

Shariah Compliance Report of the EBL Shariah Supervisory Committee (EBL SSC)

Assalamu Alaikum Wa Rahmatullahi Wa Barakatuh.

By the grace of Almighty Allah, Eastern Bank PLC. officially started its Islamic Banking operations on 22 August 2024. In accordance with the bylaws of EBL Shariah Supervisory Committee (EBL SSC), the Committee is entrusted with the responsibility of overseeing, reviewing, and supervising Islamic Banking activities to ensure

full compliance with Shariah rules and principles. The fatwas, resolutions, and rulings issued by the Shariah Supervisory Committee are binding on the Bank. Accordingly, EBL considers Shariah compliance as the cornerstone of all its operations of Islamic Banking and remains committed to upholding the highest standards of Islamic banking principles in conducting its business activities.

Composition of EBL SSC for 2025

Sl.	Name	Status with the Committee	Educational Qualification	Meeting Attendance
1.	Mufti Shahed Rahmani	Chairman	Dowra-e-Hadith	7/7
2.	Mawlana Shah Mohammad Waliullah	Member Secretary	Kamil, M.A.	7/7
3.	Dr. Mohammad Monzur-E-Elahi	Member	M.A., Ph.D.	6/7

Meetings of EBL SSC

Sl.	Meetings	Date of the Meeting
1	8th EBL SSC Meeting	21 January 2025
2	9th EBL SSC Meeting	16 March 2025
3	10th EBL SSC Meeting	27 April 2025
4	11th EBL SSC Meeting	23 June 2025
5	12th EBL SSC Meeting	24 July 2025
6	13th EBL SSC Meeting	30 September 2025
7	14th EBL SSC Meeting	27 October 2025

Respective officials of the Bank related to agenda joined the meeting on invitation.

Role and Responsibilities of EBL SSC

- To assess whether the Bank's Islamic banking activities are conducted in accordance with Shariah principles or not, and to provide feedback and recommendations to the Board and Management, when necessary.
- To review and examine Islamic banking related documents, PPG, Contracts, agreements of EBL Islamic banking as and when required.
- To support the Senior Management of EBL by providing guidance on Shariah-related matters and assisting in establishing a banking framework based on Islamic Shariah principles, ethical values, and justice.
- To identify operational and procedural challenges in conducting business in compliance with Shariah and to recommend appropriate corrective measures to the Management and the Board.
- To recommend relevant topics for the Bank's training programs to enhance employees' understanding and practical knowledge of Shariah principles and Islamic banking practices.

Research & New Product Development

During the year 2025, Eastern Bank PLC. continued to strengthen its Islamic Banking portfolio through focused research, product innovation, and customer-centric solutions. Several new products and enhancements were introduced to address evolving market needs while ensuring full Shariah compliance and operational efficiency.

As part of its continuous product optimization strategy, EBL enhanced its existing financing structure to improve revenue sustainability and minimize potential Shariah non-compliance risks. The revised structure ensures better transaction transparency, strengthened control mechanisms, simplified operational workflows, and improved documentation standards, thereby enhancing overall product governance.

Major Areas Focused in 2025

The following areas in 2025 were reviewed and scrutinized by EBL-SSC:

- Finalization of deposit profit rates for the year 2024 and subsequent adjustments, where applicable.



- Review and submission of the 2024 Balance Sheet and Profit & Loss Statement of EBL Islamic Banking, along with finalization of the "Report of EBL SSC" for the year 2024.
- Review of the Shariah Audit Report 2024, which reported no detection of doubtful income. The EBL SSC also emphasized enhancing Shariah awareness among officers, particularly regarding the execution of real transactions in Islamic banking operations.
- Issuance of Shariah opinion on asset takeover proposals submitted by potential clients.
- Approval of Continuous Musharakah Finance (CMF) for working capital financing and EBL Musharakah Business Support (EMBS) for partnership-based procurement.
- Review of Musharakah Pre-Shipment Finance (MPSF) structures to support and facilitate international trade transactions.
- Review and approval of the Product Program Guide (PPG) for Murabahah Post Import (MPI) Finance under EBL Islamic Banking.
- Issuance of Shariah opinion regarding the honoring of customer requests for issuance of conventional credit cards against Islamic Term Deposits maintained with EBL Islamic Banking.
- Approval of EBL Islamic Wakalah Credit Card (incorporating Qard and Ujrah concepts), including the Schedule of Charges applicable to the product.
- Approval of Foreign Currency (FCY) Fund Management Policies for both the Islamic Offshore Banking Unit (OBU) and the Domestic Banking Unit (DBU).
- Partial review and submission of the Shariah Compliance Manual.
- Review of Islamic Account Opening Forms (AOF) for both individual and non-individual customers, including Islamic Term Deposit AOFs, to ensure Shariah compliance.
- Review of the process of maintaining multiple Islamic Term Deposits under a single Account Opening Form.
- Approval of the Master Musharakah Agreement for opening Letters of Credit (LCs).
- Review and approval of mortgage arrangements for existing conventional clients seeking conversion to Islamic financing facilities.
- Review and approval of weightage and provisional profit rates applicable to Mudarabah depositors.
- Review and approval of Waad-based Forward Booking arrangements.
- Issuance of Shariah opinion on financing against dividend receivables of clients.
- Review and issuance of Shariah opinion on the day convention method for profit calculation for deposits and financing.
- Revision of the Profit-Sharing Ratio (PSR) for Mudarabah deposit accounts.
- Review of the Schedule of Charges of EBL Islamic Banking products and services.
- Review of the Terms and Conditions embedded in the QR code linked to the Islamic Banking Account Opening Form (AOF).
- Review of the sample Letter of Authority format used for opening Letters of Credit.

Shariah Audit and Review

During the year, EBL Islamic Banking remained committed to maintaining a robust Shariah governance framework through continuous Shariah Review and Internal Shariah Audit activities under the supervision of EBL SSC. On a sample basis, EBL SSC examined transactions across key Islamic financing products to ensure compliance with approved Shariah contracts, internal policies, and regulatory guidelines. The EBL SSC also reviewed the Shariah Audit Report relating to the Islamic Banking operations of EBL and provided necessary instructions along with corrective measures to address non-compliance issues.

Shariah Compliance Unit under Shariah Secretariat carried out on-site Islamic windows and departmental visits to assess operational compliance with Shariah directives, documentation standards, and transaction execution procedures. Considering the nature of observations and operational complexity, EBL SSC advised EBL to continue these review activities and further strengthen the frequency and scope of branch-level Shariah compliance monitoring to enhance overall governance and control effectiveness. Through these initiatives, EBL Islamic Banking continues to reinforce its commitment to Shariah compliance, risk mitigation, operational integrity, and stakeholder confidence.

Segregation of Islamic and Conventional Funds

Eastern Bank PLC. ensures strict segregation of funds between its Islamic Banking operations and Conventional Banking operations in line with Bangladesh Bank guidelines and Shariah principles. All Islamic Banking deposits, investments, and financing funds are maintained, managed, and utilized separately through separate books of accounts. No commingling of Islamic funds with conventional interest-based funds is permitted under any circumstances.

Funds mobilized under Islamic Banking are deployed exclusively in Shariah-compliant assets and transactions approved by EBL SSC. Any inter-bank placements, treasury activities, or fund management arrangements involving Islamic Banking are executed in compliance with approved Shariah structures and regulatory requirements.

Profit Distribution to Mudarabah Depositors

Considering the Shariah requirements and the Guidelines for Islamic Banking issued by Bangladesh Bank, EBL Islamic Banking has implemented a Weightage-Based Framework of Rate of Return for distributing profit among Mudarabah depositors (Sahib Al-Maal). Under this framework, profit is allocated through product-wise Profit-Sharing Ratios (PSR) and weightages for different deposit categories.

For the year 2025, the PSR between the Bank and the Mudarabah depositors was 70:30 (Depositors: Bank) from January to July 2025 and was subsequently revised to 65:35 from August to December 2025, considering the Bank's profitability, liquidity management, and market competitiveness. As per regulatory instructions, profit during the year was paid at provisional rates, subject to adjustment after finalization of accounts at year-end.

Accordingly, upon finalization of the accounts for the year 2025, 28.09% of the funded income was retained by the Bank as Mudarib, while 71.91% was distributed among Mudarabah depositors, which is higher than the interim contractual PSRs. Accordingly, the Bank

has determined the final PSR at 71.91% in favor of depositors. This treatment is fully Shariah-compliant ensuring transparency, fairness, and protection of depositors' interests and duly approved in the 15th meeting of EBL SSC held on 11 March 2026.

Opinion

The Management of Eastern Bank PLC. is responsible for ensuring that Islamic Banking business is conducted in accordance with the Shariah rules and principles. The Shariah Supervisory Committee (SSC) is responsible for forming an independent opinion, based on its review of Islamic Banking activities, and reporting its findings to the shareholders.

During the year 2025, the Committee reviewed the Shariah principles, contracts, and operational structures relating to the transactions and products introduced and implemented by EBL Islamic Banking. The Committee obtained necessary information and evidence to gain reasonable assurance that EBL Islamic Banking adhered to Shariah rules and principles in its operations. Based on the review conducted, the Committee expresses the following opinions:

- The agreements, contracts, transactions and dealings entered into by the Islamic Banking during the year 2025 that we have reviewed were in compliance with Shariah principles.
 - Transactions conducted between the Islamic Banking and the conventional banking operations of the Bank were carried out in accordance with Shariah requirements.
 - The distribution of profit to Mudarabah depositors was made as per decision of SSC and in line with Framework of rate of return approved by Bangladesh Bank.
 - The Bank's overall Islamic Banking operations, including fund deployment and profit distribution mechanisms, generally complied with Shariah rules and principles.
 - The use of "Irrevocable Letters of Authority" in Letter of Credit (LC) operations ensured that the Bank maintained the required ownership and agency roles necessary for the execution of Murabahah transactions in compliance with Shariah.
- Any instances of Shariah non-compliance identified during audits conducted by the internal Shariah Audit team were promptly addressed through corrective actions.
 - During the review period, no income generated from sources or activities prohibited under Shariah principles was identified. Accordingly, no doubtful income was reported. In addition, no compensation was recognized as regular income of the Bank in accordance with Shariah principles.

EBL Islamic Banking does not pay Zakah on behalf of its shareholders or depositors. Hence, individual shareholders and depositors are advised to calculate their own Zakah and distribute accordingly to the right beneficiaries in accordance with Islamic Shariah principles.

Recommendations from EBL SSC

The committee has recommended the following measures to further enhance the quality of Bank's Islamic banking services:

- **Continuous Capacity Building:** Regular Shariah-focused training for all employees to bridge the knowledge gap.
- **Enhanced Disclosures:** Maintaining high transparency in profit-sharing ratios and weightages for depositors.
- **Proactive Compliance:** Strengthening the Shariah audit function to identify and rectify any procedural deviations.

Reformation of EBL SSC

All three members of EBL SSC, namely Mufti Shahed Rahmani, Mawlana Shah Mohammad Waliullah, and Dr. Mohammad Monzur-E-Elahi, have joined the newly formed Shariah Advisory Board (SAB) of Bangladesh Bank. As per Bangladesh Bank regulations, members of the Central Bank's SAB are not eligible to serve as members of the Shariah Supervisory Committee of any commercial bank. Accordingly, and in line with the approval of Bangladesh Bank and applicable regulatory guidelines, a new committee was constituted in January 2026. The following distinguished scholars were appointed as members of the EBL SSC:

Members of new EBL SSC

Sl.	Name	Status with the Committee
1.	Mufti Muinul Islam	Chairman
2.	Mufti Abu Bakar Siddique Nabil, CSAA	Member
3.	Mufti Gazi Sanaullah Rahmani	Member

Acknowledgement

EBL SSC extends its sincere appreciation to the honorable members of the Board of Directors and the Management of Eastern Bank PLC. for their continuous support and cooperation in fostering a strong Shariah-compliant culture within the Bank. The Committee also gratefully acknowledges the valuable guidance and regulatory support received from the Islami Banking Regulation and Policy Department (IBRPD) of Bangladesh Bank.

We humbly pray to Almighty Allah (SWT) to grant us continued guidance, success, and sincerity, and to enable us to conduct all banking transactions in a manner that is pure, transparent, and fully compliant with the principles of Islamic Shariah.

On behalf of the Shariah Supervisory Committee of EBL,

Sd/-

Mufti Muinul Islam

Chairman of the Shariah Supervisory Committee

Disclaimer

The newly appointed EBL Shariah Supervisory Committee (EBL SSC) members have approved this Shariah Compliance Report 2025 based on reliance on the decisions of the previous EBL SSC, a review of prior meeting minutes, and a sample-based review of relevant agenda items.