



Report of the Executive Risk Management Committee (ERMC)

With the objective of evaluating and enhancing the overall effectiveness of the Bank's risk management processes, the Executive Risk Management Committee (ERMC) of Eastern Bank PLC. was established in accordance with the directives of Bangladesh Bank. The Committee plays a pivotal role in identification, assessment, and mitigation of risks that may adversely affect the Bank's financial soundness, reputation, regulatory compliance, operational performance, and strategic objectives.

The ERMC is responsible for ensuring the effectiveness of the Bank's core risk management framework and overseeing capital management in compliance with the Basel Accords and the regulatory instructions issued by Bangladesh Bank from time to time. The Committee's responsibilities include setting and reviewing appropriate risk tolerance limits and triggers, providing guidance and oversight on risk mitigation strategies, and ensuring that the

Bank's risk-taking activities remain aligned with its approved risk appetite and strategic goals.

The ERMC of EBL is committed to promoting a robust and sustainable risk culture across the organization by strengthening risk governance, enhancing risk control mechanisms, and embedding effective risk management practices throughout the Bank.

Composition of the committee

The committee comprises representatives from across the Bank's key divisions. The chairman of the committee is Acting Chief Risk Officer (CRO). Head of ICC & CAMLCO plays the role of co-chairman and Head of Risk Management Division (RMD) acts as the Member Secretary of the committee.

Composition of the Committee as follows:

Sl.	Name	Designation	Status in ERMC
1.	Mahdiar Rahman	SEVP & Acting Chief Risk Officer	Chairman
2.	Mahmoodun Nabi Chowdhury	DMD and Head of ICC & CAMLCO	Co-Chairman
3.	Ahmed Shaheen	Additional Managing Director	Member
4.	Riad Mahmud Chowdhury	DMD & Head of Corporate Banking	Member
5.	Mehdi Zaman	DMD & Head of Treasury, FIs & Offshore Banking	Member
6.	Mahiuddin Ahmed	DMD & Head of Operations	Member
7.	M. Khorshed Anowar	DMD & Head of Retail & SME Banking	Member
8.	Masudul Hoque Sardar	SEVP & Chief Financial Officer	Member
9.	Zahidul Haque	SEVP & Chief Technology Officer	Member
10.	Ashraf uz Zaman	SEVP & Head of Planning, Strategy and Governance	Member
11.	Mostafa Sarwar	SEVP & Head of Credit Risk Management	Member
12.	Md. Abdullah Al Mamun FCS	SEVP & Company Secretary & Head of HR (CC)	Member
13.	Mohammed Moinul Islam	SEVP & Head of Special Asset Management	Member
14.	Nasser Islam	EVP & Head of Credit Administration	Member
15.	Nafis Ahmed	VP & Head of Risk Management Division	Member Secretary
16.	Md. Marzuq Chowdhury	SAVP & Senior Manager, Risk Management	Member

Participation of non-members

There is a standing invitation for Head of Audit and Head of Business Information Systems. Additionally on invitations members bring guest to attend the meeting.

Meetings of ERMC in 2025

The Executive Risk Management Committee (ERMC) convenes on a monthly basis; however, the Chairman may call unscheduled emergency meetings as and when required. In the absence of

the Chairman, the meeting is presided over by the Head of ICC & CAMLCO.

The responsibilities and authority of ERMC are defined in the Terms of Reference (TOR) approved by the Board Risk Management Committee (RMC). The presence of at least two-thirds of the Committee members is required to constitute a quorum. In the event that any member is unable to attend a meeting due to official commitments, medical reasons, leave, or other valid causes, the member may nominate an alternate representative to attend the meeting on their behalf. The ERMC meeting took place twelve (12) times throughout the year. The dates are as follows:

Meeting Number	Meeting dates
Meeting Number 01	30 January 2025
Meeting Number 02	27 February 2025
Meeting Number 03	27 March 2025

Meeting Number	Meeting dates
Meeting Number 04	30 April 2025
Meeting Number 05	28 May 2025
Meeting Number 06	29 June 2025
Meeting Number 07	31 July 2025
Meeting Number 08	31 August 2025
Meeting Number 09	28 September 2025
Meeting Number 10	30 October 2025
Meeting Number 11	30 November 2025
Meeting Number 12	29 December 2025

Roles and responsibilities of ERM

- Accountability and responsibility of ERM is limited to the extent of submission of its recommendations or reports to competent authority (MD or RMC of the Board). If any decision is taken on the basis of those recommendations, ERM is to supervise for timely and effective implementation through respective department/division.
- Review and recommendation of suitable risk assessment and management policies, methodologies, guidelines and procedures/manuals in line with Bangladesh Bank guidelines for identification, measurement and monitoring of risks.
- The Committee supervises assessment and maintenance of adequate capital and provision to support risk-taking. The Committee through RMD is also to review and recommend maintenance of supervisory capital as part of Supervisory Review Process (SRP) in addition to regulatory capital.
- The Committee provides direction and assistance for developing an effective and efficient information system/ MIS and data management capabilities to support the risk management functions of the Bank.
- The Committee determines general principles for identifying, measuring, managing, and reporting the bank-wide existing and potential risks (Credit, Market, Liquidity and Funding, Operational, Reputational, Business, Environmental, ICT etc.) and recommend appropriate recommendations to control and mitigate those risks.
- The Committee periodically reviews the Key Risk Indicators (KRIs) of all the departments/divisions across the bank and advise corrective actions to departments/divisions where there is any deviation.
- The Committee oversees status of all risks annually on a systematic manner to keep risk exposures within the limits set by the Board, ensure adequate control over risks earning reasonable risk adjusted returns.
- ERM is authorized to ask for information or explanations on any risk related issues in any format (including presentation) from any individual/unit/department/division of the Bank. In such case respective respondents shall provide requisite information accurately and timely.
- ERM is responsible for ensuring the arrangement of the Bank's Annual Risk Conference.

Major areas focused by ERM in 2025

- Business Continuity plans were prepared for major divisions under the guidance of ERM.
- Reviewed Ops Risk framework prepared under the guidance of The International Finance Corporation (IFC-a member of the World Bank Group)
- Reviewed all risk-related reports, including CRMR, RMR, KRI, and Stress Testing reports, throughout the year and adopted appropriate risk mitigation measures.
- Ensured review of Product Program Guidelines (PPGs) for the Corporate Banking, Retail Banking, and Cards Divisions.
- Reviewed the Risk Control Self-Assessment (RCSA) processes for Corporate, Credit Risk Management, and Operations.
- Ensured periodic follow-up and monitoring of various risk segments across the Bank.

On behalf of the Executive Risk Management Committee.

Sd/-

Mahdiar Rahman

Chairman of the Executive Risk Management Committee (ERM)