

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

In banking, the prudent management of risk is fundamental to preserving resilience, sustaining growth, and protecting stakeholder confidence. At EBL, the Risk Management Committee (RMC) of the Board provides strategic oversight of the Bank's overall risk governance framework, ensuring that material risks are appropriately identified, assessed, monitored, and mitigated.

The Committee remains committed to fostering a sound risk culture and strengthening the Bank's resilience amidst evolving economic, regulatory, technological, and geopolitical challenges. Through disciplined oversight and proactive engagement with management, the RMC supports the Bank's long-term sustainability and stability.

Formulation of the Committee

In accordance with Section 15 Kha (3) of the Bank Company Act, 1991 (as amended through 2023) and in alignment with Bangladesh Bank guidelines, the Board of Directors established the Risk Management Committee (RMC) on November 7, 2013. Most recently reconstituted

on June 02, 2024, the RMC plays a pivotal role in mitigating systemic risks stemming from the Board's strategic and policy frameworks.

The committee's primary mandate is to uphold robust risk governance by overseeing, directing, and establishing policies designed to minimize potential risks during the execution of organizational strategies. Furthermore, the RMC focuses on the periodic evaluation of capital adequacy and the sufficiency of provisions against identified risk exposures to ensure institutional resilience.

Composition of the Committee

The Risk Management Committee (RMC) of the Board comprises four (4) non-executive directors nominated by the Board of Directors in compliance with the relevant provisions of Bangladesh Bank. The qualifications of the members, their status in the RMC, and attendance at meetings are outlined below:

Name	Status with the Bank	Status with the Committee	Educational Qualification	Meeting Attendance
Gazi Md. Shakhawat Hossain	Director	Chairman	M.Com (Accounting)	5/5
Mufakkarul Islam Khasru	Director	Member	MBA (IBA)	4/5
Mahreen Nasir	Director	Member	M.Eng. in Telecommunications	5/5
Barrister K.M. Tanjib-ul Alam*	Independent Director	Member	Bar-at-Law	0/3

* Barrister K. M. Tanjib-ul Alam completed his tenure on 24 September 2025.

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

Participation of non-members

Representatives from the risk management team participated in the meetings of the RMC of the Board held in 2025. The Managing Director, Additional Managing Director, Acting Chief Risk Officer, Head of Risk Management Division (RMD), Head of Planning, Strategy and Governance, Head of Special Asset Management Division (SAMD), Head of Legal attend the meetings of the committee, together with other concerned members of the management, as determined or invited by the committee.

Committee Governance

To ensure effective discharge of its responsibilities, the RMC follows an annual work plan aligned with its Terms of Reference (ToR). The agenda for each meeting is prepared through close coordination among the Committee Chairman, Company Secretary, and Chief Risk Officer to ensure comprehensive coverage of key and emerging risk matters.

Following each meeting, the Committee Chairman reports to the Board of Directors on significant deliberations, observations, recommendations, and decisions of the Committee, including matters requiring the Board's attention or strategic guidance.

The Committee maintains regular engagement with senior management and relevant management committees to ensure timely escalation of material risk issues and effective implementation of approved risk management measures.

Roles and Responsibilities of RMC

The roles and responsibilities of RMC have been framed in line with the provisions of Bangladesh Bank, Risk Management Guidelines for Banks vide DOS Circular no. 04, dated 08 October 2018 and other best practices. Some important roles and responsibilities are highlighted below:

- It is the responsibility of RMC to identify and assess risks and guide management to formulate strategies for minimizing/controlling risks. The committee (RMC) reviews the risk management policy and modifies the same as required from time to time.
- In order to mitigate risks, RMC ensures that a suitable risk governance structure is in place. RMC monitors the activities of separate management committees to ensure compliance with risk management guidelines related to credit risk, operational risk, foreign exchange risk, internal control and compliance risk, money laundering risk and information and communication technology risk.
- RMC reviews the risk management policy and guidelines of the Bank at least once a year, make necessary modifications as per requirement and submit the same to the Board of Directors for consideration. Besides, the committee reviews the status and quality of loan portfolio and guide management as required.
- The committee monitors implementation status of risk management policy of the Bank and examines whether remedial measures have been taken to minimize credit risk, market risk



and operational risk.

- The committee reviews various decisions and recommendations made by different risk committees of management for onward submission to Board of Directors.
- The committee complies with different directives/guidelines as issued by Regulators from time to time.
- Ensuring articulation and review of risk appetite and limits, and recommending these to the Board for their subsequent review and approval.
- Analyzing comprehensively existing and probable risk issues in the meeting, taking appropriate decisions for sufficient risk mitigation, incorporating the same in the meeting minutes and engaging in follow-up of decisions for ensuring appropriate implementation.

Meeting of RMC of the Board held in 2025

Bangladesh Bank advised RMC to hold at least 4 meetings in a year. In line with the same, RMC held 5 (Five) meetings during 2025 and had detailed discussions and review sessions with the management regarding their findings, observations and recommendations on various issues of interest and concern. Meeting dates were as follows:

Meetings	Date of Meeting
54 th RMC Meeting	20 March 2025
55 th RMC Meeting	18 May 2025
56 th RMC Meeting	24 July 2025
57 th RMC Meeting	09 October 2025
58 th RMC Meeting	01 December 2025

Major areas focused by RMC in 2025

In 2025 a total of 57 agendas were discussed in 5 meetings of RMC along with periodic status of implementation of RMC meeting's decisions. Major issues and areas of interest are noted below:

- Reviewed monthly Risk Management Reports, half yearly Comprehensive Risk Management Reports (CRMR) and recommendations of Executive Risk Management Committee (ERMC) made during December 2024 to November 2025 and with certain directions endorsed the same for onward submission to Bangladesh Bank (BB).
- Reviewed Stress Test Reports from quarter ending December 2024 to quarter ending September 2025 and endorsed the same for onward submission to BB.
- Reviewed SRP (Supervisory Review Process) return for 2024 for onward submission to Board of Directors for consideration.
- Reviewed EBL's Sustainable Banking Performance and progress of technical assistance for E&S and climate risk management.
- Reviewed of Gap analysis and action plan on implementation of Risk Based Supervision (RBS).
- Reviewed risk performance against approved Risk Matrix (Key Risk Indicators) for the year ending December 2024, half year ending June 2025 and month ending positions from January to September 2025.
- Reviewed the reports on Risk Management Policies of EBL and effectiveness of risk management functions in the Bank for the year 2025.

- Reviewed and endorsed Bank's risk appetite/internal limits for 2025 on major risk areas to place before Board of Directors for approval. RMC recommended growth in thrust sectors and advised to be cautious in few sectors considering their inherent and emerging risks.
- Reviewed risk performance against the risk appetite on quarterly interval and endorsed exposures exceeding the risk appetite with an advice to bring down those exposures within limit.
- Reviewed Internal Audit Report On Post Import Finance (PIF) for 2025 in Compliance with BRPD Circular 12, Dated June 13, 2021.
- Periodically reviewed Top 50 credit exposure (Group) of EBL in terms of limit offered to counterparties and advised management to closely monitor the account performance and to pay special attention to the vulnerable accounts.
- RMC highly focused on collection and recovery from delinquent accounts and reviewed implementation status of the strategies adopted in meetings. Throughout the year RMC regularly monitored position of classified, special mention, written-off and compromised settlement accounts, recovery status therefrom and progress of the law suits.
- Reviewed and endorsed Enterprise Risk Management (ERM) Guideline, Internal Capital Adequacy Assessment Process (ICAAP) Policy, Key Risk Indicators (KRI) limits, Terms of Reference of Sustainable Finance Committee.

Recommendations to the Board

The proceedings and recommendations of the RMC meetings, including key observations and guidance provided to management, were subsequently placed before the Board of Directors for consideration and ratification.

Future roadmap

The Risk Management Committee (RMC) proceedings are characterized by constructive dialogue, resulting in strategic recommendations disseminated to Management and subsequently presented to the Board of Directors. The Committee has placed heightened emphasis on the implications of global macroeconomic shifts and significant regulatory amendments.

Furthermore, the RMC remains committed to enhancing its inquisitorial oversight regarding stressed assets and recovery performance, while fostering a proactive and disciplined risk culture. Consequently, the Committee has intensified its focus on implementing robust risk control strategies to mitigate future uncertainties. Throughout 2026, the RMC will continue to rigorously monitor the execution of the Bank's transitional initiatives and their subsequent impact on the risk and control environment.

Acknowledgement

The Risk Management Committee of the Board expresses its sincere appreciation to the Board of Directors, Management Team, and the various management-level risk committees for their continued cooperation, professionalism, and commitment toward strengthening the Bank's risk governance framework and control environment.

The Committee looks forward to continuing this collaborative approach in supporting the sustainable growth and long-term resilience of EBL.

On behalf of the Risk Management Committee,

Sd/-

Gazi Md. Shakhawat Hossain

Chairman of the Risk Management Committee (RMC)