



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Communication on Progress (CoP)- 2020





COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.



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July 25, 2021

To Our Stakeholders:

STATEMENT OF CONTINUED COMMITMENT BY THE CEO

I am pleased to confirm that Mutual Trust Bank Limited reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited



Towards A Sustainable Revival:

The year 2020 will be a historically remarkable year for the mankind because of the pandemic of unprecedented magnitude namely COVID-19 that rocked the whole world. Apart from direct infections from the deadly virus, almost every human on earth got affected by this pandemic in one way or the other. The pandemic has inflicted huge economic damages and the impact has been far-reaching even for the banking sector. But this is not the first novel pathogen to hit us and not going to be the last one. So, a fresh perspective is required to address the crisis caused by the pandemic; as well as a fresh start is required to recover from the financial losses that we are facing. Therefore in 2021, Mutual Trust Bank Ltd. has taken up the motto of “Towards a Sustainable Revival” to continue its banking operations with a new hope of revival and growth in days ahead. MTB believes in sustainable economic recovery riding on digital innovation, ease of customer service delivery and doing business in a more resilient manner. It is evident, the banks that invested in customer experience tend to have a larger wallet share, higher rates of recommendations and are more likely to cross-sell products and services to existing customers. While banking, customers expect their interactions to be seamless and spontaneous. With a view to keeping up with the changing customer expectations, the bank of the future will need to embrace emerging technologies and accordingly adopt to the evolving business models. Since the outbreak of COVID-19 pandemic, MTB strived to build a sustainable infrastructure of digital framework. To make MTB banking services easily accessible during the time of lockdown, MTB has introduced digital solutions for the stakeholders with its various banking facilities such- MTB internet banking facilities, MTB Smart Banking App, MTB Simple, MTB Green Pin, MTB 24/7 ATMs and CDMs, MTB Call Center, MBot etc. We believe, in order to restore and have a resilient recovery, our value proposition must be -t for purpose, ensure customer satisfaction, and in turn help the bank to propel with steadfast business growth. Sustainability means meeting our own needs without compromising the ability of future generations to meet their own needs. In addition to natural resources, we also need social and economic resources. Sustainability is not just environmental we also need to ensure social equity and economic development. And revival means an improvement in the condition, strength, or fortunes of someone or something. Hence, for us “Sustainable Revival” means improving the economic condition of all with sustainable business practices without compromising natural, social, and environmental resources for future use. In 2021, MTB looks forward to achieving a sustainable recovery from the economic losses faced by pandemic, revitalize its persistent growth momentum, and finally reviving with renewed force to address the fallout of the pandemic crisis via efficiency improvement, business strategy alignment and prudent human capital management. Thus, MTB marches “Towards a Sustainable Revival” in 2021.

A detailed sustainability analysis is also part of our annual report (*ref Page 313 to 346 of Annual Report 2020*)



Principles 1-2

- Businesses should support and respect the protection of internationally proclaimed human rights.
- Business should make sure that they are not complicit in human rights abuses.



HUMAN RIGHTS

“Human Rights” issues are pivotal not only from the organizational perspective but also from the social standpoint. These issues are also crucial to foster the sustainable development of a nation. Hence, we must provide adequate attention to protect the rights of vulnerable groups, including women, children, people with disabilities, indigenous peoples, migrant workers, older persons, etc. Moreover, priority towards human rights has also been integrated into the Sustainable Development Goals (SDGs) agenda, which has made human rights issues even more universal and inextricable.















Policies & Strategies to Support Human Rights

Mutual Trust Bank (MTB) Ltd. is committed to abiding by the fundamental principles of human rights through its 3Vs, the bank’s sustainable and responsible vision. The creation of a diverse, inclusive, and accessible workplace for all is an integral part of the bank’s vision. And to pursue this vision, MTB has some inclusive policies and unique workplace standards designed to ensure the rights of its employees, customers, and the community. The bank is fully committed to the “Universal Declaration of Human Rights”, as adopted by the United Nations for its member states, through its daily operations. MTB has the following policies to ensure that the bank in no way is complicit in Human Rights abuses, both internally and externally:

- ☒ Code of Conduct (*ref Page 82 of Annual Report 2020*)
- ☒ Speak up Policy
- ☒ Anti-harassment Policy
- ☒ E&S Safeguard policy, CSR Policy
- ☒ Women Forum for Female Employees
- ☒ Other HR Policies






At Mutual Trust Bank, relentless efforts have been put in to ensure the right to equality and non-discrimination, as the bank assumes all necessary actions to ensure equal rights and opportunities in all areas. Moreover, the bank has emphasized different approaches for the well-being of its employees, which support its employees in maintaining a healthy work-life balance.

MTB's Strategies to Protect Human Rights Internally

 Fair and Equal Employment Opportunities	 Employees' Grievance Mechanism
 Equal Dignity and Rights for Employees	 Fair Treatment of Customers
 Working Environment	 Fair Treatment of Counter-parties
 Distinctive Equal Empowerment for the Employees	 Respecting Each Other and Reciprocity
 Environmental, Health & Safety issues in the Workplace	 Privacy and Security of Clients/Stakeholders Information
 Diversity	 Prohibition from Fraud, Theft or Illegal Activities
 Prevent and Avoid Potential Conflict of Interest	 Recognition & Award

Promoting Human Rights Externally: MTB's Priority Sectors for CSR Initiative



Description of Actions to Implement Relevant Policies & Strategies	Measurement of Outcome
<ul style="list-style-type: none">  Mutual Trust Bank has a well-articulated “Code of Conduct”, which sets out the fundamental principles for protecting the interests and rights of employees and other stakeholders as well as the counterparties, in addition to the broader interests of the society as a whole. The Code of Conduct is duly accepted by the employees to ensure that they are well informed and compliant to the bank’s norms and standards. <i>(ref Page 82 of Annual Report 2020)</i>  As a part of its commitment to providing equal rights for its employees, the bank has pledged to set up steadfast standards of behavior through the bank’s “Speak Up Policy”, which is aimed at creating a transparent and sustainable 	<ul style="list-style-type: none">  MTB has formed a Disciplinary Action Committee comprises its Senior Management to ensure that employees abide by the bank’s Code of Conduct. If any employee breaches the bank’s Code of Conduct, appropriate action is taken per its relevant policies.  The bank also introduced a Women Forum, “Aporajita”, which focuses on enabling all the female MTBians to challenge all limitations and stereotypes that they may face in the workplace and personal life to excel in their careers  As part of its sustainable agendas, MTB always promotes gender equality, both internally

environment wherein employees can raise any concern about suspected misconduct/unethical issues within the bank.

- ☒ In order to embed the global standards and to stimulate contributions toward attaining SDGs, the bank has developed a policy, Anti-Harassment Policy for the employees, pursuant to its objectives of prohibiting racial, gender, sexual and other forms of unlawful harassment.
- ☒ The bank comprehends the value of women empowerment, and it has a balanced view while onboarding a new employee to ensure gender parity, while the bank is also offering innovative financing windows to the needy women entrepreneurs. Maintaining gender ratio at a reasonable level is another target of MTB GHR.
- ☒ The bank is conducting various awareness sessions for its employees around the year, which is helping them to become adept in their personal lives by better managing stressful and adverse situation like the prevailing pandemic.
- ☒ MTB Customer Charter is a general statement of commitments for providing world-class banking services and necessary information to customers. The objective of the Customer Charter is to make the customers conscious about their public rights, obligations, grievance approach process, and thereby help them make informed decisions.
- ☒ MTB has set up “Mutual Trust Bank Foundation” and contributes, as a donation, a part of its profit to the foundation for undertaking various subprojects, particularly in the health and education sectors.


through its workforce, and externally by supporting women empowerment. There is representation of women leadership in the bank's Board-level. As of December 2020, around 20% of the entire workforces of MTB is female. Moreover, the bank has a tailored product, namely “ANGONA”, designed only for women to empower them with financial independence and simplified banking.

- ☒ Mutual Trust Bank issued “MTB COVID-19 Risk Management Guidelines” for aiding its employees to ensure adequate preventive measures are in place to remain safe & sound and bolster mental health during this menacing situation. The bank also launched COVID Reporter App, which can track employees with health issues and reach out for necessary assistance. The bank also encouraged its employees to take COVID-19 vaccine under the government's free vaccination program.
- ☒ During this pandemic, MTB is providing steadfast and amicable support to its customers for any sort of difficulty they encounter while availing service from the bank. The bank has a central customer services & complaints unit cell, which looks after any complain raised concerning customer service in due manner.
- ☒ MTB's SQD conducts Customer Satisfaction Survey (CSAT) on a regular basis to find out what makes our customer happy and what they are dissatisfied with. This survey gives us the opportunity to reach out to our customers in a multitude of ways, especially it helps us to establish a loyal, engaged and happy customer base
- ☒ MTB donated BDT 50 Million to the prime minister's relief fund for COVID-19 affected people across the country
- ☒ MTB's employees' have donated their one-day salary to stand by the people in distress due to the pandemic-induced crises. The Board of Directors also took part in the noble cause by donating a

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significant portion of their honorarium. Moreover, the MTB Foundation donated 40% of their fund for the same purposes. The bank has amassed the donation in the form of MTB COVID-19 Fund in 2020 and utilized it for the following purposes:



- Distribution of Disinfectant Chambers at Kurmitola General Hospital and Kuwait Moitree Hospital through BUET 97 amounting BDT 900,000
- Cash Distribution through Management and Resources Development Initiative (MRDI) in Bhola amounting BDT 1,035,000
- Provided N95 masks to different hospitals amounting BDT 350,000
- Supported SAJIDA Foundation for ensuring better treatment of COVID-19 patients
- Supported 100 families amounting BDT 800,000 through Manusher Jonno Foundation under COVID-19 rehabilitation programme
- Distributed emergency relief packages to 2400 families in 18 districts through JAAGO Foundation, Rotary Club of Dhaka, It's Humanity Foundation, The Earth Society, and Bangladesh Army
- Donated BDT 200,000 to Jatio Rabindra Sangit Sammelan Parishad for the distressed singers of the organization

 MTB Foundation extended support for LEKHAPARA Trust for their school named Koltapara Anondo Pathshala for underprivileged and physically challenged children at Koltapara, Sonargaon, and Narayanganj.

Following is a glimpse of the major sector-wise CSR activities done by Mutual Trust Bank in 2020:

Segment	AMOUNT (BDT)
Education	7,674,051
Health	10,790,312
Disaster Management	125,677,000
Environment	90,000
Art & Culture	53,683,490
Sports	676,000
Others	2,427,100
Total	201,017,953



	<p style="text-align: center;"><u>Principle: 3-6</u></p> <ul style="list-style-type: none">- Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining- the elimination of all forms of forced and compulsory labor- the effective abolition of child labor; and- the elimination of discrimination in respect of employment and occupation.	
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LABOUR RIGHTS





Policies & Strategies to Support Labour Rights

Mutual Trust Bank believes in providing equal employment opportunities, and thus any form of potential persuasion/solicitation while onboarding employees is strictly avoided. We fathom that gender diversity is pivotal for a prosperous, peaceful, and sustainable nation at MTB. Hence, MTB desires to create synergy through employing a diverse group of people. Workforce diversity prevents creating any glass ceiling and provides better output by enabling different perspectives, which help engender better alternatives in decision making. Moreover, we prioritize the health, safety, and well-being of our employees. And it's our responsibility to provide a safe and sanitary working environment for our employees. As a responsible banking institution, MTB does not employ any form of child labor/forced labor nor channelize financing to customers who exploit children by any means in their supply chain. There are several policies and strategies approved by the Board of Directors to beef up the employees' empowerment and to support their rights.

Policy Driven Practices to Ensure the Rights of the Employees

- ☒ Code of Conduct, Speak up Policy (ref Page 82 of Annual Report 2020)
- ☒ HR Policies for recruitment, promotion etc.
- ☒ Human Resource Development Programs
- ☒ Employee Benefits: Provident Fund, Welfare Fund etc.
- ☒ Employees Death Benefit Plan
- ☒ Life and Health Insurance for MTB Employees
- ☒ Reward & Recognition through Performance Management System
- ☒ MTB Security Policy
- ☒ MTB Fire Safety and Firefighting Policy
- ☒ Earthquake Emergency Procedure, Business Continuity Plan
- ☒ Credit Risk Management Policy
- ☒ Procurement Policy
- ☒ E&S Safeguard Policy

Description of Actions to Implement Relevant Policies & Strategies	Measurement of Outcome
<ul style="list-style-type: none"> ☒ The rights, obligations, and fringe benefits of the employees are well articulated in the appointment letter, wherein the entire terms and conditions for employment are also specified. An equal opportunity provider, MTB aspires to be the 'Bank of Choice'. As such, the bank's recruitment process is entirely based on an unprejudiced approach, where competencies, merits, and other cognitive characteristics that impeccably suit organizational culture are considered. ☒ The wellbeing of employees comes first at MTB; hence, all employees are entitled to avail leave for any emergency and casualties as per the bank's policy. Moreover, there is a mandatory paid leave for all employees every year with necessary Leave Fair Assistance (LFA), as per the guideline of Bangladesh Bank. ☒ Health and Safety measures have long been implemented in MTB because the bank is committed to providing adequate workplace safety to its employees since its inception. The bank has a dedicated Security and Fire Safety department to ensure that effective processes are in place and operational to maintain workplace safety and security. ☒ MTB has many schemes to ensure the health status of employees, engage them into lifestyles to enhance mental and physical well beings. ☒ MTB believes that adequate training is an investment in the human resources of an organization, with both immediate and long-term returns. It has implemented a Learning Management System (LMS) for essential mandatory training programs for all staff. 	<ul style="list-style-type: none"> ☒ MTB is one of the pioneering banks to first initiate "Work from Home" during COVID-19 pandemic. Even when the businesses and industries are opening while embracing a new normal-life, the bank is providing safeguards to its employees by deploying rotation basis work wherever possible. The bank prioritizes the well-being of its employees beyond anything. ☒ The bank's generous leave policy, both casual and earned, ensures employees have a better work-life balance. It also provides Leave Fair Assistance (vacation bonus) as part of the salary to employees during their planned leaves. Female employees have the opportunity to get six months of maternity leave to enjoy their motherhood at ease. The bank also allows medical/sick/quarantine leave for 14 days, when required. ☒ Regular fire drills are conducted at the head office to train the employees and gauge the effectiveness of fire safety measures. Moreover, the bank has also set up a temperature detecting machine at the entrance of its Head Office, where all employees measure their temperature before entering into office premises. Free sanitization is also provided at the entrance. Regular mail on dos and don'ts on fire safety and security is another way to spread awareness among the employees. ☒ The organization has a medical assistance fund, and every employee, temporary and permanent, is entitled to receive benefits of the fund for self and family members. All MTB employees are protected under the comprehensive group health insurance coverage that covers all probable medical needs. Moreover, the bank has a designated doctor for its employees.

-  To enhance employee engagement and for mental refreshment, MTB arranges programs like cricket carnival, indoor games, the celebration of Pohela Boishakh, Women's Day, etc. Moreover, employees can share their news on the MTB intranet (MNet) for increased networking with colleagues.
-  Due to the pandemic, MTB has conducted most of the training programs remotely through virtual platforms during this crisis. In 2020, 151 training programs were conducted, where a total of 1,933 employees participated based on their job requirements and development necessities.
-  The Human Resource Division of MTB has also introduced vigorous Key Performance Indicators to evaluate human resources in terms of objective and performance and instil a performance-based culture within the organization. Moreover, the Standard Operating Procedure (SOP) for operational units, Job Description for employees are key parts of the organization's transparent governance in its daily operations. *(ref Page 158 of Annual Report 2020)*
-  The bank also has an exclusion list of financing to ensure social in its entire supply chain



Principle: 7-9

- Businesses should support a precautionary approach to environmental challenges;
- undertake initiatives to promote greater environmental responsibility; and
- encourage the development and diffusion of environmentally friendly technologies



ENVIRONMENT

Policies & Strategies for Environment & Social Concern

Mutual Trust Bank comprehends the impact of its activities on the environment and social peripheries. Hence, the bank's business strategies are constructed and operated in such a way that contributes to the minimal amount of carbon footprint. The bank is committed to providing relentless effort to minimize its negative footprint on the environment.

Environment & Social Safeguard Policy: MTB has developed a comprehensive E&S safeguard policy, which provides an inclusive framework for managing the prevalent environmental and social concerns associated with the bank's direct operation or from indirect involvement. The bank's E&S safeguard policy is designed to uphold the following overarching principles:

- ☒ be an environmentally responsible business by minimizing the environmental impact of its operations and acting promptly to reduce or respond to incidents that endanger health, safety or the environment;
- ☒ enhance its system for identifying and assessing environmental and social risks as a part of the normal process of risk assessment and management by incorporating the latest requirements of Bangladesh Bank and international best practice standards and tools to manage these issues;
- ☒ collaborate and influence the clients of the Bank to comply with the environmental, health and safety and labor issues regulations and to undertake resource efficiency activities through rigorous programs;
- ☒ ensure proper due diligence is conducted and mitigation measures imposed on the clients whose business activities don't meet the Bank's environmental and social requirements

☒ **Corporate Social Responsibility (CSR) Policy**

Credit Risk Management Policy: Having an articulated credit policy, which provides a holistic framework for gauging and mitigating potential risks in lending activities, is a must for a responsible financial institution. MTB has formulated a well-structured credit risk management policy, which is also approved by its Board. In its credit policy, the bank has instilled environmental and social risk assessment process. Moreover, and to negate the environmental & social impact of the investments, MTB has integrated E&S due diligence into its credit appraisal processes, which is an imperative element of MTB's credit policy.

Description of Actions to Implement Relevant Policies & Strategies	Measurement of Outcome
<p>☒ MTB has unequivocal segregation of the roles & responsibilities to carry out all necessary functions of E&S. The bank has an operational unit, namely Sustainable Finance Department (SFD), to ensure that the bank is providing due attention to the environmental & social endeavors in line with its strategic vision. Moreover, the bank also has a governing committee, the Sustainable Finance Committee (SFC), which supervises the activities of the SFD and sets out the strategies for the bank's sustainable vision as guided by the Board Risk Management Committee (BRMC), the apex body of MTB's E&S endeavors.</p> <p>☒ The bank's in-house chores are driven by the principles of its green office guide, which encompasses 3R:</p> <ul style="list-style-type: none"> • Reduce • Reuse • Recycle <p>☒ MTB's Digital Marketing System: Green marketing is the marketing of products that are presumed to be environmentally safe. MTB emphasizes more on offering its products and/or services based on environmental benefits. Some of the green marketing tools of MTB's are:</p> <ul style="list-style-type: none"> - Marketing through electronic/social media - Marketing through Word-of-Mouth - Marketing through SMS Banking - Internet Banking & Mobile Banking Facilities - Green Advertising - MTB Green Events - Digital APP from AR <p>☒ MTB Green Building: MTB has designed its two corporate office buildings, "MTB Centre" and "MTB Tower", as green buildings with motion sensor</p>	<p>☒ The Sustainable Finance Committee (SFC) of the bank steers the entire framework of the sustainable banking of the bank and convened as per necessity</p> <p>☒ To accelerate its sustainable endeavors, MTB has established Sustainable Finance Help Desks at 75 branches. SFD Help Desk members keep constant communication with the Sustainable Finance Department (SFD) of the bank and coordinate to implement the broader strategies set out by the governing bodies pertinent to sustainability matters of the bank.</p> <p>☒ We keep track of the resources used in our day-to-day operations. We also report our paper and water consumption, fuel usages, and electricity consumption quarterly.</p> <p>☒ With a view to enhancing Green Banking and Sustainable Development, MTB has launched Green PIN for all MTB Cardholders. Green PIN is a Contact Centre IVR based, instant and secure PIN generation service for all types of cards issued by MTB. This paperless service will facilitate MTB Cardholders to set their new card PIN, and they no longer need to visit MTB Branches to receive the new PIN or change the existing PIN.</p> <p>☒ All MTB branches provide internet banking facility. Moreover, the bank has 9 branches and 7 ATM booths run by solar energy.</p> <p>☒ Introduction of app based Internet Banking-MTB Smart Banking. Also, Implemented CBS Go-Live to automate more services to improve the efficiency</p>

lighting systems. Lights are automatically turned off if there is no human movement in the room. Solar power systems, Rain Water Harvesting Systems have also been installed on the rooftop of the buildings. Both buildings are designed to reduce energy consumption significantly and make MTB a green and environment-friendly bank in the true sense.

- The bank has a rigorous Environmental & Social Due Diligence (ESDD) process, which is sternly followed in the process of extending credit facilities to its clientele.



- As part of its CSR policy, the bank assumes the role of mitigating climate change by investing in projects that are undertaken to nullify the adverse impact of climate change.
- MTB prepares Sustainability Reports following the GRI standards.

- MTB's Environmental & Social Risk Rating Status:

2020	High	Medium	Low
Number of finances rated	4	232	1,293

All "High" ESRR finances were granted with proper mitigation plans.

- MTB has implanted environmental and social risk and the relevant issues in its training & development program. New joiners are being groomed regarding the fundamentals of sustainable banking. Moreover, SFD conducted rigorous subject matter-related training for 121 employees virtually in 2020.

- To instigate awareness among the young generation on the looming peril of climate change, we have arranged a debate competition on the occasion of Earth Day 2021. A total of 250 students from 73 places of 8 divisions across the country took part in the event.

- One of our clients, Banolata Refractory, a brick manufacturer, got "Carbon Revenue" for reducing CO2 emission by using HHK technology.

- To mitigate the effects of climate change and ensure healthy lives and well-being of the people of the country, MTB has renewed its support to BizCare for "The Mangrove Children" project, which aims to raise awareness about ways to conserve and sustain the world's largest mangrove forest, the Sundarbans, amongst the students of Kolbari Nekjania High School in Munshiganj under Shyamnagar Upazila in Satkhira district. MTB's contribution to BizCare will help run the Eco-Library and add solar-powered facilities to the school premises.



Principle: 10

- Businesses should work against corruption in all its forms, including extortion and bribery



ANTI-CORRUPTION

The pervasiveness of financial crimes, such as corruption, money laundering, and terrorism financing, is mounting up these days. Because of the incessant nature of different forms of delinquencies, banks/financial institutions need to institutionalize a robust mechanism to fend off any fraudulent activity. Therefore, strict governance, transparent policies, and relentless assessment in regular transactional activities are integral parts for banks/financial institutions to safeguard from the prevalence of unbecoming conducts.

Policies & Strategies to Combat Corruption

Integrity and transparency are embedded in MTB's core values, and neither the bank nor its employees are inclined toward any form of corruption, bribery, and money laundering activities. Mutual Trust bank rigorously adheres to all relevant national rules and regulations pertaining to the prevention of corruption. The bank is committed to providing nationwide service with utter sincerity, while its employees are abided by a code of conduct that strictly refrains themselves from doing any misconduct.

MTB Money Laundering & Terrorism Financing Risk Management Guideline: MTB has a Board approved anti-money laundering risk management guideline, which entails the customer acceptance policy and the ML & TF Risk Assessment Guideline. The customer acceptance policy incorporates the detailed customer due-diligence procedure for acceptance/rejection of customers, procedures to open & operate different types of accounts.

Fraud Management Policy: The bank has its board approved Fraud Management Policy entailing proper management and mitigation of fraud-forgeries.

MTB Integrity Strategy Implementation Unit: MTB has established MTB Integrity Strategy Implementation Unit. The unit is mandated to identify ways to protect the culture of loan defaults and promote consciousness with a view to reducing frauds, forgeries, irregularities, and other sources of corruption across the Bank.

Committees Comprising Board Members: To embed a holistic risk management framework and to instigate transparency and financial integrity into the bank's daily operation, following committees at the Board level relentlessly govern the bank's strategic affairs:

- Board Risk Management Committee

- Audit Committee of the Board

HR Policies: The bank's code of conduct and other HR policies sternly refrain its employees from engaging in any illicit form of conduct.

Description of Actions to Implement Relevant Policies & Strategies	Measurement of Outcome
<ul style="list-style-type: none"> ☒ MTB has formed a 'Central Compliance Committee (CCC)' to eradicate illicit conduct associated with the bank's operation. The CCC consists of 14 members with extensive proficiency in general banking, risk management, information technology, etc. ☒ Under the supervision of the Chief Anti Money Laundering Compliance Officer (CAMLCO) and CCC, MTB Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) Division discharged its responsibilities throughout the year. ☒ Providing periodical training to its employees is an integral part of MTB's AML Compliance program. Intensive Training Programs are being conducted throughout the year so that employees are well aware of the loopholes and develop themselves to combat any illicit conduct. ☒ The bank's internal Audit team conducts surprise audits on all MTB branches and departments of the Head Office at least once a year (high-risk branches are audited half-yearly basis). They also monitor the staff accounts and investigate suspicious transactions and report the same to the management. ☒ The compliance and monitoring department of the ICC division ensure timely and proper compliance with the relevant laws, regulatory instructions, internal policies and procedures in the day-to-day operations of the bank by way of using various control tools. ☒ The ICC Division of the bank reports on serious noncompliance issues, detected by the internal and external auditors and Bangladesh Bank's inspection teams, with up-to-date compliance 	<ul style="list-style-type: none"> ☒ The Central Compliance Committee (CCC) met 4 times in 2020 to discuss AML & CFT measures and provided guidance to stakeholders. Like every year, the Managing Director & CEO issued his statement of commitment regarding the strategy, action plan, compliance and consequence of non-compliance in 2020. ☒ With an aim to spreading awareness among its employees and stakeholders regarding AML & CFT, MTB organized the BAMLCO Conference 2020, a day-long forum of the Branch Anti Money Laundering Compliance Officers (BAMLCOs) of the bank. ☒ Branches and some of the divisions/departments exposed to money laundering and terrorist financing risks have branch/divisional/departmental anti-money laundering compliance officers with specific roles & responsibilities defined by AML&CFT Division ☒ Designed AML&CFT awareness poster/banner and displayed the same on a conspicuous (noticeable) place of the branches and agent banking centers. In addition, a video message on due diligence requirements during over the counter transactions is displayed on TV screens of MTB branches. ☒ MTB initiated socialization sessions for branches/departments focusing on key AML&CFT compliance requirements, common challenges and mitigations.

position, weaknesses in control mechanism, and other risk areas to the board's Audit Committee for its review and taking appropriate remedial measures.

☒ **Transparency in procurement:** The board frames policies and procedures for the bank's procurement activities and accordingly approves the proper delegation of authority for the same. MTB has developed and implemented a set of payment policies for all its suppliers. The payment methods and system are explained to the vendors before issuing purchase orders. Bills are paid according to the payment terms, and VAT and other withholding taxes are deducted from bills as per the law.

☒ AML&CFT Division revamped its organogram along with the policies and processes to improve risk fundamentals. The pillars of the revamped organogram are Strategic AML&CFT, Tactical AML&CFT, Operational AML&CFT and Customer Due Diligence (CDD) Project for existing MTB Customers.

☒ Revised the policy guideline in accordance with the international standards, laws of the land, guidelines, circulars and instructions issued by Bangladesh Financial Intelligence Unit and Banking Regulation & Policy Department of Bangladesh Bank

☒ The bank conducts sanction screening against United Nations Security Council Resolution (UNSCR), Office of Foreign Assets Control (OFAC), adverse media, and domestic sanction list through automated screening tools. It also uses the SWIFT Sanction Screening tool and Accuity Online Compliance tool for screening SWIFT messages and counterparty information against extensive sanction lists.

☒ Arranged 22 workshops/training programs where a total of 2,028 employees received training on 'Money Laundering and Terrorist Financing Risk Management' in 2020. It helped them comprehend the context of ML & TF and also enables them to combat ML & TF with greater efficacy.

☒ To understand the AML & CFT knowledge base of the employees, MTB arranged AML & CFT Compliance Evaluation under Annual Judgment Week on AML & CFT (AJWA) Program in 2020.

☒ AML&CFT Division initiated AML&CFT Assurance Review on Branches and Offices, focusing on AML&CFT compliance areas. The AML&CFT Assurance Framework entails identifying key control areas for AML & CFT risk, assessing the key controls through Control Sample Testing (CSTs) periodically. In 2020, AML&CFT Division performed an assurance review on 12 branches and 1 division.

☒ In 2020, MTB's Board RMC and Audit Committee convened several times to guide the bank's management on the critical issues and to observe the effectiveness of the bank's risk management functions.

☒ The bank conducts regular transaction monitoring to find out any unusual transaction based on available monitoring tools. In the event of any aberrant transaction, it was escalated meticulously to the authorities concerned.