on consolidation) have been presented into Taka (which is the functional currency of the Bank) using year-end standard mid rate of exchange of the Bank @ USD 1 = BDT 85.80 and HKD 1 = BDT 11.0995. Yearly incomes and expenses are translated using monthly average exchange rate (USD 1 = BDT 85.0935 & HKD 1 = BDT 11.0082). The net cumulative result of the exchange difference has been presented separately as equity component as per IAS 21 (para 39).				



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Note	Consolidated		Bank	
	2021	2020	2021	2020
20 Surplus in profit and loss account				
Opening balance	8,969,072,019	6,002,777,699	8,983,707,111	5,697,244,179
Profit for the year	4,800,224,393	4,180,881,016	4,653,864,727	4,102,563,055
Transfer to statutory reserve	(1,420,649,200)	-	(1,420,649,200)	-
Bonus share issued	(1,420,649,200)	-	(1,420,649,200)	-
Cash dividend paid	(1,420,649,200)	(1,217,699,321)	(1,420,649,200)	(1,217,699,321)
Foreign currency adjustment for offshore	(3,086,859)	3,612,625	(390,329)	1,599,197
Closing balance	8,504,261,553	8,969,072,019	8,975,299,909	8,583,707,111
21 Contingent liabilities:				
Accounting policy:				
Contingent liabilities which include certain guarantees and letters of credit pledged as collateral are possible obligations that may arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Bank. Contingent liabilities are recognised in the financial statements and disclosed in the face of balance sheet under off-balance sheet items as per the guidelines of BRPD circular No. 14 dated 25 June 2003.				
Details of contingent liabilities:				
21.1 Acceptance and endorsements	53,047,505,500	42,593,184,478	53,047,505,500	42,593,184,478
21.2 Letters of guarantee	31,749,649,918	27,229,615,956	31,749,649,918	27,229,615,956
21.3 Irrevocable letters of credit	46,268,850,715	26,084,696,594	46,268,850,715	26,084,696,594
21.4 Bills for collection	10,647,181,021	8,032,352,776	10,647,181,021	8,032,352,776
21.5 Forward assets purchased and forward deposits placed (against FCY)	118,101,190	120,428,481	118,101,190	120,428,481
	141,811,288,344	104,060,278,285	141,811,288,344	104,060,278,285
21.1 Acceptance and endorsements				
Acceptances (Back to Back)	12,614,362,231	8,817,790,726	12,614,362,231	8,817,790,726
Acceptances (JUC-Cash)	58,867,554,746	33,600,098,625	58,867,554,746	33,600,098,625
Acceptances (JUC-Cash)- Offshore Banking Unit	71,481,916,977	42,426,898,351	71,481,916,977	42,426,898,351
Acceptances (JUC-Cash)- Offshore Banking Unit	519,235,246	166,286,127	519,235,246	166,286,127
Less: Bills financed on own acceptance	72,001,152,223	42,593,184,478	72,001,152,223	42,593,184,478
	53,047,505,500	42,593,184,478	53,047,505,500	42,593,184,478
As per BRPD circular letter no 09 dated 27 May 2015, bill financed on own acceptance worth BDT 18,953.65 million has been reported under funded outstanding, hence the same has been excluded from non-funded exposures and thus no provision has been maintained.				
21.2 Letters of guarantees				
Directors	192,900	192,900	192,900	192,900
Government	519,796,327	519,802,927	519,796,327	519,802,927
Banks and other financial institutions	14,020,549,353	12,489,452,702	14,020,549,353	12,489,452,702
Others (Customers etc.)	17,209,111,335	14,226,167,427	17,209,111,335	14,226,167,427
Letters of guarantee-Offshore Banking Unit	31,749,649,918	27,229,615,956	31,749,649,918	27,229,615,956
	31,749,649,918	27,229,615,956	31,749,649,918	27,229,615,956
As per BRPD circular no 13 dated 18 October 2018, 1% General provision has been maintained against Letter of Guarantee, except those against which counter guarantee has been issued by Multilateral Development Banks/International Banks having BB rating grade equivalent 1 to 4 for which a provision 0% - 1% is required to be maintained.				
21.3 Irrevocable letters of credit				
Letters of credit - Cash sight	9,720,154,911	5,970,842,619	9,720,154,911	5,970,842,619
Letters of credit - Cash usance	22,802,192,908	12,080,839,347	22,802,192,908	12,080,839,347
Letters of credit - Back to back	15,297,140,187	7,861,022,607	15,297,140,187	7,861,022,607
Letters of credit (Cash sight)-Offshore Banking Unit	45,819,488,006	25,912,204,574	45,819,488,006	25,912,204,574
Letters of credit (Cash sight)-Offshore Banking Unit	89,384,660	51,448,311	89,384,660	51,448,311
Letters of credit (Cash usance)-Offshore Banking Unit	360,078,049	121,043,709	360,078,049	121,043,709
	46,268,850,715	26,084,696,594	46,268,850,715	26,084,696,594
21.4 Bills for collection				
Foreign Documentary Bills Collection	3,902,700,420	2,988,281,689	3,902,700,420	2,988,281,689
Local Documentary Bills Collection	6,446,288,527	4,598,513,118	6,446,288,527	4,598,513,118
Bills for collection-Offshore Banking Unit	10,348,988,947	7,596,746,807	10,348,988,947	7,596,746,807
	298,192,024	435,605,969	298,192,024	435,605,969
	10,647,181,021	8,032,352,776	10,647,181,021	8,032,352,776
As per BRPD circular no 07 dated 21 June 2018, 1% general provision on Bills for Collection has been waived. As such no general provision on outstanding Bills for Collection worth BDT 10,647.18 million has been maintained as on the reporting date.				



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Tanzim Alamgir
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UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
21.5 Forward assets purchased and forward deposits placed (against FCY)				
Forward assets purchased	118,101,190	120,428,481	118,101,190	120,428,481
Forward deposits placed	-	-	-	-
	118,101,190	120,428,481	118,101,190	120,428,481
As per BRPD instruction, 1% general provision on outstanding Forward Assets Purchased worth BDT 118.10 million has been maintained.				
22 Interest income				
Recognition policy:				
Interest on unclassified loans and advances (except those of rescheduled and stay order accounts), money at call, placements and foreign currency balances is recognised as income on accrual basis. Interest on classified loans and advances (including rescheduled and stay order accounts) is credited to interest suspense account with actual receipt of interest there from credited to income as and when received as per instruction contained in BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time.				
Interest on loans and advances	16,119,625,848	18,217,092,990	15,546,233,842	18,612,083,477
Interest on money at call and short notice	12,853,296	19,356,828	12,853,296	19,356,828
Interest on placement with banks and Financial Institutions	712,541,002	1,258,910,799	696,959,046	1,343,077,283
Interest on foreign currency balances	80,804,438	46,522,533	80,804,438	46,522,533
	16,925,844,551	20,541,996,035	16,956,850,589	19,971,242,120
Less: Inter unit/company elimination	(390,074,937)	(530,626,708)	(150,641,286)	(253,828,364)
	16,535,769,615	20,011,369,327	16,706,209,303	19,667,413,756
23 Interest paid on deposits, borrowings and others				
Recognition policy:				
Interest paid on borrowings and deposits are calculated on actual days basis (except for some treasury instruments which are calculated on 364 days basis) by dividing 360 days in a year and recognised on accrual basis. Interest on lease liabilities are accounted for as per IFRS 16 'Leases'. Interest cost netting off interest income on defined benefit plans are accounted for as per IAS 19 and latest actuarial reports.				
Interest on deposits	23.01	7,079,137,413	11,473,800,791	7,079,137,413
Interest on borrowings from Banks & FIs	23.02	1,597,990,130	2,491,691,516	1,203,210,470
Interest on borrowings from BB & others	23.03	210,825,450	437,825,267	250,825,450
Interest on lease liabilities		35,772,411	66,048,878	54,968,264
Interest on Margin		676,183	676,183	676,183
Net interest cost (on Gratuity Fund)	23.04	22,899,999	17,234,986	22,899,999
Net interest cost (on Superannuation Fund)	23.05	(16,100,000)	2,843,000	(16,100,000)
		8,991,201,586	14,490,120,621	8,595,617,779
Less: Inter unit/company elimination		(390,074,937)	(530,626,708)	(150,641,286)
		8,601,126,650	13,959,493,914	8,444,976,493
23.01 Interest on deposits				
Interest on savings and current deposits		1,959,622,297	1,857,457,425	1,959,622,297
Interest on special notice deposits (SND)		1,434,345,227	1,369,155,564	1,369,155,564
Interest on term deposits		3,685,169,889	8,247,187,803	3,685,169,889
		7,079,137,413	11,473,800,791	7,079,137,413
23.02 Interest on borrowings from Banks & FIs				
Interest on demand borrowing		289,008,029	674,074,462	180,969,778
Interest on term borrowing		862,765,994	1,032,807,239	576,624,579
Interest on Subordinated Bond		444,823,582	591,279,891	444,823,582
Inter-bank Repo (Repurchase agreement)		1,892,335	193,529,923	1,392,535
		1,597,990,130	2,491,691,516	1,203,210,470
23.03 Interest on borrowings from BB & others				
Borrowing under IPFF		1,003,709	1,994,338	1,003,709
Borrowing under EDF		184,335,755	314,255,725	184,335,755
Borrowing under LTFF		7,268,618	48,253,089	7,268,618
Borrowing under SADF (refinance scheme)		6,028,200	10,621,714	6,028,200
Borrowing under SMESFO (refinance scheme)		26,414,511	38,198,340	26,414,511
Second Crop Diversification Project		21,024,486	24,082,593	21,024,486
Borrowing from SME Foundation		106,340	419,469	106,340
Borrowing under Pre-shipment Credit Refinancing Scheme		4,550,124	-	4,550,124
Borrowing under Green Transformation Fund (GTF)		93,206	93,206	-
		250,825,450	437,825,267	250,825,450
23.04 Net interest cost (on Gratuity Fund)				
Interest expense on defined benefit obligation (for Gratuity Fund)		132,300,000	99,042,152	132,300,000
Less: Interest income on plan assets (for Gratuity Fund)		(109,300,000)	81,807,166	(109,300,000)
		22,899,999	17,234,986	22,899,999



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	Note	Consolidated		Bank	
		2021	2020	2021	2020
23.05 Net interest cost (on Superannuation Fund)					
Interest expense on defined benefit obligation (for Superannuation Fund)		(12,200,000)	8,547,468	(12,200,000)	8,547,468
Less: Interest income on plan assets (for Superannuation Fund)		3,900,000	5,704,463	3,900,000	5,704,463
		(16,100,000)	2,843,000	(16,100,000)	2,843,000
24 Investment income					
Recognition policy:					
Income on investments in Government and other securities, debentures and bonds are accounted for on accrual basis as per the provisions of IFRS 15 'Revenue from contracts with customers' and relevant Bangladesh Bank guidelines.					
Dividend income from investments in equity instruments including from subsidiaries is recognised at the time when it is declared, ascertained, reliably measured and right to receive the payment is established.					
Non-interest investment income i.e. gain/loss arising from trading in government securities (HFT), quoted and unquoted shares & mutual funds is recognised in profit and loss account at the time of effecting the transactions except those which are restricted by Bangladesh Bank.					
Dividend income	24.1	547,532,429	152,054,258	618,186,619	137,113,749
Interest on reverse REPO		792,688	18,532,283	792,688	18,532,283
Interest on govt. treasury bonds		3,800,353,995	2,999,612,074	3,800,353,995	2,999,612,074
Interest on non-govt. treasury bonds		1,070,717,588	455,304,501	1,070,717,588	455,304,501
Gain from government securities*	24.2	1,115,211,491	1,777,511,802	1,115,211,491	1,777,511,802
(Loss) on revaluation of treasury securities (HFT)*		(857,986,510)	(878,570,800)	(857,986,510)	(878,570,800)
Net Gain/(Loss) on sale of quoted securities		520,220,451	77,101,424	541,361,484	39,171,375
		5,996,842,339	5,101,545,532	6,088,639,366	5,048,624,567
*As per instruction/circular of Bangladesh Bank vide DOS circular letter no 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.					
24.1 Dividend Income					
Eastern bank limited (Parent)		618,186,619	137,113,749		
EBL securities limited		56,682,047	53,587,216		
EBL investments limited		1,416,536	2,212,809		
EBL asset management limited		6,761,947	1,306,413		
		683,051,149	194,220,187		
Less: Elimination-Dividend from EBL Securities Limited and EBL Finance (HK) Limited		335,518,720	42,166,522		
		347,532,429	152,054,258		
24.2 Gain from government securities					
Gain from trading in govt. treasury bills/bonds		1,109,925,498	988,695,817	1,109,925,498	988,695,817
Gain from amortization in govt. treasury bills		6,285,994	788,855,985	6,285,994	788,855,985
		1,115,211,491	1,777,511,802	1,115,211,491	1,777,511,802
*As per instruction/circular of Bangladesh Bank vide DOS circular letter no 05 dated 26 May 2008 and subsequent clarifications on 28 January 2009.					
25 Commission, exchange and brokerage					
Recognition policy:					
Fees and commission income arising from services provided by the Bank are recognised as income on accrual basis as per IFRS 15 'Revenue from contracts with customers'. Fees and commission charged to customers on trade finance i.e. L/C, U/S, acceptance and other general banking services i.e. card services, management fees, arrangement fees, locker charges etc. are recognised as income when a performance obligation is satisfied by transferring a promised service to customer by the bank, and at the time of effecting the transactions except those which are received in advance.					
Exchange gain includes all gains and losses from foreign currency day to day transactions, conversions and revaluation of non-monetary items.					
Fees, commission and charges	25.1	2,403,973,447	2,117,045,300	2,341,863,721	2,052,782,840
Exchange gain (net of exchange loss)	25.2	761,502,695	789,080,548	698,615,533	770,268,476
Brokerage commission	25.3	518,265,579	181,342,188	-	-
		3,623,741,721	3,087,368,036	3,040,479,254	2,823,051,316
25.1 Fees, commission and charges:					
Loan processing fees		191,713,395	212,912,304	193,733,395	212,912,304
Service charges (Periodic & Adhoc)		360,580,421	340,476,876	324,096,239	295,367,501
Early settlement fees		44,143,279	38,480,163	44,143,279	38,480,163
Cards fees & charges (net of cards direct expenses)	25.1.a	690,281,572	677,619,620	690,281,572	677,619,620
Commission on general banking (PO, FDO, remittance, etc)		102,423,661	134,725,126	102,608,572	134,725,126
Commission on trade business (U/S, L/C, Acceptance)		1,009,861,119	712,831,211	987,000,664	693,678,124
		2,403,973,447	2,117,045,300	2,341,863,721	2,052,782,840



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Note	Consolidated		Bank	
	2021	2020	2021	2020
25.1.a Cards fees and charges (net of cards direct expenses):				
Cards fees and charges:				
Fees and charges (Debit, Prepaid Cards, etc.)	241,344,008	191,123,339	241,344,008	191,123,339
Fees and charges (Credit cards):				
Annual and transactional fees	285,623,463	274,571,968	285,623,463	274,571,968
Late payment and overlimit fees	183,026,830	221,676,523	183,026,830	221,676,523
Cash advance fees	2,221,292	1,990,370	2,221,292	1,990,370
Interchange reimbursement (IRF) and acquiring fees	215,329,750	160,403,161	215,329,750	160,403,161
Risk assurance premium	108,919,318	107,878,151	108,919,318	107,878,151
Merchant service commission	372,414,199	205,356,283	372,414,199	205,356,283
Replacement fees and others	312,820	356,381	312,820	356,381
	1,409,391,678	1,163,354,176	1,409,391,678	1,163,354,176
Cards direct expenses				
Membership and Priority Pass	385,809,681	265,453,706	385,809,681	265,453,706
Acquiring and IRF charges	276,551,231	148,195,460	276,551,231	148,195,460
Insurance expense	12,466,756	32,270,760	12,466,756	32,270,760
Other service charges (ATM card usage, cash back, reward etc)	44,282,430	39,814,630	44,282,430	39,814,630
	719,110,106	485,734,556	719,110,106	485,734,556
Total cards fees and charges (net of direct expenses)	690,281,572	677,619,620	690,281,572	677,619,620
25.2 Exchange gain (net of exchange loss)				
Gain on exchange trading (other than cards business)	2,369,060,646	2,307,360,306	2,359,535,526	2,777,871,136
Less: Exchange loss	1,721,307,516	2,046,346,727	1,708,645,538	2,056,571,129
	647,753,130	261,013,579	647,753,130	721,300,007
Exchange gain from cards business	94,437,809	75,533,318	94,437,809	75,533,318
Less: Exchange loss	40,708,244	27,564,849	40,708,244	27,564,849
	53,729,565	47,968,469	53,729,565	47,968,469
Total	701,502,695	709,082,048	701,502,695	770,268,476
25.3 Brokerage commission				
Brokerage commission (DSE and CSE)	547,803,198	178,464,076		
Brokerage commission (Dealer)	7,611,989	1,108,787		
Settlement fees & commission	30,497,426	8,166,370		
Management & trustee fees	7,613,695	18,800,741		
	593,526,105	207,539,974		
Less: Direct expenses				
Laga and howla charges	45,866,090	15,229,962		
COBL charges	29,304,438	11,067,828		
	75,260,528	26,297,790		
	518,265,579	181,242,184		
26 Other operating income				
Recognition policy:				
Other operating incomes are recognised on accrual basis as per the provisions of IFRS 15 'Revenue from contracts with customers' and relevant Bangladesh Bank guidelines.				
Rebate earnings:	136,974,725	146,724,535	136,974,725	146,724,535
Postage charges recovered	21,006,530	24,100,520	9,896,631	12,411,059
Swift charges recovered	71,563,723	57,817,277	71,563,723	57,817,277
Service charges (others)	6,577,658	7,210,151	6,577,658	7,210,151
Locker rent	22,956,424	19,407,035	22,956,424	19,407,035
Gain on disposal of fixed assets	5,685,678	2,608,637	5,685,639	2,540,021
Other fees and income *	72,441,731	83,457,103	14,144,468	86,071,047
	287,206,430	345,865,748	267,795,268	331,681,115

Lapse and forfeiture amount of EBL Employees Provident Fund of BOT 3.85 million (BOT 80.52 million in 2020) has been reverted and recognised as 'other income' as per the notification no. 179/PRC/PRM/ Notification /2020/2 dated 07 July 2020 issued by Financial Reporting Council (FRC). Lapse and forfeiture amount of BOT 2.25 million of subsidiaries are also included in consolidated 'other income'.

Commission, fees and charges received against export and export related services are VAT exempted as per service code S058 of SRO 189-AIN/2019/46-MUSHAK, dated 13 June 2019.

Management and other expenses:

Recognition policy:

Expenses incurred by the group are recognised on accrual basis when a performance obligation is satisfied by receiving a promised service by the bank as per IFRS 15 'Revenue from contracts with customers', IAS 19 'Employee Benefits', IFRS 16 'Leases' and relevant local laws.

Expenses incurred by the bank shown in these financial statements are inclusive of VAT where applicable as per VAT and Supplementary Duty Act 2012 and rules 2018.



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	Note	Consolidated		Bank	
		2021	2020	2021	2020
27 Salary & allowances (excluding those of MD)					
Basic salary		1,484,670,065	1,389,172,884	1,412,154,336	1,305,222,867
Other salary & allowances		1,697,501,129	1,621,701,245	1,631,680,430	1,570,187,981
Festival bonus		280,661,765	267,257,878	273,562,025	260,632,940
Incentive bonus		469,272,166	345,270,038	455,072,166	341,247,812
Contribution to provident fund		140,792,418	128,612,657	137,415,220	125,256,609
Current Service Cost - Gratuity Fund	27.1	181,396,632	324,900,396	181,396,632	324,659,509
Current Service Cost - Superannuation Fund	27.2	9,254,996	(3,615,250)	9,254,996	(3,615,250)
		4,263,548,171	4,073,299,850	4,100,539,805	3,923,591,968

*The number of regular employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 p.a. or above were 2,101 at the end of December 2021 and 1,968 at the end of December 2020.

27.1 Current Service Cost - Gratuity Fund (bank only):

The current service costs of the defined benefit plans are determined as per the actuarial valuation report which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates, future pension increase, etc. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty, hence the bank carries actuarial valuation each year.

The last valuation was carried out on 31 December 2021, by Air Consulting Limited and as per their recommendation the Bank charged BDT 181.40 million to the Profit & Loss Account in 2021 as current service cost. The bank also continued to contribute 18.3% of basic salary to the gratuity fund in 2021 as per actuarial recommendation.

27.2 Current Service Cost - Superannuation Fund (bank only):

Contribution to superannuation fund is made as per actuarial valuation of the fund. Valuation is carried out on 'Projected unit credit method' as per International Accounting Standard (IAS) 19 'Employee Benefits' to determine the present value of obligations and the related current service cost and, where applicable past service cost. The amount of obligation is determined on the occurrence of certain pre-defined events which is related with employee rank (not salary) and certain threshold level of service being reached i.e. survival or withdrawal probabilities.

As per the latest valuation by Air Consulting Limited carried out on 31 December 2021, the Bank charged current service cost of BDT 9.2 million to the Profit & Loss Account in 2021. The bank also continued to contribute BDT 21.30 million to the superannuation fund in 2021 as per actuarial recommendation.

28 Rent, taxes, insurance, utilities etc.

Rents, rates and taxes - Premises & Equipments *	167,902,297	177,178,855	163,859,014	173,652,943
Insurance premium**	148,206,899	157,256,995	145,276,382	156,523,852
Utilities (except telecommunication)	113,135,828	105,616,862	106,268,007	99,819,090
	427,243,019	440,047,113	415,353,404	430,005,846

* As per IFRS 16 'Leases', the Bank recorded interest expense on lease liabilities (note 23) and depreciation on RoU assets (note 35) instead of charging rental expense (excluding VAT) of BDT 489.24 million in 2021 (BDT 381.25 million in 2020) against rented premises treated as lease assets and shown in the balance sheet as RoU assets under note 35.

** The major portion of insurance premium (BDT 139.94 million in 2021 and BDT 142.49 million in 2020) was paid to Bangladesh Bank as per DOS circular letter no 1 dated 10 January 2007 and Circular no. DID-02/2012 dated 02 October 2012 in exchange of coverage of deposits up to certain threshold in case the bank goes bankrupt. The rest of the premium covers Property, Cash security etc.

29 Legal & professional expenses

Professional fees (consultancy, advisory, certification, CPV, etc.)	16,492,900	12,431,818	15,944,741	11,585,822
Lawyers' professional fees	19,017,410	21,638,282	18,544,140	21,638,282
Other legal expenses (Court expense, auction notice, etc.)	51,997,436	30,829,547	51,994,684	30,829,547
	87,507,746	64,899,448	86,483,565	63,853,652

30 Postage, stamp, telecommunication etc.

Telephone - office (including SMS service)	68,023,117	55,898,021	67,775,308	55,661,025
Network link, Internet, swift and DR maintenance cost	61,600,136	55,118,869	59,075,571	53,428,483
Postage and courier charges	25,357,993	27,511,253	20,954,679	22,238,738
Stamp and court fees	498,919	439,867	498,919	439,867
	155,475,165	138,968,011	148,308,477	131,767,614

31 Stationery, printing, advertisement, business promotion etc.

Printing and stationery	57,724,740	61,781,205	55,595,990	60,287,697
Advertisement (Print & electronic media, POC materials etc.)	36,960,067	41,307,473	36,801,613	38,745,592
Business promotional expenses for Sky lounge	131,861,005	147,814,367	131,861,006	147,814,367
Business promotional expenses for Priority and others	48,454,649	45,924,628	46,897,436	45,165,046
	275,000,463	296,837,619	271,160,146	289,012,702

32 Managing Director's salary and allowances (bank only)

Basic salary	18,428,371	16,753,065	18,428,371	16,753,065
Allowances	4,200,000	4,200,000	4,200,000	4,200,000
Bonus (Festival and incentive)	3,970,000	3,970,000	3,970,000	3,970,000
Bank's contribution to provident fund	1,842,837	1,842,837	1,842,837	1,842,837
	28,441,208	26,325,972	28,441,208	26,325,972



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Ali Reza Iftokhar
Managing Director & CEO
195 Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
33 Directors' fees and expenses				
Meeting attendance fees	2,854,050	2,486,800	2,252,800	2,024,800
Other expenses (refreshment, conveyance etc.)	518,754	692,705	518,754	692,705
	3,372,804	3,179,505	2,771,554	2,717,505
Each director of the Bank is paid for BDT 8,000 as per BRPD circular letter no. 11 dated 4 October 2015 for per board or board committee meeting attended in 2021.				
34 Audit Fees				
Statutory and corporate governance audit fees	2,212,803	2,314,234	1,047,812	1,072,926
VAT on audit fees (i.e. 15%)	317,249	358,880	142,500	129,130
	2,530,051	2,472,615	1,190,312	1,202,057
Audit fees include BDT 97,212 incurred for EBL Yangon representative office, Myanmar.				
35 Repairs, maintenance and depreciation				
Depreciation: (Annexure 'A')				
Building and floor spaces	35,198,888	35,198,891	35,198,888	35,198,891
Machinery and equipments	46,924,485	49,445,228	46,081,420	48,529,949
Computer and network equipments	97,620,560	85,310,584	95,882,100	83,241,583
Digital banking equipments	13,972,470	16,737,217	15,972,470	16,737,217
Electromechanical equipments	17,184,810	17,182,822	17,184,810	17,182,822
Vehicles	33,749,889	34,434,897	30,571,405	29,886,128
Furniture and fixtures	60,651,592	61,532,999	60,305,595	61,844,620
Software	381,937,471	369,212,868	357,083,727	344,833,805
Right of use assets (Lease assets)				
	740,554,755	722,682,236	705,858,227	686,808,231
Repairs, maintenance and spare parts				
Machinery and equipments	51,457,828	51,481,687	53,014,363	51,249,333
Vehicles	10,141,357	7,118,158	9,068,575	6,313,777
Furniture and fixtures	10,298,371	7,559,220	10,296,940	7,541,690
Rented premises-general	48,885,189	56,634,712	48,302,642	54,643,804
Rented premises-electricity & lighting	8,773,545	10,090,604	8,773,545	9,802,824
Computer and network equipments	8,919,423	7,767,380	5,917,557	7,038,244
Software maintenance	163,564,097	147,381,781	162,801,111	146,171,094
	304,040,008	288,038,602	296,174,831	283,860,266
Total	1,044,994,764	1,010,715,838	1,001,833,059	970,168,499
36 Other expenses				
Business travelling and conveyance	44,901,368	32,098,502	40,742,468	31,077,544
Bank charges	39,812,049	43,899,814	26,788,647	41,857,062
Cards production cost	30,425,590	32,804,797	30,425,590	32,804,797
POS acquiring expenses/charges	560,000	1,400,000	560,000	1,400,000
CSR expenses (including donation)	188,183,257	184,932,469	188,183,257	184,932,469
Fees and subscriptions	6,568,303	5,644,295	5,921,404	4,754,678
Recruitment and training expenses	11,989,490	8,641,812	8,506,329	8,543,092
Entertainment and recreation	26,758,853	22,075,311	23,522,790	19,313,091
Office securities (Cash carrying, office premises etc.)	151,019,804	150,326,518	150,227,808	149,481,718
Business and internal events	2,745,600	6,806,266	2,745,600	6,806,266
Reward and recognition	29,416,024	40,482,724	29,416,024	40,482,724
Sales and collection commission (DST, Agency, Dealers)	77,802,495	59,008,466	77,802,495	59,008,466
Expense for EBL Sub-ordinated bond	7,179,463	8,904,875	7,179,463	8,904,875
Other operating expenses (uniform, freight, books, shares etc)	32,675,189	18,769,996	30,240,330	11,061,913
Other expenses of subsidiaries	28,801,201	4,625,923		
	688,797,663	614,810,771	614,250,171	599,838,156
36.1 Other expenses of subsidiaries				
Registration, renewal & IPO expense	919,742	345,978		
Guarantee premium	4,074,814	3,495,517		
Other expense and regulatory charges	33,806,645	781,428		
	38,801,201	4,625,923		
37 Other provisions				
Provision charged for protested bill & others	28,161,155	45,765,498	28,161,155	45,765,498
Provision for startup fund	10,882,820	76,922,811	10,882,820	76,922,811
Provision released on revaluation of equity securities	(474,951,991)	(224,182,920)	(430,532,216)	(214,354,054)
	(395,369,016)	(101,499,591)	(391,478,235)	(91,661,895)



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Eastern Bank Limited
Trade Centre, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
38 Deferred tax expense/(income) (net)				
Deferred tax (income)	(782,900,616)	(175,974,151)	(293,851,199)	(78,729,409)
Deferred tax (income)/expense	(6,350,284)	26,396,412	(7,347,701)	26,277,678
	(289,250,900)	(149,577,739)	(301,198,899)	(52,451,731)

39 Earnings per share

Earnings per share (EPS) has been computed by dividing the profit after tax (PAT) by the weighted average number of ordinary shares outstanding as on 31 December 2021 as per IAS- 33 "Earnings Per Share". Diluted EPS was not required to calculate as there was no dilution possibilities during the year.

	Consolidated		Bank	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Number of shares before bonus share issued	811,799,548	811,799,548	811,799,548	811,799,548
Bonus shares issued	142,064,919	142,064,919	142,064,919	142,064,919
A. Weighted average number of ordinary shares outstanding :	953,864,467	953,864,467	953,864,467	953,864,467
B. Earnings Per Share (EPS) :				
Net profit attributable to the shareholders of EBL	4,900,224,393	4,180,381,019	4,855,894,727	4,102,569,054
Number of ordinary shares outstanding	953,864,467	953,864,467	953,864,467	953,864,467
Earnings per share (EPS) (restated 2020)	5.03	4.38	5.08	4.30

40 Changes in other assets (Cash flow item)

Opening Balance:				
TREC of CSE (in exchange of membership license)	595,337,112	595,337,112	-	-
TREC of CSE (in exchange of membership license)	245,379,755	245,379,755	-	-
Receivable from subsidiaries	-	-	8,205,113	3,527,436
Stock of stationeries	12,191,604	15,097,285	12,191,604	15,097,285
Stamps on hand	4,791,068	5,600,093	4,791,918	5,582,843
Advance to staff for expenses	40,000	301,885	40,000	252,950
Security deposits-govt. agencies	15,992,392	11,637,804	7,524,224	7,359,364
Interest and dividend receivables	1,343,478,795	964,781,342	1,364,453,355	1,046,980,398
Sundry receivables	1,254,018,166	755,995,261	1,238,042,671	754,902,561
Advance rent	44,416,462	218,938,429	44,179,587	218,800,826
Prepayments and advance to vendors	207,308,251	161,624,574	203,703,188	158,371,686
Deferred tax assets (net of liabilities)	2,150,731,502	1,875,161,824	2,053,605,499	1,875,161,824
Other assets of subsidiaries	42,831,627	21,833,450	-	-
	5,916,516,734	4,869,888,926	4,991,727,559	4,084,037,124
Closing Balance:				
Investment in DSE (TREC and Shares of CSE)	595,337,112	595,337,112	-	-
Investment in CSE (TREC and Shares of CSE)	245,379,755	245,379,755	-	-
Receivable from subsidiaries	-	-	76,556,929	8,205,113
Stock of stationeries	14,951,628	12,191,604	14,951,628	12,191,604
Stamps on hand	5,364,587	4,791,068	5,355,437	4,781,918
Advance to staff for expenses	820,689	40,000	820,689	40,000
Security deposits-govt. agencies	19,926,181	15,992,392	9,024,224	7,574,224
Interest and dividend receivables	1,615,864,808	1,343,478,795	1,935,455,355	1,364,453,355
Sundry receivables	1,379,327,099	1,254,018,166	1,337,696,283	1,238,042,671
Advance rent	62,717,244	44,416,462	60,137,688	44,179,987
Prepayments and advance to vendors	405,568,145	207,308,251	341,896,309	203,703,188
Deferred tax assets (net of liabilities)	2,395,811,691	2,150,731,502	2,310,033,677	2,053,605,499
Other assets of subsidiaries	188,119,814	42,831,627	-	-
	6,886,182,751	5,916,516,734	6,091,728,218	4,931,727,560
Adjustment for other non-cash items	143,442,458	352,240,048	145,205,004	289,338,839
Net cash changes in other assets	(879,723,959)	(694,487,760)	(1,014,792,055)	(858,391,547)

41 Changes in other liabilities (Cash flow items)

Opening balances				
Privileged creditors	696,520,198	594,132,711	696,520,198	594,132,711
Acquirer liabilities	1,308,342,901	954,182,205	1,308,342,901	954,182,205
Sundry creditors	114,465,841	75,526,803	114,465,841	75,526,803
Security deposit	6,727,979	6,067,856	6,727,979	6,067,856
Current tax liability/assets	1,794,622,024	2,778,999,401	1,771,154,659	2,714,070,821
Provision for loans, advances and OBS exposures (excluding OBU)	10,540,988,389	9,188,404,604	10,320,670,886	9,111,530,722
Provision for loans, advances and OBS exposures (OBU)	253,985,199	246,897,402	253,985,199	246,897,402
Special general provision-Covid 19	602,352,869	-	602,352,869	-
Startup fund	76,922,811	-	76,922,811	-



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UCB Investment Limited

Note	Consolidated		Bank	
	2021	2020	2021	2020
Interest suspense account	2,425,163,343	1,823,520,136	2,233,373,188	1,651,910,317
Provision for protested bill & others	191,142,995	145,373,498	191,142,995	145,373,498
Provision for non-banking assets	12,345,330	12,345,330	12,345,330	12,345,330
Provision for rebate to good borrowers	46,100,257	46,100,257	46,100,257	46,100,257
Provision for loss on revaluation of shares (net)	843,471,722	1,067,554,623	686,959,533	901,313,537
Advance interest/commission received	58,169,628	46,060,675	55,798,640	36,379,504
Expenses payable	513,270,894	512,872,100	501,654,571	490,287,580
Interest payable on borrowing including OBU	296,900,882	296,900,882	296,900,882	296,900,882
Miscellaneous liabilities	990,877,633	477,122,534	850,648,682	469,321,632
Lease liabilities (present value of lease payments)	893,842,167	623,832,947	866,681,805	608,816,783
Net Benefit Obligation	422,781,132	-	422,781,132	-
Other liabilities of subsidiaries	352,816,687	267,012,538	-	-
	22,482,811,081	19,410,763,269	21,315,844,877	18,611,065,061
Closing balances				
Privileged creditors	809,991,826	696,520,198	809,991,826	696,520,198
Acquirer liabilities	1,286,229,244	1,308,342,901	1,286,229,244	1,308,342,901
Sundry creditors	210,513,976	114,465,841	210,513,976	114,465,841
Security deposit	5,797,180	6,727,979	5,797,180	6,727,979
Current tax liability/assets	3,368,573,510	1,794,022,024	3,335,838,484	1,771,534,659
Provision for loans, advances and CBS exposures (excluding OBU)	12,310,907,332	10,540,988,589	12,012,295,650	10,320,670,886
Provision for loans, advances and CBS exposures (OBU)	1,332,529,766	251,085,199	1,332,829,766	251,085,199
Special general provision - Covid 19	756,003,206	602,352,860	756,003,206	602,352,860
Startup fund	87,805,631	76,922,811	87,805,631	76,922,811
Interest suspense account	2,939,008,519	2,425,163,343	2,750,794,589	2,233,373,188
Provision for protested bill & others	219,304,150	191,142,995	219,304,150	191,142,995
Provision for non-banking assets	-	12,345,330	-	12,345,330
Provision for rebate to good borrowers	46,100,257	46,100,257	46,100,257	46,100,257
Provision for loss on revaluation of shares (net)	408,519,732	843,471,722	256,437,323	686,959,533
Advance interest/commission received	47,469,311	58,169,628	44,036,445	55,798,640
Expenses payable	846,890,274	513,270,894	801,786,369	501,654,571
Interest payable on borrowing including OBU	296,192,477	296,900,882	296,192,477	296,900,882
Miscellaneous liabilities	982,488,812	990,877,633	976,920,826	850,648,682
Lease liabilities (present value of lease payments)	752,382,202	893,842,167	743,558,930	608,816,783
Net Benefit Obligation	650,816,131	422,781,132	650,816,131	422,781,132
Other liabilities of subsidiaries	477,042,127	352,816,687	-	-
	27,804,365,660	22,482,811,081	26,592,777,458	21,315,844,877
Adjustment for other non cash items	(288,893,705)	(5,588,712)	(280,795,325)	(3,243,922)
Net cash changes in other liabilities	5,031,660,875	3,066,459,100	4,996,132,255	2,701,535,895

42 Events after the reporting period

The Board of Directors of Eastern Bank Limited recommended: 25 % dividend (12.5 % cash and 12.5 % bonus share) in the board meeting held on 31 March 2022 for the year 2021. Eligible shareholders (who hold EBL shares on the record date i.e. 29 April 2022) will be entitled to get this dividend subject to shareholders' approval in AGM. The amount of recommended dividend is BDT 2,384,661,367.



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Annexure-A

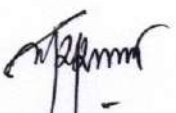
Eastern Bank Limited
Schedule of Fixed Assets
as at 31 December 2021

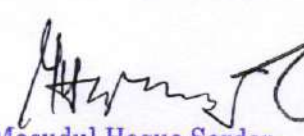
Amount in BDT


Particulars	Cost				Accumulated Depreciation & Amortization				Net book value at 31 December 2021
	Balance on 01 January 2021	Revaluation Reserve	Additions during the year	Disposals during the year	Balance at 31 December 2021	Balance on 01 January 2021	Charge for the year	On disposals during the year	
Tangible assets:									
Land	3,086,656,798	73,548,515	-	-	4,060,205,301	-	-	-	4,060,205,301
Building and floor spaces	1,407,955,522	-	-	-	1,407,955,522	191,093,492	35,198,888	-	1,181,723,202
Capital work in progress	120,262,653	-	200,145,968	(393,190,383)	127,218,238	-	-	-	127,218,238
Machinery and equipments	660,806,412	-	43,187,239	(16,885,243)	686,908,309	589,272,305	46,081,429	(16,985,388)	68,431,670
Digital banking equipment	254,163,020	-	16,956,000	-	271,103,320	187,510,531	15,972,470	-	67,600,919
Electromechanical equipments	343,652,536	-	131,000	-	343,783,536	38,562,347	17,184,811	-	288,006,358
Computer and network equipments	908,872,434	-	153,484,086	(93,900)	1,062,262,600	640,513,758	95,802,100	(93,899)	325,930,640
Vehicles	180,991,604	-	36,201,940	(10,887,406)	206,231,138	113,979,618	29,571,409	(10,882,394)	73,582,525
Furniture and fixtures	879,633,842	-	5,246,731	(3,518,965)	881,361,608	372,557,383	48,353,808	(3,220,550)	263,679,967
Right of use assets (lease assets)	1,594,754,131	-	242,435,578	(124,567,364)	1,709,622,345	515,353,535	357,577,670	(70,398,678)	907,089,822
Intangible assets:									
Software	662,449,984	-	103,781,430	-	766,231,414	427,176,738	60,139,535	-	208,713,120
At 31 December 2021	10,796,929,664	73,548,515	601,564,032	(540,238,761)	11,327,803,951	3,086,031,648	706,172,178	(101,589,807)	8,086,614,212
At 31 December 2020	9,808,805,820	-	1,132,692,482	(144,568,648)	10,796,929,664	2,458,754,160	695,808,236	(60,533,129)	7,710,898,010



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Eastern Bank Limited
Schedule of Fixed Assets Disposals
for the year 2021

Annexure A3

Amount in BDT

Date	Particulars	Cost	Accumulated depreciation	Net book value	Sales Value	Tax & VAT	Gain/(Loss)	Mode of Disposal	Buyer/ Highest Bidder
26.01.2021	Machinery & Equipment	5,298,232	6,289,129	73	161,888	(26,188)	191,427	Open Tender	MS Sumon Enterprise
26.01.2021	Furniture & Fixtures	1,427,815	1,337,034	90,781	164,950	(19,280)	93,217	Open Tender	MS Habib Enterprise
26.01.2021	Computer & Network Equipment	93,303	90,898	2,405	19,250			Open Tender	MS Habib Enterprise
14.06.2021	Toyota Axi (DM-GA-20-2037)	1,983,028	1,963,893	1,924,135	1,091,200	(121,760)	903,399	Open Tender	MS. Rakibul Hossain
14.06.2021	Toyota Axi (DM-GA-20-7409)	2,345,850	2,345,739	1	879,500	(97,500)	781,999	Open Tender	MS. Abdul Wahid
14.06.2021	Toyota New (DM-GA-13-1296)	2,185,080	2,184,889	1	1,055,150	(117,150)	938,000	Open Tender	MS. Sumon Ali
14.06.2021	Toyota Axi X (DM-GA-20-8810)	1,973,745	1,973,744	1	1,053,000	(117,000)	936,000	Open Tender	MS. Guan Ladin
14.06.2021	Toyota Axi (DM-GA-20-6008)	2,124,400	2,124,389	1					
14.06.2021	Motor Cycle DM-HA-47-8926	97,668	97,668	1					
14.06.2021	Motor Cycle DM-HA-51-2537	100,413	100,413	1					
14.06.2021	Motor Cycle DM-HA-51-2509	100,413	100,413	1	1,208,800	(137,300)	1,071,500	Open Tender	MS. Saikat Rahman
14.06.2021	Motor Cycle DM-HA-47-8259	93,900	93,899	1					
14.06.2021	Motor Cycle DM-HA-14-1241	97,668	97,668	1					
14.06.2021	Motor Cycle DM-HA-51-2605	100,413	100,414	1					
15.07.2021	Machinery & Equipment	12,715,041	10,716,869	2,000,172	886,300	(141,034)	745,266	Open Tender	Techur Enterprise
15.07.2021	Furniture & Fixtures	2,091,150	1,881,519	209,631	220,438	(40,932)	11,876	Open Tender	Mr. Hossain
	Grand Total: Gain/(Loss)	31,480,514	31,190,931	289,583	6,797,134	(811,890)	5,685,244		



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UCB Investment Limited

Annexure-B

Eastern Bank Limited and its subsidiaries
Balance with other Banks and Financial Institutions (Consolidated)
as at 31 December 2021

Outside Bangladesh - (note-4.2)

Name of Banks and FIs	Currency	2021			2020		
		Foreign Currency	Exch. rate	Amount in BDT	Foreign Currency	Exch. rate	Amount in BDT
In demand deposit account (non interest bearing) with:							
AB Bank Limited, India	USD	153,477	85.80	13,168,336	64,024	84.80	5,429,341
Al-Rajhi Bank, KSA	SAR	182,923	22.86	4,181,922	153,588	22.60	3,470,999
Bank of Bhutan, Bhutan	USD	4,932	85.80	423,129	1,804	84.80	161,459
Bank of China, China	CNY	230,826	13.47	3,110,068	232,382	12.99	3,024,949
Bank Tokyo-Mitsubishi, Japan	JPY	31,991,098	0.75	23,881,326	3,022,943	0.82	2,474,669
Citibank N.A., USA	USD	7,256,932	85.80	622,602,194	-	-	-
Commerzbank AG, Germany	EUR	-	-	-	330,683	103.89	34,354,632
Habib American Bank, USA	USD	517,456	85.80	44,397,089	717,998	84.80	60,886,436
HSBC Bank Limited, Hongkong	USD	496,474	85.80	42,597,441	509,429	84.80	43,200,115
HSBC Bank Limited, Hongkong	HKD	71,986	11.10	799,010	133,907	10.97	1,470,061
ICICI Bank Limited, Hongkong	USD	1,131,189	11.10	12,555,795	43,176	10.97	473,660
ICICI Bank Limited, Hongkong	USD	2,512,300	85.80	215,563,102	1,140,061	84.80	96,678,389
ICICI Bank, India	USD	397,769	85.80	34,118,155	761,115	84.80	64,543,382
JP Morgan Chase Bank N.A., UK	GBP	151,918	115.74	17,583,575	157,303	114.51	18,012,234
JP Morgan Chase Bank N.A., USA	USD	1,998,721	85.80	171,489,369	-	-	-
JP Morgan Chase Bank N.A., Australia	AUD	20,059	62.21	1,247,781	23,856	64.51	1,538,908
JP Morgan Chase Bank, Germany	EUR	-	-	-	404,925.21	103.48	42,066,560
Mashreq Bank, UAE	USD	21,789	85.80	1,869,487	9,140	84.80	775,084
Mashreqbank, USA	USD	155,568	85.80	13,347,825	248,719	84.80	21,091,674
Nepal Bangladesh Bank Ltd., Nepal	USD	88,675	85.80	7,589,312	44,105	84.80	3,740,149
MCB Bank Limited, Pakistan	USD	794,060	85.80	68,036,365	793,573.05	84.80	67,295,898
Nordea Bank, Norway	NOK	23,843	9.78	233,069	43,827	9.84	431,823
Standard Chartered Bank, USA - CBU	USD	1,112,118	85.80	95,419,763	2,031,452	84.80	172,269,373
Standard Chartered Bank, Sri Lanka	USD	140,212	85.80	12,038,172	41,751	84.80	3,540,554
Standard Chartered Bank, Germany	EUR	-	-	-	85,107	103.89	8,841,771
Standard Chartered Bank, India	USD	857,664	85.80	73,587,530	548,411	84.80	46,505,854
Standard Chartered Bank, Singapore	SGD	114,209	63.46	7,247,138	28,966	63.91	1,851,198
Dzuercher Kantonal Bank, Zurich, Switzerland	CHF	13,300	93.81	1,247,680	27,351	95.90	2,622,841
Total				1,527,361,770			664,331,924



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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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All Reza Iftekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited and its subsidiaries
Borrowing from Banks and Financial Institutions (Consolidated)
as at 31 December 2021

Annexure 91

Outside Bangladesh - (note-11.2)

Name of Banks and FIs	Currency Name	2021			2020		
		Foreign Currency	Exch. rate	Amount in BDT	Foreign Currency	Exch. rate	Amount in BDT
Abu Dhabi Commercial Bank, UAE	USD	22,830,225	85.80	1,958,833,322	-	-	-
Asian Development Bank (ADB), Philippines	USD	5,882,353	85.80	504,705,881	10,568,735	84.80	897,893,999
Bank Al-Falah Ltd., UAE	USD	5,000,000	85.80	429,000,000	-	-	-
Bank Muscat, Muscat	USD	7,500,000	85.80	643,500,000	-	-	-
CaixaBank, S.A., Spain	USD	65,768,091	85.80	5,642,902,176	-	-	-
Citibank NA, USA	USD	9,009,000	85.80	772,200,000	2,483,397	84.80	210,584,830
COMMERZBANK AG, Germany	USD	263,557	85.80	22,613,196	-	-	-
Deutsche Investitions- und Entwicklungsgesellschaft MBH (IEG)	USD	43,000,000	85.80	3,689,400,000	56,000,000	84.80	4,748,861,600
Doha Bank, Qatar	USD	10,000,000	85.80	858,000,000	-	-	-
HEFC Bank, India	USD	5,000,000	85.80	429,000,000	10,000,000	84.80	848,011,000
ICICI Bank, India	USD	23,056,501	85.80	1,978,247,821	-	-	-
J.P. Morgan AG, Germany	USD	17,683	85.80	1,517,217	-	-	-
J.P. Morgan AG, USA	USD	-	-	-	1,431,112	84.80	121,355,906
J.P. Morgan Chase, Singapore	USD	9,400,000	85.80	806,520,000	16,120,000	84.80	1,366,983,732
Korea Development Bank, Singapore	USD	11,845,668	85.80	1,016,358,226	31,983,629	84.80	2,797,048,042
Nabil Bank, Nepal	USD	10,000,000	85.80	858,000,000	-	-	-
National Bank of Ras Al-Khaimah, UAE	USD	18,911,676	85.80	1,622,570,307	-	-	-
OEBB, development bank, Austria	USD	20,000,000	85.80	1,716,000,000	20,000,000	84.80	1,696,022,000
Opec fund for International Development, Austria	USD	-	-	-	25,000,000	84.80	2,120,027,500
PROPARD, France	USD	1,818,182	85.80	156,000,005	5,454,546	84.80	463,551,458
Standard Chartered Bank, Germany	USD	4,255	85.80	365,000	-	-	-
Standard Chartered Bank, USA	USD	7,251,247	85.80	620,238,509	7,851,684	84.80	665,831,473
Standard Chartered Bank, Singapore	USD	10,151,861	85.80	871,020,626	151,861	84.80	12,877,043
Standard Chartered Bank, Thailand	USD	20,000,000	85.80	1,716,000,000	-	-	-
Shuddhartha Bank Limited, Nepal	USD	4,500,000	85.80	386,100,000	-	-	-
Standard Chartered Bank, Hongkong	USD	13,000,000	85.80	1,115,400,000	-	-	-
State Bank of India, Hongkong	USD	15,000,000	85.80	1,287,000,000	-	-	-
United Bank Limited, UAE	USD	5,000,000	85.80	429,000,000	-	-	-
Wachovia Bank NA, USA	USD	-	-	-	172,997	84.80	14,670,310
Wells Fargo, USA	USD	27,558,623	85.80	2,364,529,845	17,255,145	84.80	1,463,255,289
Total				31,082,021,871			17,425,999,081



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Md. Tazza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Related party disclosures

Annexure-C

Two parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related party information is given below.

i) Directors' interest in different entities

Name of Directors	Status with the Bank	Name of the firms/companies in which directors of the bank are interested as proprietor, partner, director, managing agent, guarantor, employee etc.	Status	Percentage of holding/ interest in the concern
Md. Showkat Ali Chowdhury	Chairman	Need Fashion Wear & Textile Ltd.	Chairman	35.00%
		Chittagong Properties Holding Ltd.	Chairman	50.00%
		Finlay (International) Ltd.	Chairman	81.00%
		KAPS Bangladesh Ltd.	Chairman	12.50%
		JF (Bangladesh) Ltd.	Chairman	81.00%
		Port Link Housing Ltd.	Chairman	50.00%
		Finlay Properties Ltd.	Chairman	55.00%
		Z&Z Holdings Ltd.	Chairman	0.01%
		Peninsula Housing & Development Ltd.	Chairman	36.00%
		Legend Property Development Ltd.	Managing Director	50.00%
		Z.N. Enterprise Ltd.	Managing Director	50.00%
		Zaran Off Dock Ltd.	Managing Director	30.00%
		Naameen Enterprise Ltd.	Managing Director	50.00%
		ABC Steel Enterprise Ltd.	Managing Director	80.00%
		S.L. Steels Ltd.	Managing Director	50.00%
		Unique Refineries Ltd.	Managing Director	35.00%
		Port Link Logistics Centre Ltd.	Managing Director	25.00%
		South Asia Securities Ltd.	Director	8.38%
		Peninsular Shipping Services Ltd.	Director	25.00%
		Consolidated Tea & Plantation Ltd.	Director	6.23%
		Consolidated Tea & Lands Co. (BD) Ltd.	Director	6.23%
		Baranore (Sykhet) Tea Co. (BD) Ltd.	Director	6.25%
		Eastern Industries Ltd.	Director	25.00%
		Bay Hill Hotel and Resorts Ltd.	Director	40.00%
		S.N. Corporation	Partner	50.00%
M. Ghazul Haque	Director	Portlink Logistics Centre Ltd.	Chairman	0.02%
		MGH Infotech Ltd.	Chairman	10.00%
		Last Mile Deliveries Limited	Chairman	5.00%
		Haytrans Bangladesh Limited	Chairman	10.00%
Mir Nasir Hossain	Director	Mir Akther Hossain Ltd.	Managing Director	14.00%
		Mir Ceramic Ltd.	Managing Director	88.00%
		Mir Telecom Ltd.	Managing Director	32.50%
		Mir Holdings Ltd.	Managing Director	50.00%
		Mir Pharmaceuticals Ltd.	Managing Director	50.00%
		Bangla Telecom Ltd.	Managing Director	40.00%
		Coloasia Limited	Managing Director	50.00%
		BTS Communications (BD) Limited	Managing Director	40.00%
		MIR LPG limited	Managing Director	40.00%
		Mir Communications Ltd.	Chairman	40.00%
		Mir Energy Ltd.	Chairman	40.00%
		Global Fair Communications Ltd.	Chairman	40.00%
		Mir Denim Limited	Chairman	50.00%
		Mir Tex Limited	Managing Director	40.00%
		Agrani Insurance Co. Ltd.	Shareholder	3.72%
		Chaidal Limited	Representative	11.20%
		Mir Securities Ltd.	Director	0.03%
		M.N. Poultry	Proprietorship	100.00%
		Jupiter Technology	Proprietorship	100.00%



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Masudul Hogue Sardar
Chief Financial Officer
Eastern Bank Limited

Alli Reza Iftokhar
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Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Selina Ali	Director	Unique Group of Companies Ltd.	Chairperson	12.25%
		Unique Hotel & Resorts Ltd.	Chairperson	5.71%
		Borak Real Estate Ltd.	Chairperson	12.00%
		Unique Ceramic Industries (Pvt.) Ltd.	Chairperson	12.25%
		Borak Travels (Pvt.) Ltd.	Chairperson	50.00%
		Unique Eastern (Pvt.) Ltd.	Chairperson	10.42%
		Unique Vocational Training Center Ltd.	Chairperson	12.00%
		Unique Property Development Ltd.	Chairperson	12.00%
		Unique Share Management Ltd.	Managing Director	12.00%
		Crescent Commercial Center Ltd.	Managing Director	20.00%
		Sonagajan Economic Zone Ltd.	Chairperson	5.00%
		Gulshan Clinic Ltd.	Director	25.00%
		Borak Zahir Company Ltd.	Director	20.00%
		Tribeni International Ltd.	Chairperson	20.00%
		Arial Dairy and Agro Industries Ltd.	Chairperson	13.00%
		Hansa Management Ltd.	Chairperson	12.50%
		Unique tours & travels	Proprietorship	50.00%
		Purnima Construction (Pvt) Ltd.	Managing Director	0.20%
Anis Ahmed	Director	MGH Logistics Pvt. Limited	Managing Director	95.00%
		MGH Holdings Limited	Managing Director	80.00%
		Bangladesh Port Management Services Ltd.	Managing Director	3.00%
		Peninsular Shipping Services Limited	Managing Director	40.00%
		MGH Restaurants (Pvt.) Limited	Managing Director	97.00%
		Galileo Bangladesh Limited	Managing Director	80.00%
		One World Aviation Limited	Managing Director	41.68%
		RAS Holidays Limited	Managing Director	95.00%
		MGH Global Forwarding Ltd.	Managing Director	96.56%
		Transmarine Logistics Limited	Managing Director	74.99%
		Total Transportation Limited	Managing Director	95.98%
		Thicon Global Logistics Limited	Managing Director	79.98%
		Global Freight Limited	Managing Director	96.86%
		International Brands Limited	Managing Director	98.53%
		Integrated Transportation Services Limited	Managing Director	99.50%
		Emirates Shipping Lines Bangladesh Limited	Managing Director	78.05%
		Radio Foorti Limited	Managing Director	95.00%
		Portlink Housing Limited	Managing Director	50.00%
		Portlink Logistics Centre Limited	Managing Director	48.98%
		Last Mile Deliveries Limited	Managing Director	95.00%
		MGK.com Ltd.	Managing Director	95.00%
		Jatra.com Ltd.	Managing Director	80.00%
		GTN Express Ltd.	Managing Director	90.00%
		DC Bypass Ltd.	Managing Director	90.00%
		Olshai Solutions Limited	Managing Director	80.00%
		Bangladesh Express Company Limited	Managing Director	20.00%
		Wauddaa Limited	Managing Director	51.00%
		MGH Infotech Ltd.	Managing Director	90.00%
		Consolidated Tea & Plantation Limited	Director	10.00%
		The Consolidated Tea and Lands Company (Bangladesh) Limited	Director	10.00%
		Baraons (Jyhet) Tea Company Limited	Director	10.00%
		Haytrans Bangladesh Limited.	Managing Director	90.00%
Mufakharul Islam Khairu	Director	Finlay Properties Ltd.	Managing Director	15.00%
Gazi Md. Shakhawat Hossain	Director	Bay Hill Hotel & Resorts Ltd.	Representative	40.00%
		Unique Hotel & Resorts Ltd.	Director	8.14%
		Unique Meghnaghat Power Ltd.	Representative	51.00%
		General Electric Company (BD) Ltd.	Director	0.00%
KIS Banu	Director	Nil	NA	NA
Dr. Toufic Ahmad Choudhury (Independent Director)	Director	Bangladesh Academy for Security Markets (BASM)	Director General	No
		Palli Karma Sahayak Foundation (PKSF)	Director (PKSF nominal)	No
		Institute of Inclusive Finance and Growth (IIFG)	Director	No
		National Credit Rating Ltd. (NCRL)	Director	1.00%
		C & A Textile	Independent Director	No
Ashiq Imran (Independent Director)	Director	Faika	CEO & Principal Architect	100.00%
Zara Namreen	Director	Namreen Power Ltd.	Managing Director	50.00%
		Polay Bazar Ltd.	Managing Director	60.00%
Ruslan Nasir	Director	Mir Akhter Hossain Ltd.	Shareholder	7.45%
		Mir Ceramic Ltd.	Deputy Managing Director	2.00%
		Mir Telecom Ltd.	Director	22.50%
		Mir Holdings Ltd.	Director	10.00%
		Bangla Telecom Ltd.	Director	20.00%
		Colossia Limited	Director	10.00%



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Company Secretary
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Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


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Ali Reza Miskhan
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

		BTS Communications (BD) Limited	Director	20.00%
		Agrani Insurance securities Ltd.	Shareholder	2.50%
		MIR LPG limited	Director	20.00%
		Mir Communications Ltd.	Director	15.00%
		Mir Energy Ltd.	Director	15.00%
		Global Fair Communications Ltd.	Director	15.00%
		Mir Denim Limited	Director	15.00%
		Mir Tex Limited	Director	20.00%
		Mir Pharmaceuticals Ltd.	Director	20.00%
		Mir Securities Ltd.	Director	0.08%
		Orange Pta	Partnership	50.00%
Ali Reza Iftekhar	MD & CEO	EBL Investments Ltd.	Director	0.00009%
		EBL Securities Ltd.	Director	0.000067%
		EBL Finance (HK) Ltd.	Director	-

- i) Significant contracts where Bank is a party & wherein Directors have interest: Nil
- ii) Shares issued to Directors and Executives without consideration or exercisable at discount: Nil
- iv) Related Party Transactions: Please see Annexure -C1
- v) Lending Policies to Related Parties:
Related parties are allowed Loans and Advances as per General Loan Policy of the Bank.
- vi) Business other than Banking business with any related concern of the Directors as per Section-18(2) of the Bank Companies Act 1991: Nil
- vii) Investments in the Securities of Directors and their related concern: Nil


Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited


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Managing Director & CEO
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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited 205

Related party transactions

Related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged as per 100.24. The Bank in normal course of business had transactions with other entities that fall within the definition of 'Related Party' as contained in International Accounting Standards (IAS) 24 (Related party disclosures) and as defined in the BOPF circular no. 1A, dated 20 June 2009.

I. The significant related party transactions during the year were as follows:

A. Non-Arreased facilities							Amount in BDT
Name of the organization	Representing Director	Nature of interest of the Directors with the borrowing firm / individual	Nature of facilities	Sanctioned Amount	Outstanding as at 30-09-2021	Outstanding as at 30-12-2021	Amount Overdue
J. N. Enterprises Ltd. (Customer ID: 2001997)	Md. Shoukat Ali Chowdhury Chairman	MD	100 Performance Bond (BMT (Import))	200,000	200,000	200,000	-

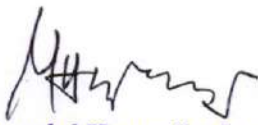
B. Credit card facilities

Representing Directors				Amount in BDT	
Representing Directors	Nature of interest with EBL	Approved limit	Outstanding as at 30-09-2021	Outstanding as at 30-12-2021	
Md. Shoukat Ali Chowdhury	Chairman	200,000	-	-	-
Md. Reza Hossain	Representing Director	200,000	-	-	-
Customer (Mst. Saima) (2001997)	Representing Director	200,000	-	-	-
Md. Abdur Rahman Chowdhury	Representing Director	200,000	-	-	65,000
Proton Bank	Representing Director	2,71,000	-	-	-
Md. Reza Hossain	Representing Director	200,000	25,000	-	-
Arifa Ferdous	Representing Director	200,000	-	-	-

B. Transactions relating to procurement, service & rent:


Amount in BDT				
Name of the Company/Person	Related Directors of EBL	Nature of transactions	Transaction made in 2021	Outstanding as at 30-12-2021
Colocate Limited	Md. Reza Hossain	Monthly recurring charge for EBL Data Center at Jashore.	2,711,000	-
ICS Communication (BD) Limited	Md. Reza Hossain	Monthly internet connectivity services, ADSL for Active domain and Cloud equipment for Router & Switch at Data Center.	10,000,000	-
Bangladesh Express Co. Ltd.	Arifa Ferdous	Monthly courier service payment.	9,000,000	-
MDI Telephones (Pvt.) Ltd.	Arifa Ferdous	Purchase of 500-day cards for priority customers.	900,000	-
W&A Express Ltd.	Arifa Ferdous	Monthly courier service payment.	200,000	-
Unique Hotel & Resorts Limited	Saima	Advance payment for service and boarding of Employees of EBL, Dhaka.	-	100,000,000
Unique Hotel & Resorts Limited	Saima	Security deposit against lease contract agreement for ATM booth at The Shantin, Gulshan, Dhaka.	-	400,000
Unique Hotel & Resorts Limited	Saima	Rental payment for ATM booth at The Shantin, Gulshan, Dhaka.	200,000	-




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Unique Hotel & Resorts Ltd.	Satish Ali	Various restaurant proposition and clients entertainment from The Sherry, Dhaka, Dhaka.	422,880	-
Bank Real Estate (Pvt) Ltd.	Satish Ali	Advance rent for EBL ATM at Bank Mahanir, Barisal, Dhaka.	-	225,000
Bank Real Estate (Pvt) Ltd.	Satish Ali	Rental payment for EBL ATM at Bank Mahanir, Barisal, Dhaka.	3,08,000	-
The Consolidated Tea and Leaf Co. (Bangladesh) Limited	Md. Shaukat Ali Chowdhury	Supply of monthly refreshment items.	280,807	-
Md. Shaukat Ali Chowdhury	Md. Shaukat Ali Chowdhury	Advance rent for EBL 207 sales office, ATM booth, Gypsum, cement and Sagar of Chittagong, Dhaka.	-	3,076,779
Md. Shaukat Ali Chowdhury	Md. Shaukat Ali Chowdhury	Rental payment for EBL 207 sales office, ATM Booth, Gypsum, cement and Sagar of Chittagong, Dhaka.	7,248,011	-
Tachris Airbath	Md. Shaukat Ali Chowdhury	Advance rent for EBL New Market Branch, ATM Booth & Gypsum at New Market, Chittagong.	-	4,386,300
Tachris Airbath	Md. Shaukat Ali Chowdhury	Rental payment for EBL New Market Branch, ATM Booth and Gypsum of New Market, Chittagong.	9,619,950	-
Nurmon Enterprise Limited	Md. Shaukat Ali Chowdhury	Advance rent for EBL office premises for GED, SAGD & ATM Booth at 26 Tower, Gulshan, Dhaka. (Ground Floor, 1st Floor, 2nd to 4th Floor).	-	15,802,094
Nurmon Enterprise Limited	Md. Shaukat Ali Chowdhury	Rental payment for EBL office premises at 26 Tower, Gulshan, Dhaka. (Ground Floor, 1st Floor, 2nd to 4th Floor).	15,086,542	-


3 Inter company balances between EBL and Subsidiaries


Totaled up in Taka

Name of subsidiaries	Nature of account	Balance in US \$ (12.06.2017)
EBL Securities Limited	in special notice deposit (SND) account	14,071,244
	in current deposit (CD) account	139,871,188
	Short term finance (STF)	4,527,013,403
	Dividend receivable account	300,293,000
EBL Investments Limited	in special notice deposit (SND) account	66,805,678
EBL Finance (Pvt) Limited	in notice account	209,006,840
	short term finance (STF)	5,199,444,444
	Dividend receivable account	85,518,700
	in special notice deposit (SND) account	36,000,841
EBL Asset Management Limited	in special notice deposit (SND) account	36,000,841


4 Compensation of key management personnel:
Refer to note - 32




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Annexure-D'

a. Disclosure regarding outstanding REPO as on 31 December 2021

Amount in BDT

Sl	Counterparty name	Agreement date	Reversal date	Amount (Cash Con 1st Leg cash consideration)

There is no outstanding REPO as on 31 December 2021

Disclosure regarding outstanding Reverse REPO as on 31 December 2021

Sl	Counterparty name	Agreement date	Reversal date	Amount (Cash Con 1st Leg cash consideration)

There is no outstanding Reverse REPO as on 31 December 2021

b. Disclosure regarding overall transaction of REPO and reverse REPO.

Particulars	Min Outstanding during the year	Max Outstanding during the year	Daily average outstanding during the year
Securities sold under REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	343,572,793	3,694,564,082	151,729,520
Securities purchased under Reverse REPO			
With Bangladesh Bank	-	-	-
With other Banks & Financial Institutions	301,935,080	3,509,855,855	90,429,836

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Masudul Hoque Sardar
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Eastern Bank Limited

Ali Reza Iftokhar
Managing Director & CEO
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Head Office, Dhaka

Tanzim Alamgir
Managing Director & CEO
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Company Secretary
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Head Office, Dhaka

Eastern Bank Limited
Details of NPA obtained as of 31/12/2020:

Annexure-03

Sr.	Name of the accounts	Status of NPA	Obtained as of 31/12/2020	Settlement Date	Asset Details	Revised Sale Value (BDT in Lac)	Market Value (BDT in Lac)	Legal Status
1	MR. Sarker Atanur, Dhaka	Not assigned	1/8/19/7	12-01-2007	Land Area 10 decimal, Mousa, Digha, Mousa, Dhaka	58.00	72.70	Physical possession & mutation is yet to be completed.
2	Imamul Hossain, Dhaka	Do	1/8/19/7	07-06-2007	Land Area 11.21 decimal (approx. 7.43 bhar) in road intersection in a village in Mousa - West Digha, Dhaka, Dhaka	22.00	27.07	Do
3	MR. Saki Garmati, Dhaka	Do	1/8/19/7	18-12-2002	Land Area 19 decimal, Mousa - Varna, Gubila, Dhaka	570.00	720.00	Do
4	Andika & Co., Dhaka	Do	1/8/19/7	25-05-2007	Land Area 17.8 decimal, Mousa - Lala Bata, Cantonment, Dhaka	730.00	429.00	Do
5	MR. Tazim, Dhaka	Do	1/8/19/7	10-01-2008	Land Area 101 decimal, Mousa - Dhanmondi, Dhanmondi, Dhaka	893.20	1,104.00	Do
6	DR. Anis Trading, Dhaka	Do	1/8/19/7	25-04-2007	Land Area 27 decimal, Mousa - Pabna, Pabna, Dhaka	10.00	24.00	Do
7	MR. Baidul, Dhaka	Do	1/8/19/7	26-01-2007	Land Area 27 decimal, Mousa - Dhanmondi, Dhaka (19 decimal land of Dhanmondi, Dhaka, Mousa - Dhanmondi, Dhaka)	40.00	60.00	Property partly sold. Physical possession of one of property is yet to be completed.
8	MR. Nazim, Dhaka	Do	1/8/19/7	22-07-2007	Land Area 1.5 decimal, Mousa - Uda Yung, Uda Yung, Dhaka	40.00	18.50	The property was sold at Tk. 10.00 per sq. ft. of which Tk. 47.00 was retained and rest of Tk. 5.20 was sold to the buyer of the property & registration of the deed is in process of the highest bidder. The property has already been sold to the highest bidder. As such, a Power of Attorney has given to the highest bidder for the deed completion. Accordingly, a Title and the 100% deed in the name of the highest bidder (Dhanmondi) has been completed which is pending.
9	MR. Osman Bangladesh, Dhaka	Do	1/8/19/7	22-11-2007	Land Area 16.1 decimal, Mousa - Mousa, Mousa, Dhaka	3,200.00	4,120.00	Physical possession & mutation is yet to be completed.
10	MR. Pappu, Dhaka	Do	1/8/19/7	21-07-2006	Land Area 10.1 decimal, Mousa - Dhanmondi, Dhanmondi, Dhaka	70.00	98.00	Do
11	MR. Computer, Dhaka	Do	1/8/19/7	22-06-2007	Land Area 14 decimal, Mousa - Dhanmondi, Dhanmondi, Dhaka	17.00	21.00	Do
12	MR. Khatun, Dhaka	Do	1/8/19/7	27-09-2012	Land Area 71 & 14 decimal, Mousa - Khatun, Khatun, Dhaka	212.00	260.00	Property already sold at BDT 110.00 per sq. ft. of which received BDT 11.00 per sq. ft. for the completion of the deed of the property, in the process of the completion of the deed of the property. Highest bidder will pay the rest amount & sale deed to be executed accordingly.
13	MR. Pappu, Dhaka	Do	1/8/19/7	17-07-2012	Land Area 1.7 & 10.71 bhar in Dhaka and Chittagong	1,204.97	1,703.10	Physical possession & mutation is yet to be completed.



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Tanzim Alamgir
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Head Office, Dhaka.

Eastern Bank Limited
Details of NSA obtained u/s 33 (7) as of 31-12-2021:

Keywords: child sexual abuse; disclosure; social support

Sr.	Name of the accounts	Status of NDA	Observed u/s 17(3)(2)(i)	Undisputed Date	Asset Details	Forced Sale Value (INR Lacs)	Market Value (INR Lacs)	Legal Status
16	Al Katan Traders, Chhatnaga	Dis	17/8/2017	19-01-2018	Land Area 9.80 decimal Bhikhari Petrol, Bhikhari Muzang, Chhatnaga	100.00	180.00	Dis
17	Shivona (Any & Reg) Corporation, Dhaka	Dis	17/8/2017	07-04-2017	Land Area: 4.17 decimal or more - 1 Katta, Shiva Bazaar, Gollan, Dhaka	9.00	100.00	Dis
18	Ariful Karim, Chhatnaga	Dis	17/8/2017	05-11-2018	Land Area 146 decimal with 4 owned buildings, Ward Harabard, Chhatnaga	1,210.00	1,400.00	Dis
19	Mona International, Dhaka	Dis	17/8/2017	13-01-2016	Land Area: 79.30 decimal, Gollan, Dhaka	188.00	248.75	17th April No. 14702 filed for Md. Akmal Moinul is pending in the 10th joint court level court, Dhaka. Present position is: no decision is able yet to be completed
20	Nishu Business Industries, Tolly	Dis	17/8/2017	13-04-2012	Land Area: 1.3 decimal Mishra-Tollymore Road, Tolly	0.00	12.00	A 14th April Case is pending in the Tolly Road Adalat, Tolly
21	Mex M.A. Baki, Khulna	Dis	17/8/2017	23-11-2011	Land Area: 31.30 decimal in Purnan Khatu, Jashore 100 sq yards of land of Khulna has been sold in 2017 18.10 No	60.00	61.20	A 14th April No. 1081 of 2017, has been filed in the court of 1st Joint District Judge, Jashore for declaration of Title of 12.50 decimal of land situated in Dhanbari, Jashore. P.A. Karim, Shomra-101 Khatu, A.A. Shomra No. 567, B.A. Day No 1205, B.B. Shomra No. 2415, B.A. Day No. 1211 filed for declaration that the Certificate under section 11(1) of A.O. is issued by Baran Karim, Khulna is not binding upon the Plaintiff, Purnan Khatu said explanation in response. 17th April reported & filed against objection & application for rejection of the Court, present position is pending, Executive Case No. 17/19 pending in Arifur Rahman, Khulna which is pending for hearing. (Maximum liability has been estimated of 100 sq yards in the case of ERI). Present position & signature liability is found of the Judge is in process.
22	Murali Enterprise, Begun	Dis	17/8/2017	20-10-2012	Land Area: 4.7 decimal & 0.17 decimal, Mura Begun, Begun area	110.54	640.42	New petition is court no. 8010/2014 has been received and discharged the sale on 12-11-2014 on basis of bank. The Plaintiff, Justice (Judge) said Civil Petition for Leave to Appeal No. 17495/2014 for the Appellate Court which is pending for hearing.
23	Cuba International, Dhaka	Dis	17/8/2017	26-01-2016	Land Area: 0.0002 Ayanaga, Gollan, Dhaka	120.00	130.00	Present position is yet to be completed New Appeal No. 17495/2014 is pending for hearing.
24	Tara Power Manufacturing Co	Dis	17/8/2017	18-11-2018	Land Area 84.50 Acre land at Gollan, Gollan	121.00	112.10	Present position is yet to be completed. This account is not completed.
25	Mis Mita Traders	Dis	17/8/2017	18-01-2017	Land Area: 12.30 decimal, Misna Mangal, PS Thakurbar, Digh. Shikha	17.04	16.00	Present position & mutation is yet to be completed.
26	Lafayette Fashion Wear Ltd	Dis	17/8/2017	20-03-2018	Land Area 1447.17 Acre apartment (15) 1st floor land at Shiva Mohan Town, B.B. & 1st floor, Dhaka	91.00	111.00	Joint Declaration Case No. 17/19 filed on 01-10-2018 for T.L.I., Extra Upon considering our explanation found court was filed to gain order for recovery - request of court. New date filed on 13-11-2018 for recovery - request. MURTI: Joint Declaration Case No. 7019 (Arifur Karim for T.L.I.) Present position & mutation is yet to be completed.

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Masudul Hoque Sardar
Chief Financial Officer
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Managing Director & CEO
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Head Office, Dhaka

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Abstrakte - 1215

Details of NSA obtained up to 31/12/2021

Sr.	Name of the assets	Status of title	Obtained u/s/ 1987/1988	Exhaustion Date	Asset Details	Forced Sale Value (NOT IN Lacs)	Market Value (NOT IN Lacs)	Legal Status
21	M/S Cochin Refinery	On	105/1987	14-05-2017	Land Area: (1) 25 decimal land at Kozhikode, Kannur District; (2) 6.75 decimal on site 1, 4% decimal land in Miyapur Housing (Dahisar), Miyapur (Housing), Rajahmundry, Andhra Pradesh	1,14.81	142.87	NRA Authorisation No. 17719 dated on 21.05.19 (Ref. No. 237) dated on 08.02.19. This and NRA Land located in favor of the company under 1987/1988. Exemption Case No. 182-03 dated on 05.02.83 for 1773, 1610 Eas was obtained. Certificate no 1987/1988 and Exemption case filed on 09-05-2017 for 14, 54, 68, 203-15.
Total/NRA obtained u/s 19(1)						9,604.27	12,835.41	

Note: Valuation of these properties have been made by professional valuations firm at different stages.



Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited and its subsidiaries
business segmental profit and loss account
for the year ended 31 December 2021

Annexure-F

BDT million

Particulars	Bank (Solo)			Subsidiaries					Bank (Consol)
	DBO	OSO	Solo	EBLNL	EBLIL	EBLPHNL	EBLAML	Elimination	
Interest income	15,308	3,049	18,205	271	13	175	9	(279)	16,516
Interest expense	7,817	678	8,445	287	0.1	109	0	(239)	8,102
Net Interest Income	7,391	370	7,761	85	13	67	9	-	7,935
Investment income	6,089	-	6,089	202	32	-	10	(350)	5,967
Fees, commission and brokerage	2,335	5	2,340	504	11	60	4	(9)	2,624
FX Income	699	2	700	-	-	-	-	-	700
Other operating income	253	15	268	6,55	2	11	-	-	289
Total operating income	16,767	392	17,158	756	58	143	23	(336)	17,843
Salary and allowances	4,101	-	4,101	102	15	99	7	-	4,264
Rent, taxes, insurance, utilities etc.	415	-	415	0	1	2	1	-	427
Legal and professional expenses	86	-	86	0	0.1	0.4	(0.07)	-	86
Postage, stamp, telecommunication etc.	144	-	144	2	0.2	5	0	-	151
Stationery, printing, advertisement, etc.	271	-	271	2	0.3	1	6.04	-	275
Managing Director's salary and allowances	28	-	28	-	-	-	-	-	28
Directors' fees and expenses	3	-	3	0.2	0.2	-	0.15	-	3
Audit fees	1	-	1	0.1	0.1	1	0.1	-	3
Repairs, maintenance and depreciation	1,002	-	1,002	29	5	6	3.1	-	1,045
Other operating expenses	620	18	634	22	27	5	1.0	(0.18)	689
Total operating expense	6,676	34	6,690	166	49	58	12	(0.19)	6,977
Profit before provisions	10,090	377	10,468	628	9	85	10	(336)	10,866
Provisions:									
Provision for loans, advances & OIB exposures	1,505	1,095	2,602	89	(11)	-	-	-	2,762
Other Provisions	(201)	-	(201)	-	-	-	10	-	(190)
Total Provisions	1,304	1,095	2,399	89	(11)	-	(4)	-	2,394
Profit before tax	8,926	(719)	8,308	539	20	85	15	(336)	8,531
Tax Provision	3,554	-	3,554	151	83	12	2	-	3,731
Profit after tax	5,373	(719)	4,654	388	7	73	13	(336)	4,800



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Masudul Hogue Sardar
Chief Financial Officer
Eastern Bank Limited

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Zeza Iftokhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Annexure-E1

Eastern Bank Limited and its subsidiaries
business segmental balance sheet
as at 31 December 2021

BDT million

Particulars	Bank (Solo)			Subsidiaries					Bank (Consol)
	DBO	QBO	Solo	EBLIL	EBLIL	EBLPHKL	EBLAML	Elimination	
Assets									
Cash in hand (including balance with Bangladesh Bank and its agent Bank)	18,669	-	18,669	0.13	0.00	-	-	-	18,669
Balances with other banks and financial institutions	21,727	1,108	16,270	489	60	593	37	(571)	16,885
Money at call and short notice	1,573	-	1,573	-	-	-	-	-	1,573
Investments	66,053	-	66,053	1,968	206	-	73	-	68,901
Loans and advances	231,045	38,349	269,394	3,844	58	5,147	160	(7,002)	271,602
Fixed assets including land, building, furniture and fixtures	7,632	-	7,632	27	5	3	1	-	7,668
Other assets	8,576	48	8,624	1,179	48	2	26	(2,990)	6,889
Non-banking assets	-	-	-	-	-	-	-	-	-
Total Assets	355,876	39,564	388,815	7,507	387	5,744	296	(10,561)	392,187
Liabilities									
Borrowing from other banks, financial institutions and agents	31,295	38,517	63,187	3,798	-	5,286	-	(6,974)	65,296
Deposits and other accounts	267,890	129	268,019	-	-	-	-	(571)	267,448
Provisions & other liabilities	24,950	1,643	26,593	1,554	60	82	2	(487)	27,804
Total Liabilities	324,135	40,289	357,796	5,351	60	5,368	2	(8,032)	360,348
Total Shareholders' Equity	33,741	(725)	31,017	2,155	327	376	296	(2,531)	31,639
Total Liabilities & Shareholders' Equity	355,876	39,564	388,815	7,507	387	5,744	296	(10,561)	392,187



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Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

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Ali Reza Iftekhar
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

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Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Annexure - F

Eastern Bank Limited (Solo)
Highlights on the overall Activities /Performance

Sl No	Particulars		2021	2020
1	Paid up capital	BDT	9,538,644,670	8,117,995,470
2	Total capital (Tier-1 & 2)	BDT	35,673,950,776	33,144,221,423
3	Surplus/(shortage) capital	BDT	10,335,190,481	11,378,832,457
4	Total assets	BDT	388,814,714,087	336,935,588,555
5	Total deposits	BDT	268,018,850,380	242,357,774,879
6	Total loans and advances	BDT	269,393,974,211	228,943,862,895
7	Total contingent liabilities and commitments	BDT	141,831,288,344	104,060,278,285
8	Loans to deposits ratio (total loans/total deposits)	%	100.51	94.47
9	% of classified loans against total loans and advances	%	3.70	2.72
10	Profit after tax and provisions	BDT	4,653,864,726	4,102,563,054
11	Loans classified during the year (Gross)	BDT	4,577,197,179	29,474,002
12	Provision held against classified loans	BDT	6,493,582,193	3,432,492,829
13	Surplus of provision	BDT	889,265,484	1,768,328,583
14	Cost of fund (Interest expense/simple average borrowing and deposits)	%	2.73	4.76
15	Interest bearing assets	BDT	344,012,223,159	301,684,379,074
16	Non-Interest bearing assets	BDT	44,802,490,928	35,251,209,481
17	Income from investments	BDT	6,088,639,366	5,048,674,967
18	Return on assets (ROA) (PAT/average assets)	%	1.28	1.22
19	Return on investment or ROI (PAT/average equity, long term borrowings and deposits)	%	2.20	2.25
20	Earnings per share (restated 2020)	BDT	4.88	4.30
21	Operating profit per share (Net Operating profit/ weighted average number of shares) (restated 2020)	BDT	10.97	8.06
22	Price earning ratio (restated 2020)	Times	7.89	8.37



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Masudul Hoque Sarder
Masudul Hoque Sarder
 Chief Financial Officer
 Eastern Bank Limited

Ali Reza Iftakhar
Ali Reza Iftakhar
 Managing Director & CEO
 Eastern Bank Limited
 Head Office, Dhaka.

Tanzim Alamgir
Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

Annexure-G

Eastern Bank Limited
Offshore Banking Operation, Bangladesh
Balance Sheet
as at 31 December 2021

		2021		2020	
	Note	USD	BDT	USD	BDT
PROPERTY AND ASSETS					
Cash					
In hand (including foreign currencies)		-	-	-	-
With Bangladesh Bank (including foreign currencies)		-	-	-	-
Balance with other Banks and FIs (on current and other accounts)					
In Bangladesh	3	12,500,000	1,072,500,000	20,000,000	1,696,022,000
Outside Bangladesh		1,112,118	95,419,763	2,135,717	181,111,144
		13,612,118	1,167,919,763	22,135,717	1,877,133,144
Money at call and short notice					
		-	-	-	-
Investment					
		-	-	-	-
Loans and Advances:					
	4				
Loans, cash credits, overdrafts etc.	4.1	146,979,738	12,610,861,507	147,208,252	12,483,421,697
Bills purchased and discounted	4.2	299,974,834	25,737,840,778	148,303,737	12,576,320,025
		446,954,572	38,348,702,284	295,511,989	25,059,741,722
Fixed Assets					
Other Assets	5	555,271	47,642,280	514,201	43,604,845
Non Banking Assets					
		-	-	-	-
TOTAL ASSETS		461,121,962	39,564,264,328	318,161,907	26,980,479,711
		2021		2020	
	Note	USD	BDT	USD	BDT
CAPITAL AND LIABILITIES					
Borrowing from other banks, financial institutions and agents					
Bangladesh Bank	6	-	-	-	-
Other Banks and FIs					
Demand Borrowing	6.1	77,224,848	6,625,891,983	106,467,195	9,028,535,227
Term Borrowing	6.2	371,687,139	31,890,756,520	199,720,103	16,936,484,403
		448,911,987	38,516,648,503	306,187,297	25,965,019,631
		448,911,987	38,516,648,503	306,187,297	25,965,019,631
Deposits and other accounts					
Current deposits and other accounts	7				
Term deposits	7.1	1,504,184	129,058,956	3,027,026	256,695,118
	7.2	-	-	-	-
		1,504,184	129,058,956	3,027,026	256,695,118
Other Liabilities	8	19,151,806	1,643,224,976	4,422,632	375,044,030
TOTAL LIABILITIES		469,567,977	40,288,932,436	313,636,955	26,596,758,778
CAPITAL/SHAREHOLDERS' EQUITY					
Share capital- Paid up capital					
Foreign currency translation difference	9	-	(5,967,070)	-	(326,702)
Profit and loss account- retained earnings	16	(8,446,015)	(718,701,037)	4,524,953	384,047,635
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		461,121,961	39,564,264,329	318,161,908	26,980,479,712

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Md. Abdullah Al Mamun, FCMA
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Masudul Hoque Sardar
Chief Financial Officer
Eastern Bank Limited

All Reza Iftakhar
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Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

OFF BALANCE SHEET ITEMS:

Contingent liabilities:
 Acceptance and endorsements
 Letter of guarantee
 Bills for collection
 Irrevocable letters of credit
 Other Commitments

2021		2020	
USD	BDT	USD	BDT
6,051,693	519,235,246	1,960,896	166,286,127
3,475,432	298,192,074	5,136,796	435,605,969
5,237,328	449,362,709	2,034,078	172,492,020
-	-	-	-
14,764,452	1,266,790,029	9,131,770	774,384,115

The annexed notes 1 to 20 form an integral part of these financial statements.



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Masudul Hoque Sardar
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 Eastern Bank Limited

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Ali Reza Iftakhar
 Managing Director & CEO
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 Head Office, Dhaka.

Tanzim Alamgir
 Managing Director & CEO
 UCB Investment Limited

Eastern Bank Limited
Offshore Banking Operation, Bangladesh
Profit and Loss Account
for the year ended 31 December 2021

	Note	2021		2020	
		USD	BDT	USD	BDT
Interest income	10	12,322,256	1,048,543,886	15,144,523	1,285,365,623
Interest paid on deposits and borrowings	11	7,970,911	678,272,679	10,147,054	861,213,917
Net interest income		4,351,345	370,271,206	4,997,469	424,151,706
Commission, exchange and brokerage	12	79,254	6,744,041	141,813	12,036,152
Other operating income	13	171,439	14,588,303	192,380	16,377,959
Total operating income		4,602,038	391,603,550	5,331,663	452,515,817
Operating expenses	14	166,329	14,153,517	225,961	19,178,057
Profit before provision		4,435,709	377,450,034	5,105,702	433,337,760
Less: Provision for unclassified Loans and Advances (including provision for off Balance Sheet items)	15	12,881,725	1,096,151,070	580,749	49,290,124
Profit before income tax		(8,446,016)	(718,701,037)	4,524,952	384,047,635
Less: Provision for income tax		-	-	-	-
Net Profit/(loss) after tax		(8,446,016)	(718,701,037)	4,524,952	384,047,635
Balance of Profit brought forward from previous year		-	-	-	-
Retained Earnings carried forward	16	(8,446,016)	(718,701,037)	4,524,952	384,047,635

The annexed notes 1 to 20 form an integral part of these financial statements.



Md. Abdullah Al Mamun, FCS
Company Secretary
Eastern Bank Limited
Head Office, Dhaka.

Masudul Hoque Sardar²¹⁷
Chief Financial Officer
Eastern Bank Limited

All Reza Imtiaz
Managing Director & CEO
Eastern Bank Limited
Head Office, Dhaka.

Tanzim Alamgir
Managing Director & CEO
UCB Investment Limited

Eastern Bank Limited
Offshore Banking Operation, Bangladesh
Notes to the Financial Statements
as at and for the year ended 31 December 2021

1 Nature of business

Offshore Banking Operation ("OBO") is run by separate business unit (Offshore Banking Unit or "OBU" or "the unit") of the Bank through a separate desk under control and supervision of the Offshore Banking Division. The unit and all activities of the division are governed under the permission by Bangladesh Bank vide letter no. BRPD(P)744(89)/2004-303 dated 25 January 2004 and subsequent approvals for continuation by Bangladesh Bank vide letter no. BRPD(P)744(89)/2020-2254 & 2255 dated 25 February 2020 in line with the offshore banking policy issued by Bangladesh Bank vide BRPD circular no. 02 dated 25 February 2019 and amendments thereon. The activities of the unit is to provide both funded and non-funded facilities and to accept savings/current/term deposits in freely convertible foreign currencies to and from non-resident person/institutions, fully foreign owned enterprises (Type 'A') in EPZs, PEPZs, EZs and Hi-Tech Parks, etc. Besides, OBU offers short term loan facility to the Type 'B' industrial enterprise in EPZs, PEPZs, EZs and Hi-Tech Parks. In addition, OBU discounts/purchases accepted usance/deferred bills against import from abroad (Bills Finance), and discounts/purchases accepted usance/deferred export bills against direct and deemed exports of products produced in Bangladesh, of persons resident in Bangladesh.

The unit commenced its operations on 19 May 2004 and its office is located at 100 Gulshan Avenue, Dhaka-1212.

2 Significant accounting policies and basis of preparations**Basis of preparation****2.1 Statement of compliance**

The financial statements of the operation / the Unit as at and for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs), the "First Schedule" (section 38) of the Bank Company Act 1991. The accounting policies set out in the financial statements of main operation of the Bank have been applied consistently in these financial statements except otherwise instructed by the Central Bank as prime regulator.

2.2 Loans and advances

a) Loans and advances are stated at gross i.e. principal outstanding plus interest receivable. Accumulated specific and general provisions for loan outstanding are shown under other liabilities.

b) Classification of loans i.e. substandard/doubtful/bad-loss, and Provisioning i.e. general provision @ 0.25% to 2% under different categories on unclassified loans (standard/SMA) and @ 0.5% to 1% on certain off balance-sheet exposures, special general provision Covid-19 @ 1% to 2%, and specific provision @ 5% to 100% on sub-standard/doubtful/bad-loss account including rescheduled loans are made on the basis of quarter-end review by the management and in compliance with BRPD Circular no.14/2012, BRPD circular no. 03/2019, BRPD circular no. 16/2020, BRPD circular no. 19/2021 and subsequent BRPD circulars and circular letters as issued by Bangladesh Bank time to time. Provisions and interest suspense are separately shown under other liabilities as per First Schedule of Bank Company Act 1991 (as amendment up to date), instead of netting off with loans.

2.3 General**Allocation of common expenses**

Operating expenses in the nature of rent, rates and taxes, salaries, management expenses, printing and stationery, electricity, postages, stamps, telecommunication and audit fees are accounted for in Account of the Main Operation of the Bank.

Fixed Assets and depreciation

Fixed assets of this unit are appearing in the books of the main operation of the bank and depreciation is also charged to Profit and Loss Account of the main operation of the Bank.

Certain corresponding figures in the financial statements have been reclassified and rearranged to conform to the current year's presentation.

These financial statements of the unit cover one calendar year from 1 January 2021 to 31 December 2021.

3 Balance with other Banks and Financial Institutions**Inside Bangladesh**

In interest bearing account
Modhumoti Bank Limited
Commercial Bank of Ceylon plc
First Security Islami Bank Ltd

In-non interest bearing account

Standard Chartered Bank, USA
Standard Chartered Bank, Germany

Note

	2021		2020	
	USD	BDT	USD	BDT
10,000,000	858,000,000	20,000,000	1,696,022,000	
2,500,000	214,500,000	-	-	
12,500,000	1,072,500,000	20,000,000	1,696,022,000	
1,112,118	95,419,763	2,031,452	172,269,373	
		104,265	8,841,771	
1,112,118	95,419,763	2,135,717	181,111,144	
1,112,118	95,419,763	2,135,717	181,111,144	
13,612,118	1,167,919,763	22,135,717	1,877,133,144	



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4 Loans and advances				
i) Loans, cash credits, overdrafts, etc.				
ii) Bills discounted and purchased				
4.1	146,979,738	12,610,861,507	147,208,252	12,483,421,697
4.2	299,974,834	25,737,840,778	148,303,737	12,576,320,025
	446,954,572	38,348,702,284	295,511,989	25,059,741,722
4.1 Loans, Cash Credit, Overdraft etc.				
<i>Inside Bangladesh :</i>				
Loans				
	83,452,395	7,160,215,513	97,698,437	8,284,934,931
Overdraft				
	1,593,455	136,718,441	2,509,815	212,830,742
	85,045,850	7,296,933,954	100,208,252	8,497,765,673
<i>Outside Bangladesh :</i>				
Overdraft				
	61,933,888	5,313,927,553	47,000,000	3,985,656,024
	61,933,888	5,313,927,553	47,000,000	3,985,656,024
	146,979,738	12,610,861,507	147,208,252	12,483,421,697
4.2 Bills Purchased and Discounted				
<i>Inside Bangladesh :</i>				
Bills Discounted				
	299,974,834	25,737,840,778	148,303,737	12,576,320,025
Bills Financed				
	299,974,834	25,737,840,778	148,303,737	12,576,320,025
<i>Outside Bangladesh :</i>				
Bills Discounted				
	-	-	-	-
Bills Financed				
	-	-	-	-
	299,974,834	25,737,840,778	148,303,737	12,576,320,025
5 Other Assets				
Prepayments				
	390,000	33,462,005	490,000	41,552,541
Interest Receivable on Term Placement				
	165,271	14,180,275	24,201	2,052,304
	555,271	47,642,280	514,201	43,604,845
6 Borrowings from other banks, financial institutions and agents				
Demand Borrowings				
6.1	77,224,848	6,625,891,983	106,467,195	9,028,535,227
Term Borrowings				
6.2	371,687,139	31,890,756,520	199,720,103	16,936,484,403
	448,911,987	38,516,648,503	306,187,297	25,965,019,630
6.1 Demand Borrowings				
<i>In non interest bearing account with</i>				
Standard Chartered Bank, Germany				
	4,255	365,040	-	-
<i>In interest bearing account with</i>				
Eastern Bank Limited (OBU)				
	77,220,594	6,625,526,943	106,467,195	9,028,535,227
	77,224,848	6,625,891,983	106,467,195	9,028,535,227
6.2 Term Borrowings				
Borrowing inside Bangladesh				
State Bank of India, Dhaka				
	10,000,000	858,000,000	-	-
WOORI Bank, Dhaka				
	5,000,000	429,000,000	3,000,000	254,403,300
Investment Promotion & Financing Facility (IPFF)				
	2,666,742	228,806,464	3,166,687	268,538,541
	17,666,742	1,515,806,464	6,166,687	522,941,841
Borrowing outside Bangladesh				
Abu Dhabi Commercial Bank, UAE				
	22,830,225	1,958,833,322	-	-
Asian Development Bank (ADB)				
	5,882,353	504,705,881	10,588,235	897,893,999
Bank Al-Falah Ltd., UAE				
	5,000,000	429,000,000	-	-
Bank Muscat, Muscat				
	7,500,000	643,500,000	-	-
CaixaBank, S.A., Spain				
	65,768,091	5,642,902,176	-	-
Citibank NA, USA				
	9,000,000	772,200,000	-	-
Deutsche Investitions- und				
Entwicklungsgesellschaft MbH				
	43,000,000	3,689,400,000	56,000,000	4,748,861,600
Doha Bank, Qatar				
	10,000,000	858,000,000	-	-
HDFC Bank, India				
	5,000,000	429,000,000	10,000,000	848,011,000



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ICICI Bank, India	23,056,501	1,978,247,821	-	-
JP Morgan Chase, Singapore	9,400,000	806,520,000	16,120,000	1,366,993,732
Korea Development Bank, Singapore	11,845,668	1,016,358,326	32,983,629	2,797,048,041
Nabil Bank, Nepal	10,000,000	858,000,000	-	-
National Bank of Ras Al-Khaimah, UAE	18,911,076	1,622,570,307	-	-
OEER Development Bank, Austria	20,000,000	1,716,000,000	20,000,000	1,696,022,000
Opec fund for International Development, Austria	-	-	25,000,000	2,120,027,500
PROPARCO, France	1,818,182	156,000,005	5,454,546	462,551,458
Standard Chartered Bank, Singapore	10,151,861	871,029,636	151,861	12,877,943
Standard Chartered Bank, Thailand	10,000,000	858,000,000	-	-
Shiddhartha Bank Limited, Nepal	4,500,000	386,100,000	-	-
Standard Chartered Bank, Hongkong	13,000,000	1,115,400,000	-	-
State Bank of India, Hongkong	15,000,000	1,287,000,000	-	-
United Bank Limited, UAE	5,000,000	429,000,000	-	-
Wells Fargo, USA	27,356,440	2,347,182,583	17,255,145	1,463,255,289
	354,020,397	30,374,950,057	193,553,416	16,413,542,562
	371,687,139	31,890,756,520	199,720,103	16,936,484,403

6.1.a Classification based on type of security

Secured
Unsecured

448,911,987	38,516,648,503	306,187,297	25,965,019,630
448,911,987	38,516,648,503	306,187,297	25,965,019,630

7 Deposits and other accounts

Current deposits and other accounts
Term deposits

7.1	1,504,184	129,058,956	3,027,026	256,695,118
7.2	-	-	-	-
	1,504,184	129,058,956	3,027,026	256,695,118

7.1 Current deposits and other accounts:

Current account
Other Accounts

7.1.a	1,214,799	104,229,793	2,008,975	170,363,291
	289,384	24,829,164	1,018,051	86,331,827
	1,504,184	129,058,956	3,027,026	256,695,118

7.1.a Other Accounts:

Interest Payable on deposit
Margin on Facility

289,384	24,829,164	1,018,051	86,331,827
289,384	24,829,164	1,018,051	86,331,827

8 Other liabilities

Provision for taxation
General provision for loans and advances
General provision for off balance sheet exposures
Specific provision for loans and advances
Special General Provision for Covid 19
Interest Suspense Account
Interest payable on Borrowing
Privileged Creditors
System GI balances

8.1	4,312,910	370,047,685	2,995,070	253,985,199
	112,890	9,685,980	-	-
	11,102,519	952,596,101	-	-
	842,252	72,265,237	493,776	41,872,787
	1,589,319	136,363,571	328,911	27,892,037
	1,170,149	100,398,795	592,567	50,250,321
	19,447	1,668,551	12,162	1,031,352
	2,320	199,056	145	12,334
	19,151,806	1,643,224,976	4,422,632	375,044,030

8.1 Provision for tax of the unit is accounted for in the book of Eastern Bank Limited.

9 Foreign currency translation difference

The foreign currency translation difference is a net result of exchange difference of year end standard mid rate and monthly average of standard mid rate arising from translation of functional currency to presentation currency. Assets and liabilities of OBU have been presented into Taka (which is functional currency of the Bank) using year end standard mid rate of exchange of the Bank i.e. USD 1 = BDT 85.80 (2020: BDT 84.8011) and incomes and expenses are translated using monthly average of standard mid rate of exchange (USD 1 = BDT 85.0934).

10 Interest income

Interest on Advances
Interest on Placement with other Banks

11,570,188	984,547,764	12,491,359	1,060,182,896
752,068	63,996,122	2,653,163	225,182,726
12,322,256	1,048,543,886	15,144,523	1,285,365,623



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11 Interest paid on deposits and borrowings				
	Interest on Borrowings			
	7,970,911	678,272,679	10,147,054	861,213,917
	<u>7,970,911</u>	<u>678,272,679</u>	<u>10,147,054</u>	<u>861,213,917</u>
12 Commission, exchange and brokerage				
	Fees & Commission			
	94,838	8,070,077	93,532	7,938,398
	(15,583)	(1,326,036)	48,281	4,097,754
	<u>79,254</u>	<u>6,744,041</u>	<u>141,813</u>	<u>12,036,152</u>
*The net result of exchange differences arising from day to day transactions & revaluation of monetary items are recognized in profit and loss account as per BAS 21 (The Effect of changes in Foreign Exchange Rates).				
13 Other Operating Income				
	Rebate of Foreign Correspondence Charges			
	124,054	10,556,205	130,446	11,071,370
	Swift charges recovered			
	10,193	867,358	11,337	962,209
	204	17,359	1,723	146,237
	<u>36,987</u>	<u>3,147,381</u>	<u>48,875</u>	<u>4,148,144</u>
	<u>171,439</u>	<u>14,588,303</u>	<u>192,380</u>	<u>16,327,959</u>
14 Operating Expenses				
	Account Maintenance & Processing fees			
	166,329	14,153,517	225,961	19,178,057
	<u>166,329</u>	<u>14,153,517</u>	<u>225,961</u>	<u>19,178,057</u>
15 Provision for Loans and Advances				
	General provision			
	1,430,546	121,730,180	86,973	7,381,687
	348,660	29,668,719	493,776	41,908,437
	11,102,519	944,752,172	-	-
	<u>12,881,725</u>	<u>1,096,151,070</u>	<u>580,749</u>	<u>49,290,124</u>
16 Surplus in profit and loss account				
	Opening balance			
	4,524,953	384,047,635	4,524,953	385,044,030
	Add: Profit/(loss) during the year			
	(8,446,015)	(718,701,037)	4,524,953	384,047,635
	(3,921,062)	(334,653,401)	9,049,906	769,091,665
	(4,524,953)	(384,047,635)	(4,524,953)	(385,044,030)
	<u>(8,446,015)</u>	<u>(718,701,037)</u>	<u>4,524,953</u>	<u>384,047,635</u>
17 Cash received from commission, exchange and brokerage				
	Commission, exchange and brokerage			
	79,254	6,744,041	141,813	12,036,152
	<u>79,254</u>	<u>6,744,041</u>	<u>141,813</u>	<u>12,036,152</u>
18 Cash received from other operating activities				
	Service charges, SWIFT charges etc.			
	171,439	14,588,303	192,380	16,327,959
	<u>171,439</u>	<u>14,588,303</u>	<u>192,380</u>	<u>16,327,959</u>
19 Paid for operating expenses				
	Operating expenses			
	(166,329)	(14,153,517)	(225,961)	(19,178,057)
	<u>(166,329)</u>	<u>(14,153,517)</u>	<u>(225,961)</u>	<u>(19,178,057)</u>
20 Cash and cash equivalent				
	Balance with other banks & Fis			
	13,612,118	1,167,919,763	22,135,717	1,877,133,144
	<u>13,612,118</u>	<u>1,167,919,763</u>	<u>22,135,717</u>	<u>1,877,133,144</u>



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