



Report of the Audit Committee of the Board

The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities relating to the integrity of the Bank's financial reporting, the effectiveness of internal controls, risk management compliance with applicable banking laws, regulations and supervisory requirements. The Committee plays a critical role in enhancing the safety and soundness of the Bank and safeguarding the interests of the depositors, shareholders, and other stakeholders.

This report has been prepared in compliance with Condition 5 of the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018, titled "Corporate Governance Code 2018", along with its subsequent amendments.

Composition of the committee

The Audit Committee comprises four (04) Directors, including one Independent Director with expertise in Accounting, Finance, ICT, Banking and Strategy, and adheres to the requirements of the Code of Corporate Governance issued by Bangladesh Bank and BSEC. Chaired by an Independent Director with extensive knowledge, experience and insight, the committee ensures effective oversight. Its collective expertise strengthens governance, reinforcing accountability and transparency in the Bank's operations.

The qualifications of the members, their status in the Audit committee, and attendance at meetings are outlined below:

Sl.	Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting Attendance
1	Khondkar Atique-e-Rabbani, FCA	Independent Director	Chairman	FCA	7/7
2	Mufakharul Islam Khasru	Director	Member	MBA (IBA)	6/7
3	Gazi Md. Shakhawat Hossain	Director	Member	M.com (Accounting)	7/7
4	Ruslan Nasir	Director	Member	MBA	0/7

The Company Secretary acts as the Secretary of the Audit Committee of the Board.

Participation of non-members

The Managing Director, Head of ICC, Head of Audit and CFO attend Audit Committee meetings upon invitation, ensuring management's representation and facilitating informed discussions.

Access to the committee

Head of Audit, being an administrative part of ICC, maintains a direct reporting line to the Audit Committee of the Board, thereby safeguarding the independence and accountability of the audit function. The Head of Audit has unrestricted access to the committee on any matter requiring its attention.

Committee governance

The Audit Committee serves as a vital link between the Board and the Bank's financial reporting, internal control, and external audit functions, ensuring that the Board maintains full visibility over key governance matters. In pursuit of operational efficiency and sound oversight:

- All Committee meetings are scheduled ahead of Board meetings to facilitate timely deliberation and structured recommendations on key issues.
- Committee agendas and meeting minutes are shared with the Board to promote transparency and ensure continuity in governance oversight.
- The Committee Secretary coordinates closely with the Chair to uphold governance obligations, integrate stakeholder inputs, and monitor progress on priority action items.

Roles and responsibilities of the Audit Committee

The Audit Committee diligently fulfills its oversight responsibilities in accordance with directives of the Board, ensuring compliance with the Corporate Governance Code of BSEC, Guidelines of Bangladesh Bank and pertinent laws and directives issued by regulatory authorities.

01 Internal control

- Assess the strength of the Bank's compliance culture and employees' awareness of their individual roles and responsibilities.
- Review the adequacy and effectiveness of Management Information System (MIS) in supporting sound decision-making.
- Oversee the implementation of internal control improvement measures recommended by auditors.
- Review reports on fraud, forgery and internal control deficiencies, and ensure that management initiates prompt corrective actions.

02 Financial reporting & disclosure

- Ensure the completeness and accuracy of financial statements in accordance with applicable rules, regulations and financial reporting standards.
- Consult with the Bangladesh Bank inspection team, external auditors and management prior to submission of financial statements to the Board for approval.
- Review quarterly and half-yearly financial statements before recommending them to the Board for approval.
- Evaluate Management Discussion and Analysis (MD&A) section of the annual report for accuracy and completeness.
- Review significant related-party transactions (RPTs) to ensure compliance and appropriate disclosure.
- Verify that proceeds from Initial Public Offering (IPO) or Rights Share Offer are deployed in line with approved disclosures.

03 Internal audit & control framework

- Uphold and protect the independence of internal audit functions.
- Oversee internal audit activities, structure and operations to prevent unjustified restrictions or limitations.
- Evaluate the annual internal audit plan, including its scope, coverage, and effectiveness.
- Follow up with the management on the timely implementation of audit recommendations to resolve identified irregularities.

04 External audit & oversight

- Propose the appointment, re-appointments, or removal of external auditors at the AGM, and investigate any circumstances leading to auditor resignation.
- Evaluate the independence, objectivity and professional competence of external auditors, guarding against conflicts of interest.
- Conduct pre-audit and post-audit meetings, including annual meeting with external auditors without management being present.
- Track the timely resolutions of observations raised by external auditors and remediation of detected irregularities.

05 Compliance with laws & regulatory standards

- Oversee adherence to applicable laws, regulations issued by regulatory authorities, and the Bank's internal policies and procedures.

06 Reporting & other responsibilities

- Present quarterly compliance reports to the Board, covering audit observations, instances of fraud, and anomalies flagged by internal auditors, external auditors and the Bangladesh Bank inspection team.
- Furnish evaluation reports on the performance of both internal and external auditors.
- Undertake self-assessment of the committee's own effectiveness and fulfil any additional assignments delegated by the Board.

Nomination & Remuneration Committee (NRC)

The Audit Committee of the Board additionally carries out all functions of the Nomination and Remuneration Committee (NRC) in line with its Terms of Reference (ToR). Decisions taken in this capacity are presented to the Board for ratification, in accordance with BRPD Circular letter no. 21, dated 12 May 2024. In discharging these NRC-related duties, the Committee functions independently while remaining accountable to the Board and the Shareholders .

Reporting to the Board

The Audit Committee maintains consistent and transparent communication with the Board of Directors, furnishing updates following each meeting. The Committee's meeting minutes, along with its suggestions and recommendations, are regularly submitted to the Board of Directors for ratification, ensuring informed decision-making and effective oversight.

In addition, the Committee brings to the Board's immediate attention any critical occurrences, including:

- Any identified conflicts of interest within the Bank.
- Suspected or detected fraud, irregularities, or material weaknesses in internal controls.
- Any suspected infringement of laws, including securities-related regulations.
- Any other matters the Committee deems necessary for Board attention.

Meetings of the Audit Committee

During 2025, the Audit Committee held 07 (seven) meetings, exceeding the Bangladesh Bank's minimum requirement of four (4) meetings per year. These sessions enabled in-depth engagement with the Head of Audit, Head of Internal Control & Compliance, and External Auditors on key findings and remedial actions. The Committee issued clear directives to management for ensuring timely implementation of recommendations and effective follow-up on corrective measures.

Meeting dates are outlined below:

SL	Meetings	Date of Meetings
1	155 th Audit Committee Meeting	15 January 2025
2	156 th Audit Committee Meeting	20 March 2025
3	157 th Audit Committee Meeting	12 May 2025
4	158 th Audit Committee Meeting	28 July 2025
5	159 th Audit Committee Meeting	10 September 2025
6	160 th Audit Committee Meeting	21 October 2025
7	161 st Audit Committee Meeting	07 December 2025

Major issues reviewed by the Audit Committee in 2025

During 2025, the Audit Committee discussed matters including the annual & interim financial statements, internal control effectiveness, audit findings, risk exposures, and compliance matters. Key areas of focus included, but were not limited to:



Matters reviewed/approved	Audit Committee's meeting no.						
	155	156	157	158	159	160	161
Reporting							
Draft annual, half yearly and quarterly financial statements.		√	√	√		√	
Operating expense variances.			√	√		√	
Internal audit							
<ul style="list-style-type: none"> Summary of internal audit reports, including high risk audit findings across branches, sub-branches, departments, and subsidiaries. Summary of information system audit reports Summary of Core Risk Audit Reports 	√		√	√	√	√	√
External audit							
Recommendation for external and corporate governance auditors' appointment and remuneration.		√					
Management Letter and its subsequent compliance thereof.				√			
Compliance report on corporate governance code of BSEC			√				
Internal control							
Review of policies relating to various functions	√		√	√	√	√	√
Compliance issues & others							
Bangladesh Bank inspection and compliance reports.	√						√
Annual Health Report 2024				√			
Quarterly report on willful loan defaulters		√	√	√		√	
Quarterly Operation Report and Loan Documentation Checklist.				√			√
List of corporate banking portfolio credit policy exceptions			√	√			
Half-yearly complaints received by the Bank			√	√			
Approval of KPI of MD & next two grades (AMD & DMD)							√
Risk-based internal audit plan 2026 of EBL & its Subsidiaries							√
BB circular relating to external audit rules 2024 and revision & amendments to the fee schedule for external audits, Loan write off policy and formation of loan written off Unit		√				√	

Internal audit and effective implementation of internal controls

The Internal Audit function preserves its independence through a direct reporting line of Head of Internal Audit to the Audit Committee Chair. Audit activities are guided by a risk-based audit plan, aligned with Committee directives and regulatory guidelines, and conducted in accordance with recognized internal audit standards. The Head of Internal Audit evaluates performance through periodic reports that capture key findings and actionable recommendations, and maintains direct access to the Audit Committee Chair through regular meetings held both with and without management presence.

The Audit Committee safeguards the operational independence of Internal Auditors by ensuring they have unrestricted access to all personnel, information, processes, properties, records, and systems necessary to discharge their duties with full objectivity.

Focus of future activities

The banking industry is undergoing rapid transformation driven by disruptive technologies such as artificial intelligence, big data analytics, digital-only banking platforms, cybersecurity solutions, robotic process automation (RPA), blockchain, biometrics and cloud-edge computing architectures. These developments have significantly reshaped operational models, risk profiles and

regulatory expectations across the financial sector. In response, EBL continues to enhance the capability of its Internal Audit function, particularly the Information Systems Audit team, through professional certifications, advanced technical training and alignment with the Bank's digital and business transformation roadmap. This approach enables proactive identification of control gaps and supports management in strengthening governance, risk management and internal control frameworks in a rapidly evolving digital environment.

Acknowledgement

The Audit Committee extends its sincere appreciation to the Board of Directors, management, and auditors for their continued support and collaboration. The Committee also expresses its deep gratitude to regulatory bodies, particularly Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC), for their guidance and oversight, which have been instrumental in fulfilling its responsibilities effectively.

On behalf of the Audit Committee,

Sd/-

Khondkar Atique-e-Rabbani, FCA
Chairman of the Audit Committee