



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

ANNUAL
REPORT
|2020|



Towards a
Sustainable Revival



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 fit 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.



Letter of Transmittal

All Members/Shareholders of the Bank
Bangladesh Bank
Bangladesh Securities and Exchange Commission (BSEC)
The Register of Joint Stock Companies & Firms (RJSC & F)
Dhaka Stock Exchange Limited (DSE)
Chittagong Stock Exchange Limited (CSE)

**MTB ANNUAL REPORT 2020 TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS
(CONSOLIDATED AND SEPARATE) FOR THE YEAR ENDED ON DECEMBER 31, 2020.**

Dear Madam/Sir(s),

Please accept best compliment from Mutual Trust Bank Ltd. (MTB).

We are pleased to enclose a copy of the Annual Report 2020, together with the audited Financial Statements (includes consolidated and separate Balance Sheet, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Equity, Liquidity Statement and Notes to the Financial Statements for the year ended on December 31, 2020, of the Mutual Trust Bank Ltd. (MTB) for your kind information and record.

The Financial Statements of the MTB comprises of it's subsidiaries and offshore Banking unit, MTB Securities Ltd. (MTBSL), MTB Capital Ltd. (MTBCL) and MTB Exchange (UK) Limited, subsidiaries of the Bank, and MTB Offshore Banking Unit (MTB OBU).

Yours sincerely,

Malik Muntasir Reza
Group Company Secretary



Notice of The 22nd Annual General Meeting

Mutual Trust Bank Ltd. (MTB)

Corporate Head Office, MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE (D), Gulshan 1, Dhaka 1212
MTB Share Department, MTB Tower (3rd Floor), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000.

Notice of The 22nd Annual General Meeting

Notice is hereby given to all shareholders of Mutual Trust Bank Limited (MTB) that the 22nd (Twenty-Second) Annual General Meeting (AGM) of the shareholders of the Bank will be held on **Thursday, June 24, 2021, at 11.30 a.m.**, virtually (by using digital platform) through the link <https://mutualtrustbank.bdvirtualagm.com> to transact the following business:

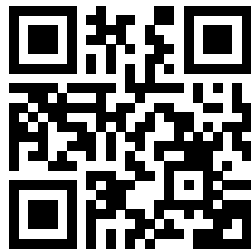
AGENDA

1. To receive, consider and adopt Directors' Report, Auditors' Report and the audited Annual Financial Statements (Consolidated and Separate), for the year ended on December 31, 2020.
2. To declare Dividend for the year ended on December 31, 2020, as recommended by the MTB Board of Directors.
3. To elect/re-elect MTB Directors.
4. To appoint/reappoint Statutory Auditors and fix their remuneration.
5. To appoint/reappoint Corporate Governance Compliance Auditors and fix their remuneration.
6. To confirm appointment of Independent Director.

By order of the MTB Board of Directors

June 01, 2021

Dhaka



Malik Muntasir Reza

Group Company Secretary



Notes:

- i) The shareholders whose names appeared in the Members/Depository Register under Central Depository System (CDS) on the **Record Date** i.e., **Monday, May 31, 2021**, are eligible to participate, vote in the Annual General Meeting (AGM) and receive dividend.
- ii) The Board of Directors have recommended **10% (ten percent) Dividend (Bonus Shares)**.
- iii) Pursuant to the Bangladesh Securities and Exchange Commission's Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021, and Letter No. SEC/SRMIC/94-231/91 dated March 31, 2021, the AGM will be held virtually (using digital platform), which will be conducted via live webcast.
- iv) The shareholders may cast their vote (e-vote) using online platform, which will be opened 24 hours prior to start of AGM as per the Bangladesh Securities and Exchange Commission's (BSEC) Directive No. BSEC/CMRRCD/2009-193/08 dated March 10, 2021.
- v) The shareholders will be able to post/submit their questions/comments electronically to <https://mutualtrustbank.bdvirtualagm.com> and may also email to mm.reza@mutualtrustbank.com or islam.rafiqul@mutualtrustbank.com or ismail.hossain@mutualtrustbank.com **24 hours** before the AGM.
- vi) To login into the system, the shareholders need to put their 16-digit Beneficial Owner (BO)s' Number/Folio number(s) and other credentials (such as, nos. of shares held, mobile number, etc) as a proof of their identity. Link of the meeting is <https://mutualtrustbank.bdvirtualagm.com>, which will also be notified to the respective shareholders' email addresses. Full login/participation process for the Digital Platform meeting will also be available at the Bank's website: www.mutualtrustbank.com
- vii) The shareholders were requested to update their details (i.e., email ID, contact number, present address, e-TIN number, etc. through their Depository Participants (DPs), before Record Date (**Monday, May 31, 2021**), which was mentioned in the Price Sensitive Information dated **May 04, 2021**, published on **May 05, 2021**, to get the Virtual AGM invitation. However, the shareholders who are yet to update their details in the BO ID information through their respective DPs, and shareholders having paper shares are yet to submit details to get the invitation, are requested to submit their details to the MTB Share Department or aforementioned email addresses, before **June 08, 2021**.
- viii) The Merchant Banks, and Stock Brokers, who have yet to submit hard and soft copies of lists of their margin loan clients, are once again requested to send hard copies and email the soft copies of the lists of their margin clients (in MS Excel format) with all required information before **June 08, 2021**, for facilitating Stock Dividend, as per lists.
- ix) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018, the soft copies of the Annual Report 2020, will be sent to the email addresses of the shareholders available in the respective Beneficial Owner (BO) Accounts maintained with the Depository Participants (DPs). The Annual Report 2020, will also be available at the Bank's website: www.mutualtrustbank.com
- x) A shareholder is entitled to attend and vote at the AGM (virtually) may appoint a Proxy to attend and take part in electronic voting (e-voting) in his/her stead. A copy of "Proxy Form", duly signed and affixed with requisite revenue stamp must be sent to the **MTB Share Department** or may send scanned copies (**considering COVID-19 pandemic**) of the proxies with requisite stamps, as per Stamp Act, to the aforementioned email IDs, no later than **48 hours** before commencement of the AGM.
- xi) In compliance with the Bangladesh Securities & Exchange Commission (BSEC) Notification No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 "No benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the shareholders at the 22nd AGM".

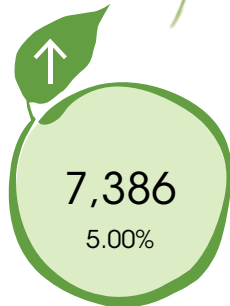




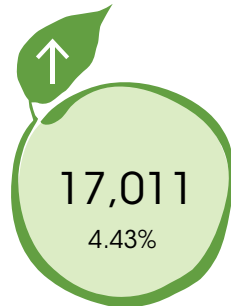
Performance 2020

Core Business Growth

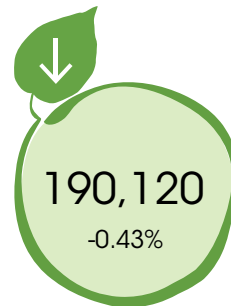
BDT in million/%



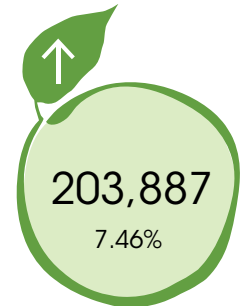
Paid-up Capital



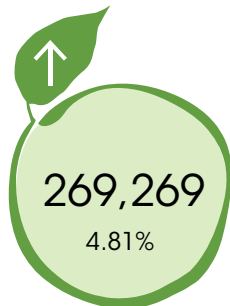
Total Shareholders' Equity



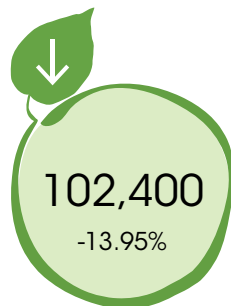
Total Deposits



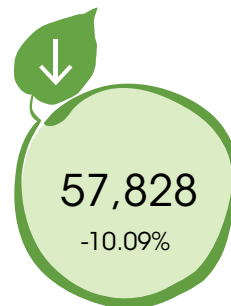
Total Loans and Advances



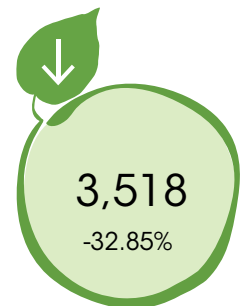
Total Assets



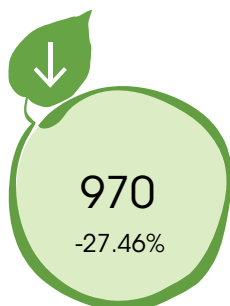
Imports



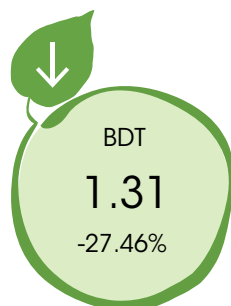
Exports



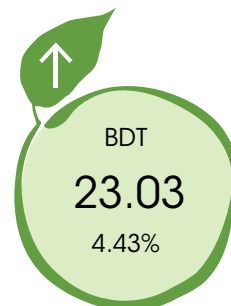
Profit Before Provision and Tax



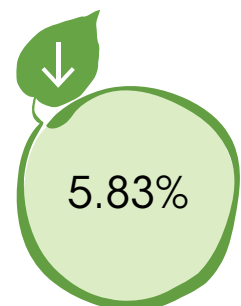
Net Profit After Tax



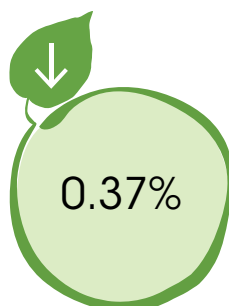
Earnings Per Share (EPS)



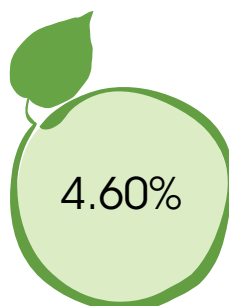
Net Assets Value (NAV)
per share



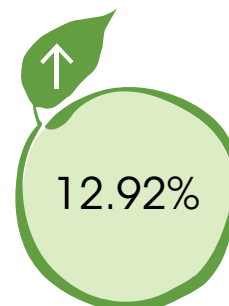
Return on Average
Equity (ROE)



Return on Average
Assets (ROAA)



Non Performing Loan (NPL)
Ratio











Capital to Risk Weighted
Asset Ratio (CRAR)




Performance 2020

MTB Touchpoint & Customer Experience

Number

	Branches and Sub-Branches	145
	Point of Sale (POS) Machines	3,137
	ATM Network	306
	Debit Card	373,128
	Credit Card	75,071
	Customers	981,587
	SMS Banking Customers	404,384
	Internet Banking Customers	40,009

Financial Inclusion

	Agent Banking Centres	162
	Deposits in 10 Taka Account (BDT in Million)	11.20
	Loan Outstanding to Women Entrepreneurs (BDT in Million)	1,086

Employee Engagement




	Employees	2,362
	Training Programs Held	151
	Training Participants	1,933



Table of Contents

Senior Management Team	80
Management Committee (MANCOM)	81
Code of Conduct	82
Business Model	84
Value Creation and Distribution Process	90



Business Environment Analysis and Risk Management

Operating Framework	94
Macroeconomic Landscape	95
Competitive Landscape	99
Organizational Position	103
Tone at the Top and Our Corporate Governance – The Risk Oversight Function of the Board of Directors	109
From The Desk of the Group Chief Risk Officer	113
Risk Management Framework	118
Risk Mitigation Methodology	124
Disclosures of Risk Reporting	133
Disclosure on Risk Based Capital Adequacy	137
Allocation of resources based on strategies	155



Background of This Report

About Integrated Reporting	11
Integrated Report: Mapping Out	16



About Mutual Trust Bank Limited (MTB)

MTB Vision, Mission, Core Values	20
MTB Outlook 2021 and Forward Looking Statement	22
Corporate Structure & Group Profile	24
Calendar 2021	27
MTB Milestones: 21 Years of Glorious Journey	30
Our Touchpoints	32
Awards and Recognition	33
Products and Services	34



Organization and Leadership

Board of Directors	38
Statement of the Chairman	52
Statement of the MD and CEO	60



Corporate Governance

Members of the Executive Committee	159
Members of the Board Audit Committee	160
Members of the Board Risk Management Committee	161
Asset Liability Committee (ALCO)	162
MTB Group Organogram	164
Directors' Report to the Shareholders	165
Directors' Responsibilities for Financial Reporting	176
Corporate Governance Report	177
Certificate on Corporate Governance	202
Compliance Status of BSEC Guidelines on Corporate Governance	203
Compliance Status of BB Guidelines on Corporate Governance	232
Report on Internal Control and Compliance	242
Report of the Board Audit Committee	244



Management Discussion & Analysis

Performance Analysis with the Management	248
Manufactured Capital	249
Business Divisional Overview	251
Other Division Overview	268
Human Capital	302
Intellectual Capital	308



Sustainability Analysis

Social and Relationship Capital	316
Natural Capital	325



Shareholders' Information

Financial Capital	348
MTB Shareholding Structure	350
Market Share Information	351
Financial Summary	352
Horizontal and Vertical Analysis	353
Segment Analysis	357
Evaluation of the Quarterly Financials	359
Value Added Statement	360
Economic Value Added (EVA) Statement	361
Market Value Added (MVA) Statement	362
Contribution to National Economy	363
Capital Adequacy Ratio	364
DuPont Analysis	365
Sustainable Growth Rate	366
Credit Rating Report	367
Five-Years at a Glance	368
Graphical Review	371
Report on Going Concern	375
Financial Calendar	377
Glimpse of 21 st AGM	377



Financial Statements

Report on CEO's & CFO's Responsibilities	379
Independent Auditor's Report to the Shareholders	380
Consolidated Balance Sheet	385
Consolidated Profit and Loss Account	387
Consolidated Statement of Changes in Equity	388
Consolidated Statement of Cash Flow	389
Consolidated Liquidity Statement	390
Balance Sheet	391
Profit and Loss Account	393
Statement of Changes in Equity	394
Statement of Cash Flow	395
Liquidity Statement	396
Notes to the Financial Statements	397
Financial Statements Offshore Banking Unit (OBU)	469
Financial Statements MTB Securities Limited	479
Financial Statements MTB Capital Limited	498
Financial Statements MTB Exchange (UK) Limited	514



Disclosure & Other Information

MTB Events	522
Standard Disclosure Index	529
Corporate Governance Disclosure Checklist	533
Integrated Reporting Checklist	535
Abbreviations	548
MTB Branch Network	550
Correspondent Banking Relationship	564
Proxy Form	566



Background of this Report





About Integrated Reporting

We are pleased to present our Annual Report 2020, which adopts integrated approach, is a comprehensive assessment of the financial and non-financial performance of MTB in 2020 as well as conveying our forward looking strategy.

At MTB, we align our strategies and value creation process to principles of integrated reporting and communicate our value creation story to our stakeholders in a clear and comprehensive manner. It provides greater context for performance indicators, clarifies relevant information fits into operations and help us in decision making. We have developed the content of this report as per the material issues which we have determined after interacting with our stakeholders and thoroughly considering issues that are relevant to our business, in a concise manner, so that it ensures comparability with the industry and beyond.

This report highlights the business operations of 12 month period ending on December 31, 2020 of MTB Group in Bangladesh and the UK, unless otherwise stated in the data presentation. Our Integrated Report discusses the Bank's overall financial, economic, environmental, and social performance and how we create value through our products and services. The reporting boundary is aligned with the coverage of our financial reporting and includes other information that help provide context to our disclosures. Historic data is mentioned where they are relevant.

The Report is prepared in accordance with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines option 'core'.

This report is primarily intended to address the information requirements of our long term investors (Our equity and preference shareholders, bondholders, and prospective investors). We have divided our report into 8 main chapters to enable our stakeholders to make an informed assessment of our ability to create value for our stakeholders including our employees, customers, regulators, and society.

About Our Integrated Report

We are immensely pleased to present the Annual Report 2020 of Mutual Trust Bank Limited (MTB) and its subsidiaries (collectively referred to as MTB Group) in the form of an 'Integrated Report' to our shareholders and stakeholders.

The aim of our integrated reporting approach is to enable our stakeholders, including investors, to make a more informed assessment of the value of MTB and its prospects as this report is organised around our strategic plans and efforts to deliver consistent value to our stakeholders.

Organization and Leadership

In this chapter, we introduced our esteemed Board of Directors, Management Committee, and Senior Management to our stakeholders. Keynote letter, from our Chairman and MD & CEO will provide reflection on this year's annual report and our commitment to our corporate visions. Readers will be able get a clear concept about our corporate code of conduct, our business model and our value creation story from this chapter.

Business Environment Analysis And Risk Management

Macroeconomic aspects of the country and our industry competitiveness are analyzed in this chapter to find out where we stand in this dynamic business environment. We have tried to find out the number and degree of risks we are exposed to in financial ecosystem and we have identified our strategies to have a sustainable future for us, our stakeholders and community at large. We have discussed about our risk management procedure, business model flexibility to adapt to changes and how we are allocating resources based on our strategy.

Corporate Governance

In this chapter we have a detailed discussion about MTB governance structure and responsibilities and reports from different Board committees. We have also stated our Market Discipline Pillar III disclosure.

Management Discussion And Analysis

This chapter provides an in depth management discussion about our performance and divisional breakdown of business and their outlook for 2021. We have also provided our views on our manufactured capital, human capital and intellectual capital.

Sustainability Analysis

Our sustainability analysis is done in this chapter of the report. We have disclosed our green initiatives, our effort to engage our stakeholders and our support to our community. We have discussed on our core capitals, i.e. social and relationship capital, natural capital and our investment in human resources development.

Shareholders' Information

We have discussed about our financial capital and shareholding structure in this chapter and provided a wide range of financial analysis for the better understanding of our stakeholders about our performance during the year 2020.

Financial Statements

This chapter is comprised of different financial statement of MTB and its Subsidiaries of the MTB Group.

Scope and Boundary

This Annual Report covers financial and non-financial performance of MTB And MTB Group subsidiaries during the period January 01, 2020 to December 31, 2020.

Throughout this report, our sincere effort was to keep our stakeholders well informed of the key developments, Programmes and initiatives, market challenges and business solutions, our achievements, mid to long term direction, and the overall health of our operations and individual performance of business and support divisions and departments.

The report also presents detailed insights and forward-looking statements on financial position and performance in the year ahead. Our report is particularly relevant for our stakeholders in Bangladesh. However, a range of other stakeholders across the globe will also find our report informative.

Our financial statements are independently audited and provide in-depth and transparent disclosure of our financial performance, aligned with the requirements of compliance standards expected from a listed commercial Bank. In preparing our report, we were guided by the requirements of local and international statutory and reporting frameworks, including those of Bangladesh Bank, the Central Bank of Bangladesh.

Compared to our annual report of 2019 there has not been any significant changes in the scope or the boundary of the report or any relevant historical financial data, the measurement methods applied and time frames used. Financial ratios used are comparable across the industry.

Integrated Approach

MTB's Annual Report is our primary communication tool informing stakeholders about our progress against our strategic plans and efforts to create value. MTB has ensured that the financial reporting is aligned with the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC). The integrated report, addresses the material matter pertaining to the long term sustainability of the group and present fairly the integrated performance of MTB Group and the impacts thereof.

In explaining the Company's operations and financial performance, financial information disclosed has been extracted from the Audited Financial Statements for the financial year ended 2020 with relevant comparative information. The financial statements consistently comply with the requirements of International Accounting Standards (IAS) and International, Financial Reporting Standards (IFRS) as approved by ICAB, The Companies Act, 1994, The Bank Company Act, 1991 (as amended up-to-date), Relevant rules and regulations of Bangladesh Bank (The Central Bank), The Securities & Exchange Ordinance, 1969, The Securities & Exchange Rules, 1987, The Securities & Exchange Act, 1993, Bangladesh Securities and Exchange Commission (Public Issue) Rules, 2015, The Income-tax Ordinance, 1984, The Value Added Tax and Supplementary Duty Act, 2012, Dhaka Stock Exchange (listing) regulation, 2015 and Other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source.

The sustainability requirements, as elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI) G4 Framework.

To report our Corporate Governance practices, we have drawn reference from the revised Corporate Governance Guidelines (CGG) issued by Bangladesh Securities and Exchange Commission (BSEC), also followed the guidelines from SAFA Corporate Governance Disclosure Checklist.

Further, in documenting our reports, our attempt was to establish transparent linkages between our business performance and various internal and external factors or influences, such as market trends, stakeholder expectations, organisational priorities, regulatory requirements, competitive strategies and international best practices.

Materiality and Material Matters

We view the materiality determination process as a tool that facilitates integrated thinking and, as such, apply the principles of materiality in assessing what information is to be included in our integrated report. This ensures that we report on the major material matters that meet the interests

and expectations of our stakeholders. Accordingly, this report focuses particularly on those matters, opportunities and challenges that impact materially on MTB and its ability to be a sustainable business that consistently delivers value to our key stakeholders over the short, medium and long run. We also consider factors that affect the economic, environmental, social and governance landscape in Bangladesh where we conduct our business.

Pillars of this Report

We have anchored this report on the following characteristics to ensure that our reporting is thorough, yet presentable in a manner that promotes readership and a better understanding of our organization.

Completeness	Our Annual Report includes reporting on our strategy, performance, governance and prospects.
Comparability	Our report includes the performance of current and previous reporting periods for helping readers to determine the progress made by the Bank.
Clarity	Our report incorporates both text and visual elements to enhance readability, while maintaining concision.
Accuracy	The content of our report facilitates traceability and verifiability of information.

Our capitals

We believe that our relevance as a Bank today and in the future, and our ability to create long-term value is interrelated and fundamentally dependent on the forms of capital available to us (inputs) and how we transform these capitals in order to generate value (outputs and outcomes). Our six capitals include:

- Financial capital
- Manufactured capital
- Human capital
- Natural capital
- Intellectual capital
- Social and relationship capital

Board Approval

The Board and the Management ensures that reasonable care has been taken in preparation and presentation of this Integrated Annual Report, as guided by the integrated reporting framework issued by the IIRC. The Board acknowledges its responsibility in ensuring the integrity of this report through good governance practices and internal reporting procedures. The Board considers that this report addresses the Bank's material issues and accurately presents integrated performance and their impacts.

External Assurance

MTB has the following external assurance for obtaining reports in period under consideration.

M.J. ABEDIN & CO., AN INDEPENDENT MEMBER OF MOORE GLOBAL NETWORK LIMITED

- Financial Statements Audit Report

KHAN WAHAB SHAFIQUE RAHMAN & CO., A MEMBER OF MGI WORLDWIDE

- MTB Employees' Welfare Fund
- MTB Employees' Death Benefit Fund
- MTB Employees' Medical Assistance Fund &
- MTB Foundation
- MTB Employees' Gratuity Fund

SHAFIQ BASAK & CO., A MEMBER OF ABACUS WORLDWIDE

- MTB Employees' Provident Fund
- Eligibility Compliance of MTB for participating in the Investment Promotion and Financing Facilities project

CREDIT RATING INFORMATION AND SERVICES LIMITED (CRISL)

- Entity Credit Rating

Forward - Looking Statements And Disclaimer

Throughout the report we have used forward-looking statements that relate to the plans, goals, strategies and future operations and performance of the Bank. By their nature, involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. While we endeavor to progress with our strategies and plans with resolute focus, changes in macroeconomic and operating landscapes may require us to adapt to follow changing environment. The Bank is not obliged to publicly revise the statement if such changes occur following the publication of the report.

Please Preserve the Green

As an environmentally responsible Bank, we seek your support in helping us lower our carbon footprint. Hence we are requesting you to download e-version of this report that is available on our website www.mutualtrustbank.com

Your Feedback Matters

We welcome your questions regarding this report and your suggestions to help us improve the next edition. You can reach our contact person for Investor Relations at: mm.reza@mutualtrustbank.com

I, on behalf of the Bank, acknowledge our responsibility to ensure the integrity of this Integrated Report, which addresses all material issues and presents fairly the integrated performance of MTB Group.



Syed Mahbubur Rahman
Managing Director & CEO



Intergrated Report Mapping Out

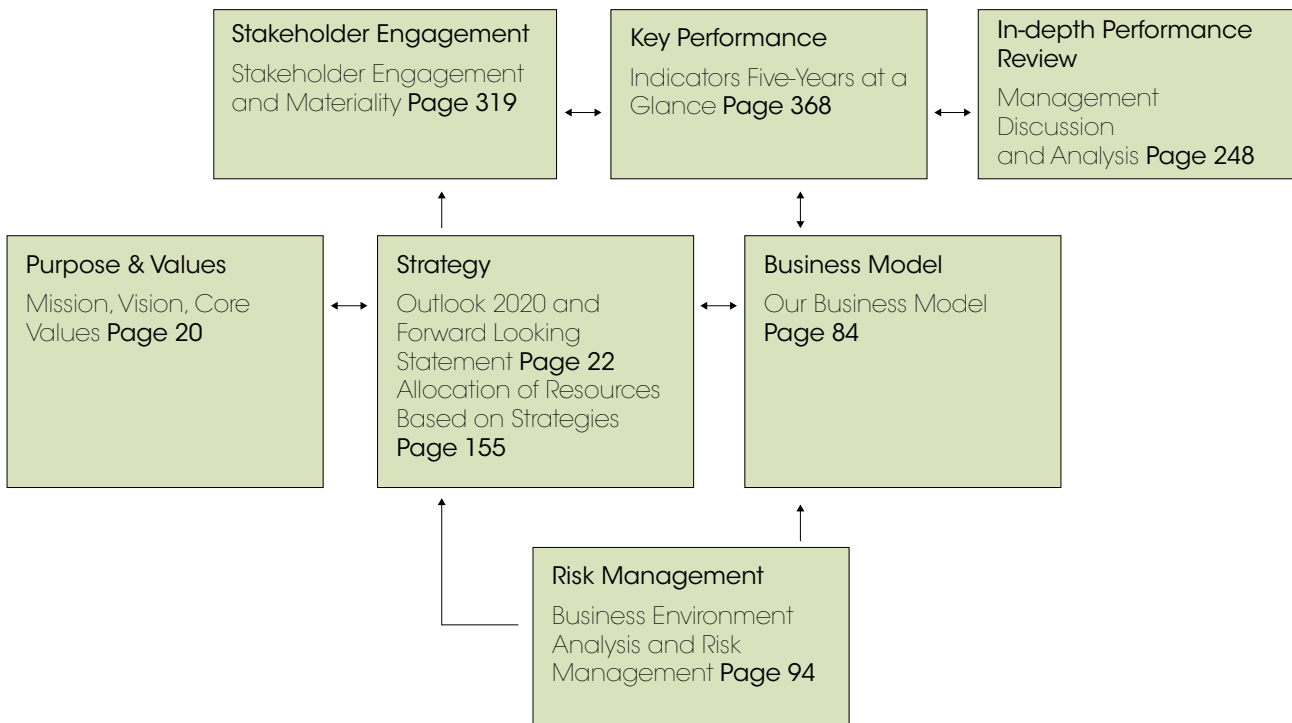
Key purpose of MTB Integrated Annual Report is to create a platform of communication about how MTB’s strategy, governance, performance and prospects lead to the creation of value over the short, medium and long term. It is centered around six capitals and our activities, held in place through the common thread of our focus on engaging with our stakeholders. While the core audience of this report are primarily current and prospective investors, and for representatives of the government and regulatory authorities in Bangladesh, it will act as a good source of information for all our stakeholders to evaluate how we create shared value through our financial services.

The report will illuminate some material matters to the users of this report. The following mapping will direct a reader to navigate through the report-

<p>How do we deliver our promises on accountability and how do we organize our activities to maximize value creation?</p>	<p>Value Creation and Distribution- Process Bird’s eye view of our role in the big picture Page 90</p>	<p>Corporate Structure and Group Profile The organizational structure designed to complement our Business Model Page 24</p>	
	<p>Corporate Governance The governance structure that enables our Business Model</p>		<p>Page 159</p>
<p>What are the different challenges within our operating and competitive environment that affect our business?</p>	<p>Operating Framework Our operating environment analysis Page 94</p>	<p>Macroeconomic Landscape The changing environment and how to mitigate the risks Page 95</p>	<p>Competitive Landscape What external forces can affect the way we operate Page 99</p>
<p>How do we transform our resources-the various capitals-to generate value for our stakeholders?</p>			



How do we formulate strategies, execute the strategies and measure performance?



<p>How does our leadership team address the contemporary issues and challenges of banking industry?</p>	<p>Outlook 2020 and Forward Looking Statement Quick overview of the Bank's route and challenges Page 22</p>	<p>Organization & Leadership The experiences and competence of our dignitaries Page 38</p>	<p>Statement of the Chairman A solid foundation for the future Page 52</p>
	<p>Directors' Report to the Shareholders In-depth review of our performance and control framework. Page 165</p>		<p>Statement of the MD & CEO Broad overview of where we stand and where we are headed Page 60</p>



About Mutual Trust Bank Limited



MTB



MTB Vision and Mission

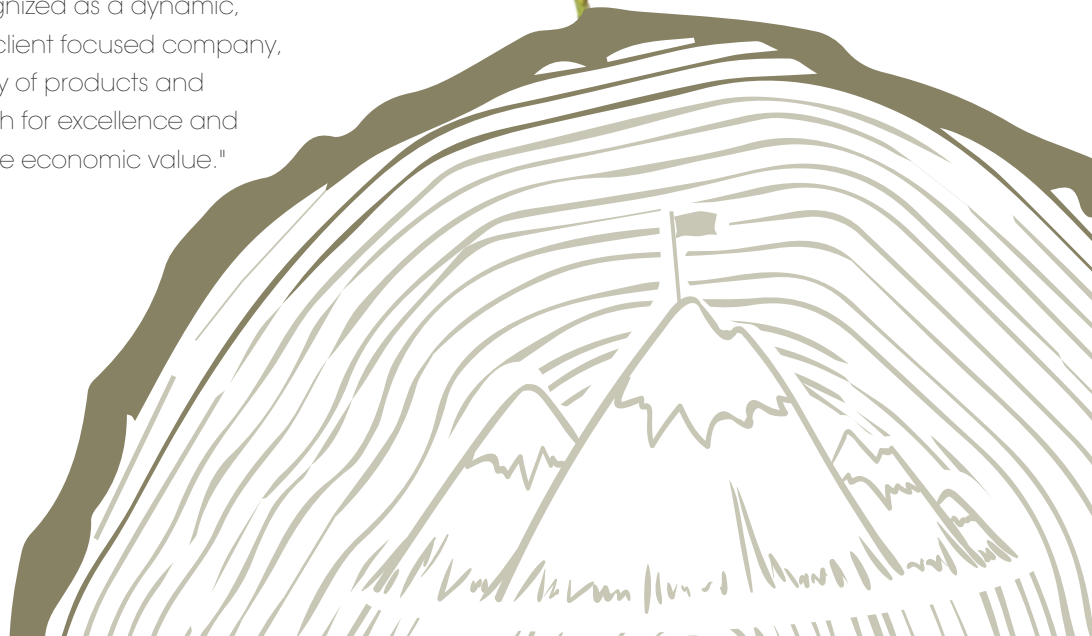
Vision

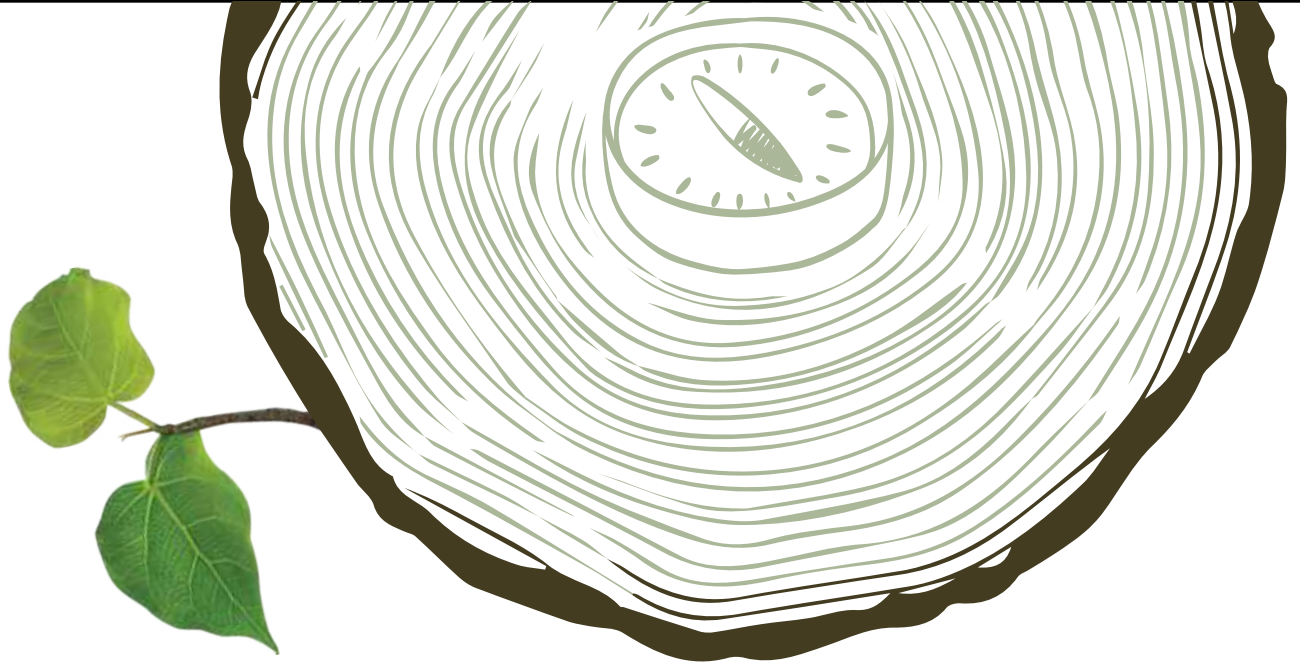
Mutual Trust Bank's vision is based on the philosophy well known as MTB3V. We envision MTB to be

- The Bank of Choice
- A Truly World-Class Bank
- One of the Best Performing Banks in Bangladesh

Mission

"We aspire to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company, that offers an array of products and services in the search for excellence and to create an impressive economic value."





MTB Core Values

Commitment

Shareholders

Create sustainable economic value for our shareholders by utilizing an honest and efficient business methodology.

Community

Committed to serve the society through employment creation, support community projects and events and be a responsible corporate citizen.

Customers

Render state-of-the-art service to our customers by offering diversified products and by aspiring to fulfill their banking needs to the best of our abilities.

Employees

We rely on the inherent merits of the employee and honor our relation as a part of this renowned financial institution.

We work together to celebrate and reward unique backgrounds, viewpoints, skills and talents of everyone at the workplace, no matter what their job is.

Accountability

As a bank, we are judged solely by the successful execution of our commitments; we expect and embrace this form of judgment. We are accountable for providing the highest level of service along with meeting the strict requirements of regulatory standards and ethical business practices.

Agility

We can see things from different perspectives; we are open to change and not bound by how we have done things in the past. We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

Trust

We value mutual trust, which encompasses transparent and candid communications among all parties.



Outlook 2021 and Forward Looking Statement

Our vision is based on the philosophy known as MTB3V and we aim to increase our profitability in a sustained and precise manner keeping our core values - integrity, transparency and ethics intact. We believe customers are the most important factor in achieving our goals and we are committed to cater for our customer needs through pursuing Compliance First ideology. In 2021, we will strive to provide our customers world class Banking experience through our well trained human resources fully equipped with cutting edge technology. Factors that are external to our organization can affect business in short, medium and long terms. In this chapter we identify the factors that change our strategic direction, which enables us to plan for change adaptability.

MTB Outlook 2021	External Factors That May Affect	
	Short Term	Mid to Long Term
Enhanced digital Banking experience	Consumer behavior	Technological breakthrough Changes in competitive dynamics
Enriched data analytics	Consumer readiness of using digital platform	Technological breakthrough
Improved core Banking software	Regulations and policies	Technological breakthrough
Cyber security and safety	Continuous exposure to cyber security threats	Technological breakthrough
Innovation in product and service delivery	Consumer behavior	Consumer behavior Technological breakthrough commodity price levels
Optimizing cost to income ratio	Changes in Bank rate and FOREX rate	Changes in global and local financial market Changes in the legal and regulatory framework
Streamlined business process	Changes in legal and regulatory framework	Changes in legal and regulatory framework
Talent acquire and retention	Availability of quality human resources	Disruption in employment market
Establishing partnership with fin-techs	Consumer behavior	Changes in competitive dynamics
Prudent financial capital management	Political and economic stability	Natural catastrophe Political and economic stability Changes in policy rates
Socially responsible corporate entity	Regulations and policies	Regulations and policies Community demands

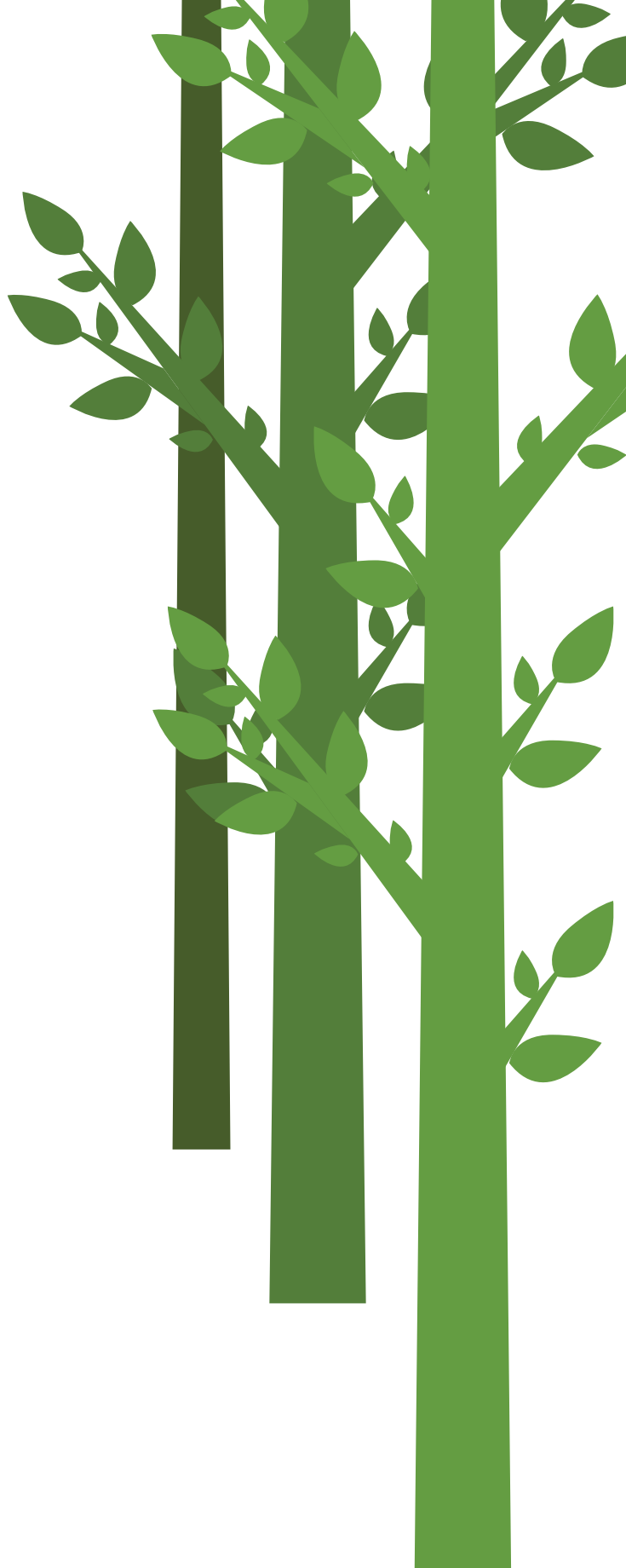
Forward Looking Statement

We have identified our strategic priorities for the coming years. But these priorities are based on experience, estimation, and expectations which can be impacted by disruptions in the macroeconomic landscape which are beyond our control. Our strategic priority may materially differ due to changes in the business environment. Few of the factors that may affect the overall business condition of the Bank can be as follows

- Changes in fiscal, trade and monetary policies
- Natural catastrophes and political disturbances
- Changes in consumer behavior, technologies, commodity price levels
- Changes in financial and capital market locally and internationally
- Changes in interest rates and forex rates locally and internationally
- Changes in legal and regulatory framework locally and internationally
- Changes in policy rates i.e. CRR and SLR of the Banks
- Changes in the Bank rate
- International embargo/unrest in any country
- Withdrawal of incentives given to any sector

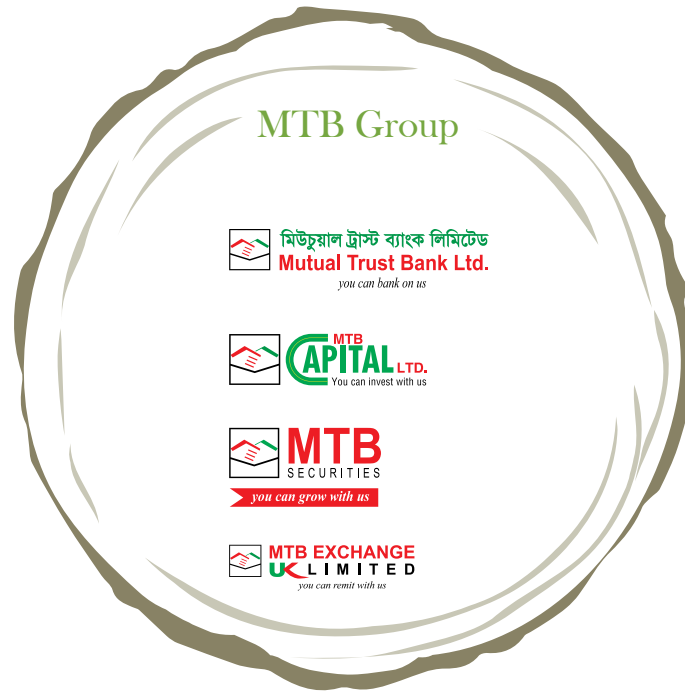


The outburst of COVID-19 has changed many metrics for Banking business. The implication of this virus and MTB management policy has been described under Business Environment Analysis and Risk Management.





Corporate Structure & Group Profile



Mutual Trust Bank Limited (MTB)

Public Limited Company,
listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited

Type of Business	Banking Service
Key Business Segments	Retail, SME, Wholesale
Date of Incorporation	26 September, 1999
Date of Commencement	24 October, 1999
Company Registration No	C38707 (665)/99
Bangladesh Bank Permission No	BRPD (P) 744(78)/99-3081
Number of Branch	118
Registered Office and Corporate Head Office	MTB Centre 26 Gulshan Avenue, Gulshan 1, Dhaka 1212, Bangladesh
SWIFT Code	MTBL BD DH
Contract Information	Phone-880(2) 222283966, 58812298, FAX - 880 (2) 222264303
Contact Center	16219
Email	info@mutualtrustBank.com
Website	www.mutualtrustBank.com

Our Partners	Auditor M.J. Abedin & Co Tax Lawyers Md. Delwar Hossain Lutful Hadee FCA, LLB
	Legal Advisors M/S Mohsen & Mohsen M/S Hamid & Associates M/S Farooq & Associates M/S Sadat Sarwat & Associates
Membership	<ul style="list-style-type: none"> • The Institute of Bankers Bangladesh (IBB) • Bangladesh Association of Banks (BAB) • Bangladesh Foreign Exchange Dealer Association (BAFEDA) • Bangladesh Institute of Bank Management (BIBM) • Bangladesh Association of Publicly Listed Companies (BAPLC) • Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) • International Chamber of Commerce Bangladesh Limited (ICCB) • Dhaka Stock Exchange Limited (DSE) • Dhaka Chamber of Commerce & Industry (DCCI) • Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) • American Chamber of Commerce in Bangladesh (AmCham) • Primary Dealers Bangladesh Limited (PDBL) • Bangladesh Business and Disability Network (BBDN) • Bangladesh Employers' Federation • SAARC Chamber of Commerce and Industry (SAARC CCI)

MTB Capital Limited

Type of Business	Merchant Banker
Key Business Segments	Portfolio Management Issue Management Service Arranger
	Undertaking Corporate Advisory Service Trustee of Debt Securities etc.
Date of Incorporation	08 October, 2009
Date of Commencement	08 October, 2009
Company Registration No	C-88040/09
BSEC License No	MB-55/2010
Number of Branches	N/A
Registered Office & Corporate Head Office	Chandrashila Suvastu Tower (2 nd Floor), 69/1, Panthapath, Dhaka-1205
Contact Information	Phone- + 88 02 9641157-8, Fax- +88 02 9641159
Email	info.mtbcap@mutualtrustBank.com
Website	www.mtbcap.com

MTB Securities Limited

Type of Business	Service
Key Business Segments	Stock Broker & Stock Dealer
Date of Incorporation	March 01, 2010
Date of Commencement	September 23, 2010
Company Registration No.	C-82868/10
BSEC License No as Broker	DSE-3.1/DSE-197/2010/427
BSEC License No as Dealer	DSE-3.1/DSE-197/2010/428
Number of Branches	11
Registered Office & Corporate Head Office	WW Tower (Level 4), 68 Motijheel C/A, Dhaka 1000
Contact Information	Phone- 9570563 Fax- 9568175
Email	info.query@mtbsecurities.com

MTB Exchange (UK) Limited

Type of Business	MSB (Money Service Business)
Key Business Segments	Money Transfer
Date of Incorporation	14.06.2010
Date of Commencement	15.02.2011
Company Registration No.	7282261
Bangladesh Bank Permission No	BRPD(M)204/252010-289 Dt. 19.08.2010
Number of Branches	01 (Though permitted 03 branches by Bangladesh Bank)
Registered Office	25 Whitechapel Road, London E1 1DU, United Kingdom
Corporate Head Office	Mutual Trust Bank Ltd. Corporate Head Office MTB Centre, 26 Gulshan Avenue Plot 5, Block SE(D), Gulshan 1, Dhaka 1212, Bangladesh
Contact Information	Phone- 00442086162214 Fax- 00442073779759
Email	info@mtbexchangebd.com
Website	www.mtbexchangebd.com

Calendar 2021



দেশ বিভাজন

১৯৪৭ সালের জুন মাসে ব্রিটিশ সরকার ভারতের স্বাধীনতা প্রদানের পরে ভারতকে দু'ভাগে ভাগ করা হয়। ১৯৪৭ সালের ১৫ আগস্ট ভারতের স্বাধীনতা ঘোষণা করা হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৭১ সালের ১৫ আগস্ট বাংলাদেশের স্বাধীনতা ঘোষণা করা হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৭১ সালের ১৫ আগস্ট বাংলাদেশের স্বাধীনতা ঘোষণা করা হয়।

বাংলাদেশের অজুদয়

শনি-রবি ১৯২৭ **JANUARY 2021**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31 st					1 st	2 nd
3 rd	4 th	5 th	6 th	7 th	8 th	9 th
10 th	11 th	12 th	13 th	14 th	15 th	16 th
17 th	18 th	19 th	20 th	21 st	22 nd	23 rd
24 th	25 th	26 th	27 th	28 th	29 th	30 th

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

ভাষা আন্দোলন

পশ্চিমবঙ্গ সরকারের প্রস্তাবিত বাংলা ভাষা আইন ১৯৫৬ সালে প্রণয়নের বিরুদ্ধে ১৯৫৬ সালের ২১ ফেব্রুয়ারি পশ্চিমবঙ্গের কলকাতায় ভাষা আন্দোলন শুরু হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৫৬ সালের ২১ ফেব্রুয়ারি বাংলাদেশের ভাষা আন্দোলন শুরু হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৫৬ সালের ২১ ফেব্রুয়ারি বাংলাদেশের ভাষা আন্দোলন শুরু হয়।

বাংলাদেশের অজুদয়

শনি-শুকর ১৯২৭ **FEBRUARY 2021**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 st	2 nd	3 rd	4 th	5 th	6 th
7 th	8 th	9 th	10 th	11 th	12 th	13 th
14 th	15 th	16 th	17 th	18 th	19 th	20 th
21 st	22 nd	23 rd	24 th	25 th	26 th	27 th
28 th						

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

যুক্তফ্রন্ট ১৯৫৪

পূর্ববঙ্গের স্বাধীনতা সংগ্রামে ১৯৫৪ সালের ফেব্রুয়ারি মাসের ২৩ তারিখে লিখে বিলাত-ভারতবর্ষে দু'ভাগে বিভক্ত যুক্তফ্রন্ট দলটির সূত্রপাত হয়। যুক্তফ্রন্ট দলটির সূত্রপাত হয়। যুক্তফ্রন্ট দলটির সূত্রপাত হয়।

বাংলাদেশের অজুদয়

শনি-রবি ১৯২৭ **MARCH 2021**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 st	2 nd	3 rd	4 th	5 th	6 th
7 th	8 th	9 th	10 th	11 th	12 th	13 th
14 th	15 th	16 th	17 th	18 th	19 th	20 th
21 st	22 nd	23 rd	24 th	25 th	26 th	27 th
28 th	29 th	30 th	31 st			

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

ছয় দফা ১৯৬৬

১৯৬৬ সালের ৫ ও ৬ ডিসেম্বর সরকারের বিরুদ্ধে আন্দোলনের সময় ছয় দফা দাবি করা হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৬৬ সালের ৫ ডিসেম্বর বাংলাদেশের ছয় দফা দাবি করা হয়। এই দিনের তাৎপর্যকে স্মরণ করে ১৯৬৬ সালের ৫ ডিসেম্বর বাংলাদেশের ছয় দফা দাবি করা হয়।

বাংলাদেশের অজুদয়

শনি-শুকর ১৯২৭ **APRIL 2021**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 st	2 nd	3 rd
4 th	5 th	6 th	7 th	8 th	9 th	10 th
11 th	12 th	13 th	14 th	15 th	16 th	17 th
18 th	19 th	20 th	21 st	22 nd	23 rd	24 th
25 th	26 th	27 th	28 th	29 th	30 th	

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.



২৬ মার্চ স্বাধীনতা যোগা

১৯৭১ সালের ২৬ মার্চ স্বাধীনতা যোগা হল। এটি স্বাধীনতার অঙ্গীকার পূরণের জন্য ১৯৭১ সালের ২৬ মার্চ স্বাধীনতা যোগা হল। এটি স্বাধীনতার অঙ্গীকার পূরণের জন্য ১৯৭১ সালের ২৬ মার্চ স্বাধীনতা যোগা হল।

অবু-ফারিস ১৯২৩ **SEPTEMBER 2021**

বাংলাদেশের **অভ্যুদয়**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1 st	2 nd	3 rd
5 th	6 th	7 th	8 th	9 th	10 th	11 th
12 th	13 th	14 th	15 th	16 th	17 th	18 th
19 th	20 th	21 st	22 nd	23 rd	24 th	25 th
26 th	27 th	28 th	29 th	30 th		

নিউচ্যাম ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
www.mutualtrustbank.com

মুক্তিবন্দগর সুরক্ষার

মুক্তিবন্দগর সুরক্ষার... মুক্তিযুদ্ধের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য... মুক্তিযুদ্ধের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য...

অবু-ফারিস ১৯২৩ **OCTOBER 2021**

বাংলাদেশের **অভ্যুদয়**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
31 st					1 st	2 nd
3 rd	4 th	5 th	6 th	7 th	8 th	9 th
10 th	11 th	12 th	13 th	14 th	15 th	16 th
17 th	18 th	19 th	20 th	21 st	22 nd	23 rd
24 th	25 th	26 th	27 th	28 th	29 th	30 th

নিউচ্যাম ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
www.mutualtrustbank.com

মুক্তিযুদ্ধ ১৯৭১

মুক্তিযুদ্ধের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য... মুক্তিযুদ্ধের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য...

অবু-ফারিস ১৯২৩ **NOVEMBER 2021**

বাংলাদেশের **অভ্যুদয়**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 st	2 nd	3 rd	4 th	5 th	6 th
7 th	8 th	9 th	10 th	11 th	12 th	13 th
14 th	15 th	16 th	17 th	18 th	19 th	20 th
21 st	22 nd	23 rd	24 th	25 th	26 th	27 th
28 th	29 th	30 th				

নিউচ্যাম ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
www.mutualtrustbank.com

বিজয়

বিজয়ের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য... বিজয়ের সময় মুক্তিযোদ্ধাদের সুরক্ষার জন্য...

অবু-ফারিস ১৯২৩ **DECEMBER 2021**

বাংলাদেশের **অভ্যুদয়**

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 st	2 nd	3 rd	4 th		
5 th	6 th	7 th	8 th	9 th	10 th	11 th
12 th	13 th	14 th	15 th	16 th	17 th	18 th
19 th	20 th	21 st	22 nd	23 rd	24 th	25 th
26 th	27 th	28 th	29 th	30 th	31 st	

নিউচ্যাম ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
www.mutualtrustbank.com



Milestones: 21 Years of Glorious Journey

2011

- Inauguration of MTB Exchange (UK) Ltd.
- Incorporation of MTB Capital Ltd. (MTBCL)
- Launching of 1st MTB 24/7 ATM
- Launching of MTB 24/7 Contact Centre

2010

- MTB Securities Ltd. (MTBSL) is launched as 1st Subsidiary
- Inauguration of 50th Branch at MTB Centre

2009

- Introductions of Offshore Banking Unit (OBU) and NRB Banking Division
- Became Primary Dealer of Government Securities

2008

- Card products introduced
- Launching of 1st SME Service Centre

2007

- Acquiring 100,000 Customers

2003

- Commencement of Real-time Online Banking

1999

- Mutual Trust Bank Ltd. (MTB) is incorporated, Inauguration of 1st Branch

2020

- MCT Project Team Successfully Implemented the CBS and Performed Go-Live and Subsequently Completed the Year End Process of 2020

2019

- Inclusion of Norfund in the MTB equity.
- Inauguration of MTB Air Lounge, Sylhet
- Inauguration of 1st Banking Sub-Branch
- Inauguration of 300th ATM

2018

- Inauguration of MTB Air Lounge, Chattogram

2017

- Inauguration of MTB Air Lounge, Dhaka

2016

- Launching of Mastercard
- Inauguration of MTB Agent Banking

2015

- Winning the 15th DHLThe Daily Star Bangladesh Business Award as the Best Financial Institution of 2014

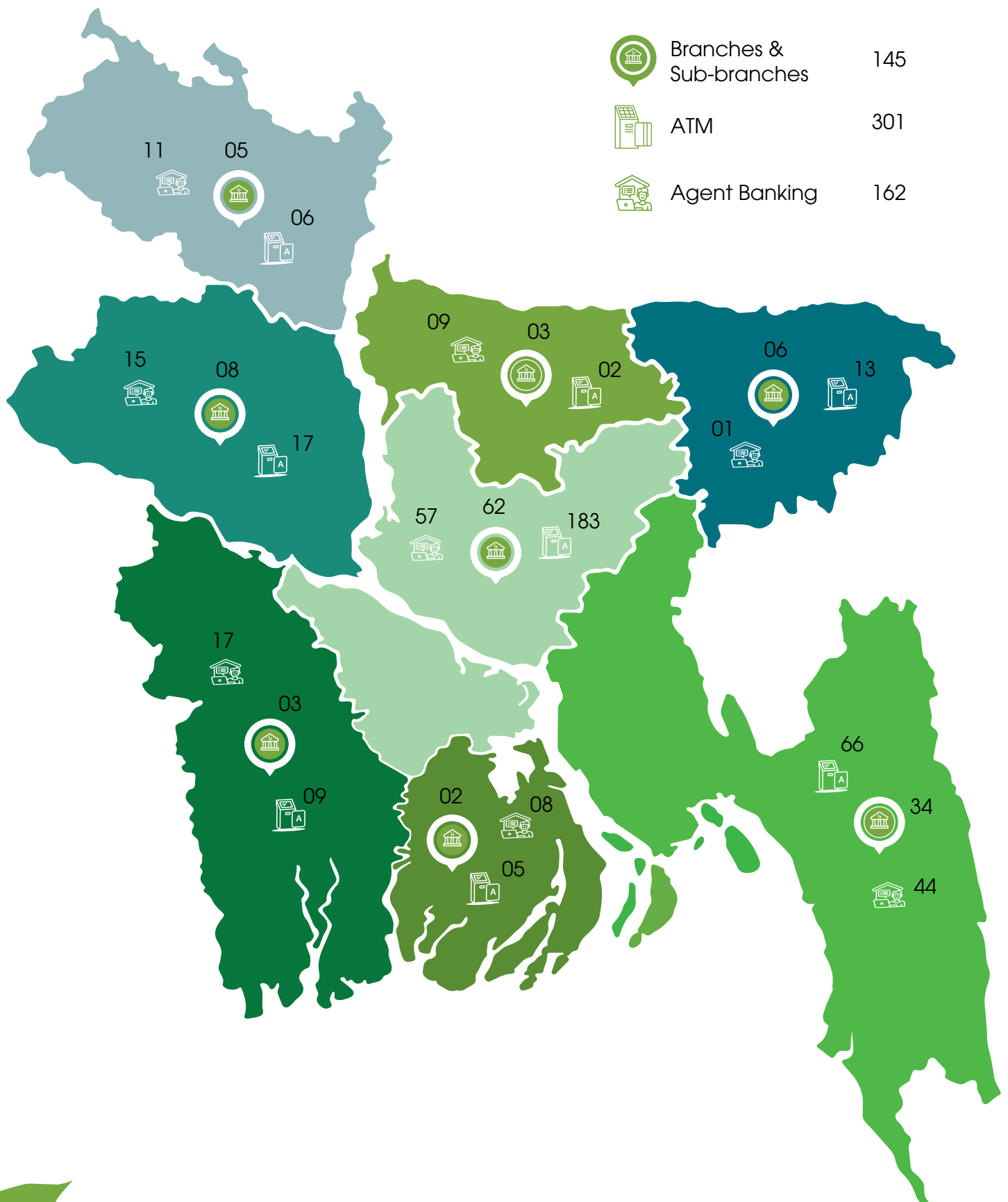
2014

- Inauguration of MTB Tower and 100th branch
- Recognition as the "SME Bank of the Year" and "Women Entrepreneurs" Friendly Bank of the Year

2012

- Inauguration of 100th ATM
- Introduction of 1st Green ATM

Our Touchpoints





Awards and Recognition



The Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Presented Annual Reports - 2019



The Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Presented Annual Reports - 2018



Award for Excellence in Improving Performance Through Leadership 2018



Dream Company to Work for Award 2018



SME Bank of the Year 2014



Women Entrepreneurs Friendly Bank of the Year 2014



DHL-The Daily Star Bangladesh Business Award Winner as the Best Financial Award of 2014



Golden Globe Tigers Summit Award 2015 for Excellence in Branding & Marketing



ADB Gender Champion Award as part of the Asian Development Bank's Trade Finance Program (TFP)



The Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Published Accounts and Reports 2011, 2013, 2015



The Institute of Chartered Accountants of Bangladesh (ICAB) National Award for Best Presented Annual Reports and Integrated Reporting 2017 and 2019



Products and Services

Wholesale Banking

Term Finance

- Term Loan
- Project Finance
- Lease Finance
- House Building Finance
- Term Loan to MFI

Working Capital Finance

- Over Draft (OD)
- Secured Over Draft (SOD)
- Short Term Loan
- Loan General
- Time Loan

SME Banking

Deposit Product & Transactional A/C

- MTB Probaho
- MTB Buniad

Loan Products

- MTB Small Business Loan (SBL)
- MTB SME CC (Hypo)
- MTB Bhagyobati
- MTB Gunabati
- MTB Light Engineering
- MTB Krishijat
- MTB Mousumi
- MTB Green Energy Loan
- MTB IT Genius
- MTB Youth Line

- MTB Digoon
- MTB Commercial Space Finance
- MTB Shachal – Vehicle Financing
- MTB Supply Chain Finance
- MTB Abason
- Microfinance Scheme
- MTB Microfinance Agri Revolving Loan
- MTB Microfinance Enterprise
- MTB Krishi
- MTB Uddog
- MTB CMSME Stimulus Loan

Other Products and Services

- Loan General
- Lease Finance
- PAD
- Loan against TR
- Loan to 10 TK A/C Holders
- Letter of Credit (sight/deferred/UPAS)
- Bank Guarantee
- Performance Guarantee
- Bid Bond Guarantee
- SOD (General)
- SOD (Work Order)
- IDBP

Retail Banking

Deposit Products

- MTB Current Account
- MTB Regular Savings
- MTB Inspire
- MTB Extreme Savings
- MTB Privilege Savings
- MTB Junior
- MTB Graduate
- MTB Senior
- MTB Shanchay
- MTB Care
- MTB Ankur
- Special Notice Deposit
- MTB Fixed Deposit

- MTB FDR in Days
- MTB Shield
- MTB Instant
- MTB Monthly Benefit Plan
- MTB Quarterly Benefit Plan
- MTB Double Saver
- MTB Brick By Brick
- MTB Millionaire Plan
- MTB Kotipati
- MTB Education Plan
- MTB Children Education Deposit Scheme
- MTB Gift Cheque

Loan Products

- MTB Personal Loan
- MTB Professional Loan
- MTB Auto Loan
- MTB Home Loan
- MTB Home Equity Loan
- MTB Neer
- MTB Grameen Griho Reen
- MTB Cash Line
- MTB EDU Finance

Payroll Banking

- MTB Payroll E-Savers
- MTB Payroll Savers
- MTB Payroll Premium

Off-Shore Banking Unit (OBU)

- Term Finance
- Working Capital Finance
- Trade Finance (Local Bill Discounting, Foreign Bill Discounting, UPAS)

Trade Finance

Export Finance

- Back to Back L/C
- Export Bill Discounting (FDBP and IDBP)
- Secured Over Draft
- (SOD-general/export bill)
- Packing Credit

Non-funded Trade Finance

- L/C Opening
- (Sight / Deferred / UPAS)
- L/C Advising
- L/C Transfer
- Bank Guarantee
- Shipping Guarantee

Import Finance

- Loan against Trust Receipt (LTR)
- EDF Loan

Guarantee

- Bank Guarantee [Bid Bond, Performance Guarantee, Advance Payment Guarantee, etc.]

Syndications & Structured Finance

- Syndication Term Loan
- Foreign Currency Loan
- Preference Share
- Commercial Paper
- Bond
- ECA Guarantee backed financing
- Equity Financing
- Securitization
- Refinancing Arrangements

NRB Banking

- NRB Savings
- NRB DPS
- NRB FD
- NRB Home Loan
- Non Resident Investor's Taka Account (NITA)

MTB Card Products

MTB Debit Cards

a. Visa Debit Cards

- MTB Visa Classic
- MTB Visa Platinum
- MTB Visa Signature
- MTB Visa Business Debit

b. Mastercard Debit Cards

- MTB Mastercard Gold
- MTB Mastercard Platinum
- MTB Mastercard World

c. UnionPay Debit Cards

- MTB UnionPay Debit

MTB Credit Cards

a. Visa Credit Cards

- MTB Visa Classic
- MTB Visa Gold
- MTB Visa Platinum
- MTB Visa Signature

b. Mastercard Credit Cards

- MTB Mastercard Classic
- MTB Mastercard Gold
- MTB Mastercard Titanium
- MTB Mastercard World

c. UnionPay Credit Cards

- MTB UnionPay Platinum

MTB Prepaid Cards

- PayPlus
- MTB Visa International Travel Card
- MTB Local Prepaid Card
- MTB Payroll Card
- MTB Gift Card

MTB Co-branded Cards

a. Co-branded Debit Cards

- MTB Sonali Life Insurance Visa Platinum Debit Card

b. Co-branded Credit Cards

- MTB Apex Rewards Visa Platinum Credit Card

- MTB Baridhara Cosmopolitan Club Limited Visa Signature Credit Card
- MTB Cadet College Club Limited Credit Card
- MTB Chittagong Club Limited Mastercard World Credit Card
- MTB Sylhet Club Limited Credit Card
- MTB Sylhet Station Club Limited Credit Card
- MTB University of Dhaka Credit Card
- c. Co-branded Prepaid Cards**
- MTB e-CAB Visa Prepaid Card
- My Easy Payment Card

Student File Services

(One stop Banking solutions for the students going abroad for higher education)

- Gulshan Center
- Panthapath Center
- Principal Branch Center
- Banani Center

Cash Management Unit

- MTB Nationwide Collection Services
- MTB Web Based Banking and Automated Payment and Collection Solution, "MTB eBank" (MTB to MTB Fund Transfer, BEFTN, RTGS, MTB Payroll/ Prepaid Card Bulk Fund Replenishment Services, Automated Fund Pulling, Statement, etc.)
- MTB Over-the-Counter and Online Tuition Fee
- MTB Capital Market Related Services (IPO Lead Bank, BTI for Right Share Issue, Dividend Payment Solution)
- MTB Corporate Premium Account Services
- MTB Trust Account Services for Corporate Gratuity and Provident Fund
- Consular Account and Foreign Currency Account Services for Embassies and Foreign Missions
- MTB Bulk Mobile Wallet Payment Services

NRB Services

- Banking Service to NRBs through MTB representatives around the globe.
- Foreign currency exchange facility to passengers travelling to or from abroad through MTB Foreign Currency Exchange Booths at Hazrat Shahjalal International Airport, Dhaka
- Cross-border Remittance services through MTB's remittance partners around the world.

Agent Banking

- Account Opening (Savings, Current, DPS, Term Deposit)
- Cash Deposit
- Cash Withdrawal
- Fund Transfer to any MTB Account
- Electronic Fund Transfer through BEFTN
- Electronic Fund Transfer through RTGS
- Inward Foreign Remittance Cash Payout
- Inward Foreign Remittance in Account
- Utility Bill Collection
- Receiving Clearing Cheque
- Smart Card (NID) Fee Collection
- SME Loan File Initiation
- Agriculture Loan File Initiation
- Retail Loan File Initiation
- Debit/Credit Card Request Processing
- Social Safety-net Cash Disbursement
- Hajj fee collection
- Balance Inquiry
- Insurance fee collection
- Account Statement
- Payroll Management

MTB Alternate Delivery Channel (ADC)

- Internet Banking
- SMS Banking
- MTB Smart Banking Kiosk
- Point of Sale (POS)
- MTB 24/7 ATM
- Missed Call Recharge
- Mpay

MTB Air Lounge

- Hazrat Shahjalal International Airport, Dhaka
- Shah Amanat International Airport, Chattogram
- Osmani International Airport, Sylhet
- Cox's Bazar Airport, Cox's Bazar

MTB Digital Solutions

- MBot
- MEasy
- MTB Simple
- Smart Banking
- Social Media Banking (Coming soon)
- SMS Banking
- Missed Call Topup
- Internet Banking (web)

MTB Contacts

- **Contact Center**
24 hours at 16219 or 09604016219
- **Email**
customer.service@mutualtrustBank.com



Organization and Leadership



Board of Directors



Mr. Md. Wakiluddin
Chairman

Mr. Md. Wakiluddin is the Chairman of the Board of Mutual Trust Bank Limited (MTB). He is also the Chairman of Baridhara Corporation Ltd.

He is presently serving as

- Managing Director of Swadesh Properties Ltd.
- Director of HARDCO International School.
- Managing Director of Swadesh Global Media Ltd.



Mr. Md. Abdul Malek
Vice Chairman

Mr. Md. Abdul Malek is the Vice Chairman of the Board of Mutual Trust Bank Ltd. (MTB), obtained B.Sc. Engineering (Civil) from BUET, a renowned engineering institution of the country. He has vast experience and special skills and expertise in structuring and developing, calamity and devastation resilient and green buildings along with a glorious tradition in construction of multi-storied buildings.

He was the Chairman of Sheltech Consultants (Pvt.) Ltd. (SCPL), a major practitioner in Urban Planning, Architectural, Engineering Design, and Tourism Development. SCPL has successfully completed many projects, for major International Development Funding Agencies, which includes the Asian Development Bank (ADB), The World Bank, United Nations Development Programme (UNDP), European Economic Community (EEC), Swiss Agency for Development

and Cooperation (SDC), Finnish International Development Agency (FINNIDA), United States Agency for International Development (USAID), United Nations Children's Fund (UNICEF), Department for International Development (DFID), Directorate-General for International Cooperation (DGIS) and Royal Netherlands Embassy (RNE), on behalf of Govt. of Netherlands. SCPL has earned a good recognition both locally and internationally. He has also vast experience in the Garments sector.



Mr. Syed Manzur Elahi
Director & Founding Chairman

Mr. Syed Manzur Elahi is the Founding Chairman of Mutual Trust Bank Ltd. (MTB) and Pioneer Insurance Company Limited. He has served as the Chairman of the Executive Committee of the Bank from March 2016 to December 2020. Mr. Elahi is the Chairman of Apex Group, a leading business conglomerate in Bangladesh, and has won various awards for his contributions to trade and industry including "Business Executive of the Year 2000" by the American Chamber of Commerce (AMCHAM), Bangladesh and "Business Person of the Year 2002" award, sponsored by the Daily Star and DHL Worldwide Express.

Besides being an eminent industrialist, he was also appointed Adviser to the Caretaker Government of Bangladesh, twice (1996 & 2001), for his leadership qualities, professionalism and non-partisanship. Mr. Elahi holds an M.A. (Econ.) from the University of Dhaka.

Mr. Elahi is currently the Chairman of

- Apex Tannery Ltd.
- Apex Footwear Ltd.
- Apex Pharma Ltd.
- Blue Ocean Footwear Ltd.
- Apex Enterprises Ltd.
- Apex Investments Ltd.
- Grey Advertising (Bangladesh) Ltd.
- Quantum Market Research
- ManusherJonno Foundation

He is also Managing Director of International Publications Limited, the owning company of The Financial Express, Director of Credit Rating Agency of Bangladesh Limited (CRAB), Director of Central Depository Bangladesh Ltd. (CDBL), Chairman of the Board of Trustees of East West University, Member of the Board of Trustees of Centre for Policy Dialogue (CPD), Member of the Board of Trustees of Diabetic Association of Bangladesh and Bangladesh Freedom Foundation.

Previously, Mr. Elahi has served as Chairman of the Bangladesh Association of Banks (BAB), Chairman of Central Depository Bangladesh Ltd. (CDBL), Vice Chairman of the Bangladesh Association of Publicly Listed Companies (BAPLC), Director on the Boards of Bangladesh Bank, Sonali Bank and Bangladesh Krishi Bank, Director of the Export Promotion Bureau, Bangladesh, President of the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), President, Bangladesh Employers Association (BEA), President of the Dhaka University Alumni Association (DUAA) and Honourary Consul for Belgium in Bangladesh.



Mr. Md. Hedayetullah
Director



Mr. Md. Hedayetullah is the Chairman of the Executive Committee of Mutual Trust Bank Ltd. (MTB) with effect from January 01, 2021. Prior to this role, he served as the chairman of the Bank and its three subsidiary companies, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited from May 31, 2018 to December 31, 2020.

He is presently serving as the:

- Chairman of Hedayetullah Securities Ltd.
- Managing Director of FB Footwear Ltd.
- Managing Director of Footbed Footwear Ltd.
- Managing Director of Nuovo Shoes (BD) Ltd.
- Director of Apex Tannery Ltd.
- Director of Apex Property Development Ltd.

Mr. Md. Hedayetullah obtained B.Sc. (Honours) degree in Leather Technology from the British School of Leather Technology, Northampton, UK and M.A. in International Business from Webster University, Regents College, London, UK.





Dr. Arif Dowla

Director

Dr. Arif Dowla has served as Chairman of Mutual Trust Bank Ltd. (MTB) from January 17, 2012 to February 26, 2014 and as the Chairman of the Board Risk Management Committee from March 2016 to December 2020. Son of Mr. M. Anis UdDowla, a leading name in Bangladesh's corporate business, trade and industry arena, Dr. Dowla is the Managing Director of the renowned conglomerate, Advanced Chemical Industries (ACI) Limited, ACI Logistics Limited and Stochastic Logic Ltd.

Besides, Dr. Dowla is also the Chairman of Tetley ACI (Bangladesh) Ltd. and Vice Chairman of ACI Healthcare Ltd.

He is Director of:

- ACI Formulations Limited
- ACI Motors Limited
- ACI Pure Flour Limited
- ACI Agrolink Limited
- Premiaflex Plastics Limited
- ACI Foods Ltd.
- ACI Chemicals Limited
- Infolytx Bangladesh Limited
- ACI Salt Limited

- ACI Biotech Limited
- ACI Edible Oils Limited
- Creative Communication Limited
- ACI Marine and Riverine Technologies Limited
- ACI CO RO Bangladesh Limited
- ACI Godrej Agrovet (Pvt.) Limited
- Consolidated Chemicals Limited
- Dowla Agricultural Development Company Limited.
- ACI Healthcare USA Inc.
- ACI Foundation

Bangladesh Business Publications Limited publishing company of the bi-monthly business magazine

Member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).

Dr. Dowla obtained PhD degree in Mathematics from the University of California, San Diego, USA. He is a member of the American Mathematical Society and a Young Global Leader Honouree 2009 bestowed by World Economic Forum. He is also the Honourary Consul of the Kingdom of Belgium in Bangladesh.

Mr. Rashed Ahmed Chowdhury

Director

Mr. Rashed Ahmed Chowdhury is the Chairman of Board Risk Management Committee of Mutual Trust Bank Limited (MTB), with effect from January 01, 2021. He Served as the Chairman of the Bank and its three subsidiary companies from February 2014 to February 2016.

Mr. Chowdhury is the:

- Chairman of Banga Garments Ltd.
- Chairman of ABC Building Products Ltd.
- Founder Trustee and Chairman of the Board of Trustees of Independent University, Bangladesh (IUB)
- President and founding member of Cadet College Club Limited
- Director (former Chairman) of 'Bangladesh Business Publications Limited', a publishing company of the bi-monthly 'business' magazine.
- Senior Vice President of Bangladesh Squash Rackets Federation.

He is also

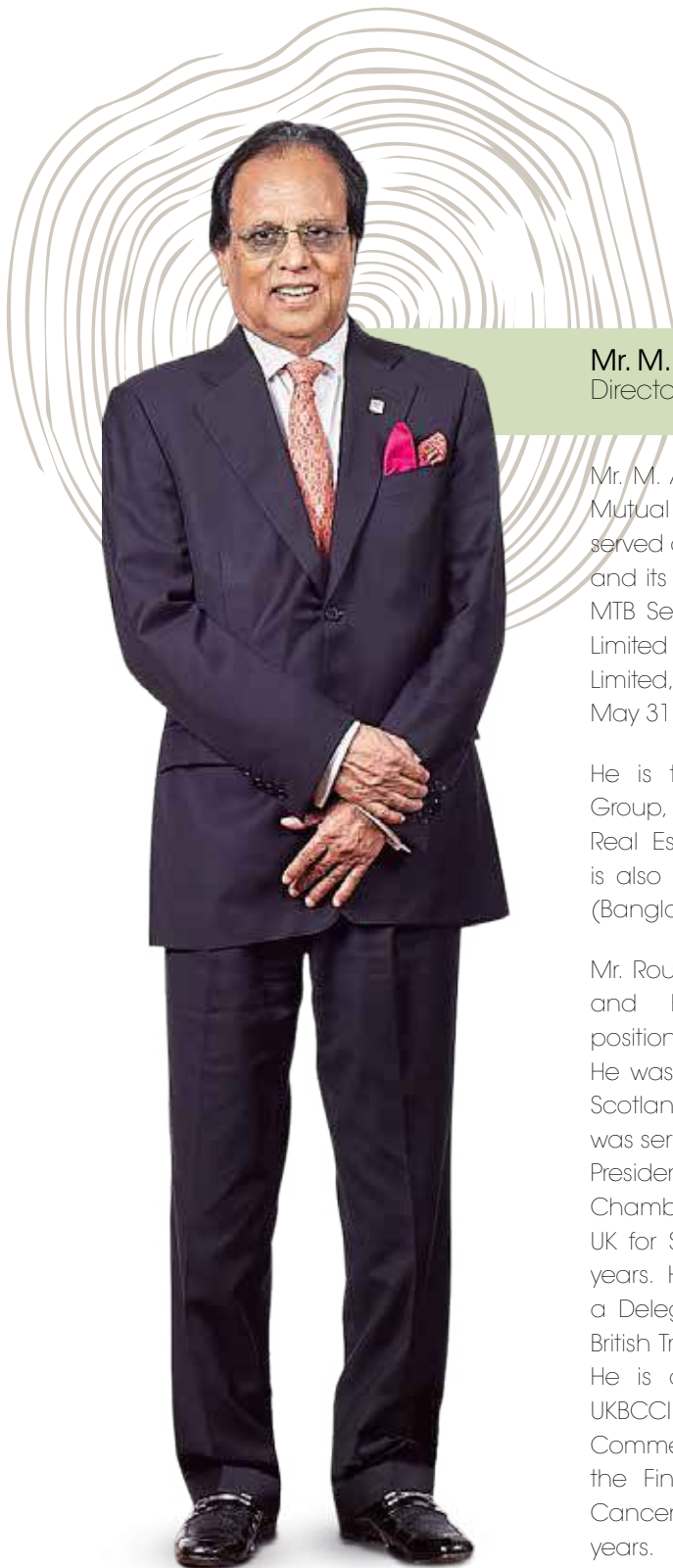
- Director of Associated Builders Corporation Ltd. (ABC), a pioneer in the field of construction and real estate development in Bangladesh
- Director of ABC Real Estates Ltd.
- Director of Shamsuddin Towels Ltd.

He has served as

- Senior Vice President of Bangladesh Terry Towel Manufacturers and Exporters Association
- President of the Rotary Club of Dhaka Central
- Assistant Governor of Rotary District-3280

Mr. Chowdhury obtained Higher National Diploma in Business Studies from West London College, UK and a Post Graduate Degree in Business Management from Kingston University of the United Kingdom. He is a member of the Chartered Management Institute, UK.





Mr. M. A. Rouf, JP
Director

Mr. M. A. Rouf, JP is the Director of Mutual Trust Bank Limited (MTB). He served as the Chairman of the Bank and its three subsidiary companies, MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited, from February 26, 2016 to May 31, 2018.


He is the Chairman of Britannia Group, a British-Bangla Joint Venture Real Estate Company. Besides, he is also a Director of Tiger Tours Ltd. (Bangladesh).

Mr. Rouf is a renowned personality and holds several prestigious positions at home and abroad. He was a Justice of Peace (JP) for Scotland over 10 years. Besides, he was serving as the elected Regional President for the British Bangladesh Chamber of Commerce in the UK for Scotland for the last sixteen years. He was also appointed as a Delegate for the Department of British Trade Mission of Bangladesh. He is a Senior Vice President of UKBCCI (UK Bangladesh Catalysts of Commerce & Industry). Mr. Rouf was the Financial Director for Scottish Cancer Research Centre for over 8 years.

Presently Mr. Rouf is serving as the chairman of following foreign company:

Diamond Properties, UK- One of the buildings the company has built, received the Civic Trust Award from the Scottish Building Authority. This was the first time an enterprise with a South Asian background was received this accolade.

He is a lifetime member of the University of St. Andrews and also a member of St. Andrews Golf Club, which is the 2nd oldest golf club in the world. He is also a member of Army Golf Club Dhaka. He has also held the post of Honourary Vice Chairman of St. Andrews University Union Debating Society for the last 17 years, which is the oldest debating society in the world and last 20 years he has been the President of St. Andrews University Cricket Club. The Cricket Team came to Bangladesh & played six matches, they had a wonderful time in 1999.



Ms. Khwaja Nargis Hossain

Director

Ms. Khwaja Nargis Hossain was the Vice Chairman of the Board of Mutual Trust Bank Limited (MTB). Ms. Hossain received Master's Degree in Islamic History from the University of Dhaka.

She is also

- Managing Director of SAHCO Securities Limited.
- Corporate Director of SAHCO International Limited
- Member of BOAO Forum for Asia (BFA), China. BFA is a non-profit international organization formed by twenty six Asian Countries and Australia for socio-economic development of the people of Asia and rest of the world.



Ms. Anika Chowdhury

Director

Ms. Anika Chowdhury is a Director of Mutual Trust Bank Limited (MTB), grand daughter of the iconic and legendary MTB Chairman, Mr. Samson H Chowdhury (late) and daughter of Mr. Tapan Chowdhury, Managing Director of Square Pharmaceuticals Ltd. and former Adviser to the Caretaker Government of Bangladesh in 2007.

She received Master's Degree in Business Administration from the University of Columbia, New York.

She is also Managing Director of Square Health Limited, Director of Square Fashions Ltd. and Director (Business Development) Square Pharmaceuticals Ltd. of Square Group, leading business conglomerate in Bangladesh.

A portrait of Mr. Daniel de Lange, an older man with grey hair, wearing a dark suit, white shirt, and patterned tie. The portrait is set within a circular frame composed of multiple concentric, slightly wavy lines. A light green rectangular box is overlaid on the left side of the portrait, containing his name and title.

Mr. Daniel de Lange

Director

Mr. de Lange has over 30 years' experience in the finance industry and as such has gained significant insight into all aspects of Banking and Finance. He is based in Hong Kong and has lived and transacted in Asia for over 25 years.

He was a Managing Director with JPMorgan Chase, and during his 17 years with the firm was based in New York, Jakarta, and Hong Kong. He led multidisciplinary teams originating, advising, and executing cross-border transactions with multinational and domestic companies. As advisor to large multi-sponsor transactions, he was closely involved in financial, commercial and legal aspects of ventures.

Mr. de Lange was a member of the management team and board of directors of a London-listed company focused on investment in, and development of, alternative energy projects. As a member of the main and investee boards, he was involved in oversight of all aspects of the company.

He currently is a senior advisor to Responsibility Investments AG, a USD 3 billion Zurich-based impact asset manager focused on the finance industry and renewable energy in Asia, Africa, and Latin America. He is on the Investment Committee of the ACPF fund, involved in approving new investments, as well as undertaking risk and other related activities.

Mr. de Lange has extensively acted as corporate finance advisor to different companies and projects in the Asia-Pacific region, principally focused on strategic advice, transaction implementation, and capital raising. In this context, he had interactions with multiple financial market participants, including investment and commercial Banks, private equity funds, project developers, institutional investment funds, export credit and political risk agencies, and others.

Prior to entering the private sector, Mr. de Lange worked for the United Nations Development Programme (UNDP), stationed in Laos and Bangladesh involved with the identification and management of economic development projects.

Mr. de Lange holds an MBA from Columbia University in New York, and an LL.M. in Civil Law from Leiden University in the Netherlands. He speaks several languages, including advanced- intermediate Mandarin.



Mr. Tarik Ur Rahman

Director

Mr. Tarik Ur Rahman, Managing Director & CEO, Pioneer Insurance Company Limited (PICL) is serving as a Director on the Board of Mutual Trust Bank Limited (MTB).

He commenced his 35 years of journey in the insurance industry in 1985, at Bangladesh General Insurance Company Ltd. (BGIC) which is the first general insurance company in Bangladesh in private sector. He held important positions of BGIC, lastly as a Deputy Managing Director. In June 01, 2020, he switched to Pioneer Insurance Company Limited. Later on he has been assigned as the Chief Executive Officer (CEO), of the company.

Mr. Rahman obtained Post-Graduate Degree in Management, from University of Chittagong.

He took part in training courses on general insurance and non-life insurance both at home and abroad. He has also attended various international seminars and conferences on insurance and non-life insurance at Egypt, Singapore, India, Sri Lanka and Malaysia.

A portrait of Ms. Nasreen Sattar, an Independent Director, framed by a decorative circular border of concentric, wavy lines. She is smiling and wearing a patterned top.

Ms. Nasreen Sattar
Independent Director

Ms. Nasreen Sattar is an Independent Director and Chairman, Board Audit Committee of Mutual Trust Bank Limited (MTB). Prior to joining MTB, she was an Independent Director and Member of Executive Committee & Audit Committee of IPDC Finance Limited – IPDC is a Non-Banking Financial Institution with foreign and local Institutional investors including Government of Bangladesh.

Ms. Sattar began her Banking career with ANZ Grindlays Bank, Bangladesh as a Management Trainee Officer, in 1986, where she served for 6 years in various roles, including the Head of Institutional Banking. In the year 2007, she joined Standard Chartered Bank, where she took various important roles, including the Regional Head for Development Organizations for South Asia.

Prior to joining CONSUMARK, a niche service provider in the areas of Human Resource Management, and Outsourced Services, she was the Chief Executive Officer of Standard Chartered Bank, Afghanistan.

During her service in Standard Chartered Bank, Afghanistan as a Chief Executive Officer, she managed challenges of security, volatility in nascent financial markets, with limited options for revenue generation and developed local staff, created retention culture. She, in line with Standard Chartered Bank Group Policy, also developed local resources to replace senior level expatriate jobs. She, as a member of Afghanistan Bank Association (ABA), assisted Central Bank (DAB) with anti-money laundering issues and other financial sector issues. During her service in Standard Chartered Bank, Afghanistan, she successively attained Camel Rating 1 for two years by Central Bank Audit Inspection.

In 2012 Standard Chartered Bank sold its business in Afghanistan to a leading local Bank – Afghanistan International Bank (AIB). She was invited by Afghanistan International Bank (AIB) to join a team of International Consultants on a short-term assignment for three months to help integration/transition of business from Standard Chartered to AIB and in skills development for the latter institution.



Mr. Faruq Ahmad Siddiqi

Independent Director

Mr. Faruq Ahmad Siddiqi has recently been appointed as an Independent Director of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was an Independent Director of Apex Tanneries Limited, Runner Automobiles Limited and its subsidiary Runner Motors Limited. He, currently, is serving Summit Power Limited as Independent Director and a member of rating committee of Credit Rating Agency of Bangladesh Ltd. (CRAB). He, also, served Al-Arafah Islami Bank Limited as Independent Director from 2016 to 2018. He discharged responsibilities as Chairman, Board Audit Committee in Apex Tanneries Limited and Summit Power Limited.

He served Bangladesh Securities and Exchange Commission from 2006 to 2009 as Chairman. Faruq also served Posts & Telecommunication, Education and Commerce Ministries of the People's Republic of Bangladesh as Secretary. He served National Board of Revenue as Member, Jamuna Multipurpose Authority as Director (Accounts & Finance) from 1997 to 1999 and RAJUK as Member (Finance) from 1990 to 1992. He also served Commissioner of Taxes. After his retirement, he served as Advisor of Southeast Bank Capital Services Limited from 2010 to 2012 and Board Member of IIDFC Securities Limited from 2012 to 2014.

A full-length portrait of Mr. Syed Mahbubur Rahman, a man with glasses, wearing a dark blue suit, a light-colored patterned tie, and a blue pocket square. He is standing with his hands clasped in front of him. Behind him is a decorative graphic of concentric, wavy lines in a light brown color.

Mr. Syed Mahbubur Rahman
Managing Director & CEO

Mr. Syed Mahbubur Rahman is the Managing Director & CEO of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited. Before joining Dhaka Bank Limited, he served BRAC Bank Limited as Managing Director & CEO and Deputy Managing Director (DMD). He also served Prime Bank Limited as Deputy Managing Director. He is the Immediate Past Chairman of the Association of Bankers, Bangladesh Limited (ABB). He was accorded with 'The Asian Banker Leadership Achievement Award' for Bangladesh for his achievement in the period from 2011 to 2013.

After completing Master of Business Administration (MBA) from Institute of Business Administration of the University of Dhaka, he started his career with Saudi-Bangladesh Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer (Officer in Charge of

Monitoring) in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking from 1996 to 1998 and Standard Chartered Bank as Relationship Manager, Corporate Banking from 1998 to 2000. In 2002, he joined CitiBank N.A. as Resident Vice President and left the Bank in 2008 when he was a Director of the Bank and was serving as the Head of Financial Institutions Group.

Mahbub has attended various local and overseas training courses and workshops, and frequently delivers lectures in the field of finance, Banking and management. He has a happy family with his wife and two lovely daughters.



Statement of The Chairman

Respected Shareholders and Stakeholders,
Assalamu 'Alaikum Wa Rahmatullah.

It is my great pleasure and Honour to welcome you at the 22nd Annual General Meeting (AGM) of Mutual Trust Bank Limited (MTB). On behalf of the Board of Directors and myself, I would like to express sincere thanks and gratitude for your continuous support, co-operation and confidence on us.

The year 2020 began with a cloud of uncertainty hanging over the horizon. The novel coronavirus was spreading in Europe, the destination of over 60 percent exports from Bangladesh, after wreaking havoc in China, its largest trading partner. Bangladesh felt the heat of a looming global crisis though the virus had not yet made its way into the country. The bad news came a couple of months later. On March 8, the authorities confirmed the maiden case of COVID infection in the country. A week later, the first death from the virus was reported. Soon, the country's economy, one of the shining stars in Asia, came almost to a halt as the government imposed countrywide lockdown to contain the spread of the virus. The main index of the stock market dropped by 15 percent in less than 10 days in the second half of March.

Bangladesh's GDP growth is forecast to drop to 3.8 percent in 2020, compared to 8.2 percent in the previous year. The government debt as a percentage of the GDP rose to 39.6 percent in 2020, considered low as per the international standards. The government had a fiscal deficit of 6.8 percent in 2020, which allowed it to spend a huge amount of money to keep the economy vibrant.

To protect the people and the economy, the government rolled out a massive Tk 14,014 million stimulus package, one of the largest in the world in terms of GDP size. Bangladesh Bank capped lending interest rate to 9 percent to help firms and businesses borrow at



a record low rate. Multilateral Banks and bilateral partners poured billions of dollars to save Bangladesh from this global catastrophe.

Despite the pandemic, Bangladesh is set to post the third-highest growth in the world and the highest in Asia in 2020, according to the International Monetary Fund. In terms of growth, only Guyana and South Sudan are ahead of Bangladesh. India's GDP would contract by 10.3 percent and Pakistan's by 0.4 percent. Of the 190 IMF member countries, only 23 are forecast to post a positive growth in 2020.

Unlike exports, a steadily growing flow of inward remittances has helped keep Bangladesh's economy afloat, defying fears of a slump in the inflow of money. Bangladesh became an exception among top remittance recipient countries amid the COVID-19 pandemic as expats sent US \$19.8 billion to the country in 2020, an 8% increase on the previous year, which was US \$18.4 billion.

Buoyed by remittances, Bangladesh's foreign currency reserves have continued to surpass one milestone after another as it nears the US \$43-billion mark. The forex reserves at the Bangladesh Bank stood at an all-time high of US \$43.17 billion in December. The growth in exports and foreign loans, alongside a drop in imports, has also contributed to the swelling of the reserves. With the current reserves, it is possible to clear the import costs of over 10 months.

The Banking sector in Bangladesh has been diligently navigating the unprecedented COVID-19 pandemic since the beginning. Initially, the sector has successfully met the cash flow challenges in the economy during the general holiday (Mobility Restriction) period with some regulatory relaxations in policy rates i.e., CRR, ADR & repo. Now the sector has been entrusted with the prime responsibility of implementing most of the stimulus packages declared by the government. The single digit lending rate effective from April 2020 has forced many Banks to keep cost minimization and operational transformation high on the agenda. In 2020, Banks got provision relaxation facility amid stalemate business situation. Consequently the NPLs of Banking Industry fell by more than 6.0 per cent or Tk 60.49 billion to Tk 882.82 billion, excluding offshore Banking operations and payment holiday, as of December 31, 2020 from Tk 943.31 billion a year ago. The suspension of the usual practice of classifying loans that had been put into effect by the BB in March 2020 following the outbreak of COVID-19 was largely responsible for the shrinking of the default loans in the country's Banking sector.

The pandemic has left no industry, economy or society untouched. Its effects will lay the foundation on how financial services will evolve over the coming days and beyond. Banks must be the catalyst of change and act as a promoter to spread it in other social and economic forces for repairing the damage caused by the pandemic and reshaping the economy. Now and over the next few months, coordinated measures by the government, regulators and the Banks to strengthen the sector will determine how the nation will emerge from this crisis. Civilization won't stop here, rather the experience we had will lay the foundation of stronger and resilient future. In a Post COVID world, a strong Banking sector will also be needed for a strong recovery.

Banking industry of Bangladesh has achieved remarkable momentum over the years. It has brought several positive changes in terms of expansion, modernization, application of international standards, technology adaptation, capacity development efforts, Corporate Governance, and improved regulatory and supervisory environment. The development is not, however, uniform in all Banks. Like other global economies, the industry is becoming exposed to newer challenges, financial crimes, and competitions. In order to address the changing needs, all Banks are required to develop their customized paths to sustain on a continuous process through the effective tools of leadership, sound governance framework and emotional intelligence.

During 2020, growth in the Bank's core operating profit was healthy and the capital and liquidity position remains sufficient. The industry has been strengthened supported by robust flow of deposits during the year. There has been an improvement in asset quality parameters with a granular and stronger portfolio mix. The performance in 2020 has also ensured value creation for all stakeholders, including shareholders and customers. This has been achieved despite a challenging operating environment for the Banking industry. The Bank's progress in 2020 only further increases our confidence in its strategic priorities and the core principles driving businesses.

The MTB Group including its subsidiaries have delivered a total asset growth of 4.81%, while driving state-of-the-art digital transformation, and initiating the restructuring (centralization) of the business model of the Bank, in the midst of a transformational year in the Banking industry. Our subsidiaries also exhibited moderate performance throughout the year.

To continue maintaining a suitable and adequate Capital to Risk-weighted Asset Ratio (CRAR) for supporting the Bank's growth momentum, while also ensuring sustainable value distribution to the hands of shareholders, the Board of Directors has recommended 10% stock dividend for the year 2020, subject to approval in the AGM.

The year saw some innovative products being launched for the Bank's customers. Designing solutions that are all-encompassing has been made possible by placing the customer at the centre of business operations and harnessing digital capabilities. The Bank's ability to leverage technology combined with analytical insights and partnerships have created new ways of serving customers through digital journeys and one-stop solutions for all Banking needs. The insta-lending products, the focus on seamless onboarding of customers, simplifying processes to enable smooth transactions are together creating a rewarding digital experience for our customers.

The Bank is committed to stand by its customers and the larger community in this hour of need. Our utmost importance is the health, well-being of our employees, customers and business continuity. The Bank has formed a Quick Response Team (QRT) to take steps to protect the health of the employees and provide essential services to customers. Our branches were functional by rotation with reduced working hours during the lockdown. Even under these demanding circumstances, the Bank has seen an opportunity in enhancing its digital journey. Our digital Banking platform offering services to a range of customers including retail, SME and corporate customers, reflects the Bank's 'Digital Transformation' approach.

Our employees have shown strong resilience and ability to adapt to changing circumstances. I would like to thank every employee of the Bank for their commendable efforts and character displayed during this challenging period, and for responsibly upholding the reputation of our beloved Bank.

During the health crisis, the Bank and MTB Foundation have made efforts at a national level by facilitating supply of critical materials like N95 masks, sanitizers, personal protective equipments and others related health safety items to the different hospitals of the country for safe guiding of the doctors and nurses working there. At the very outset of the COVID-19 pandemic, the Bank created an emergency fund MTB COVID-19 DONATION FUND, the total amount of which was TK. 14.50 million. The MTBians

contributed about 70% of this fund by donating their one-day salary amounting to TK. 10 million. The distinguished members of the MTB Board also contributed their Honourarium till December 2020. Moreover, 40% of the MTB Foundation was allocated to this special COVID-19 fund. In alignment with the government's strategies to combat the pandemic effective immediately and retaining its image as a reliable and trustworthy brand, MTB redirected its CSR funds for donation of TK. 50 million to the Prime Minister's Relief and Welfare Fund through Bangladesh Association of Banks (BAB). With a view to curbing the spread of COVID-19 in the capital, MTB had built two disinfectant chambers at Kurmitola General Hospital and Kuwait Moitree Hospital in Dhaka with the technical support of BUET.

My pleasure informing you that MTB was awarded the Best Presented Annual Report-2019 (Joint 3rd position) in the Private Sector Banks category and Certificate of Merit in the Integrated Reporting category by The Institute of Chartered Accountants of Bangladesh (ICAB).

The Bank continued to strengthen its policies and processes and maintain strong risk management practices in these evolving times. With a commitment to the highest levels of Corporate Governance, the Board of Directors, Independent directors, maintains its oversight through various committees continuously. The Bank is focused on building a service-driven culture and ensure ethical conduct in every steps in its operations.

Looking ahead, there are significant challenges for the economy and the Banking sector in 2021. A contraction in economic growth is inevitable. Regaining the confidence and momentum of activity like the past may take some time. A health emergency of this magnitude will lead to extraordinary responses and outcomes. Under these circumstances, the Bank remains committed to being with its customers and ensuring seamless delivery of financial services and will participate in the relief measures to mitigate the impact of the unprecedented situation.

The Bank is cognizant of the elevated risks in the operating environment and will take steps to remain strong and resilient and be well-positioned to absorb potential losses that could arise in future business operations. Our passion to create value shall continues in these challenging times.

My appreciation goes to all the MTBians - the human capital that powers our operations. I thank you all for your dedication, which has been a great source of our competitive advantage. Our gratitude to Bangladesh Bank, the Bangladesh Securities & Exchange Commission, the Stock Exchanges, the Ministry of Finance, the Registrar of Joint Stock Companies and all other connected regulatory bodies for their continuous support.

The Bank is infinitely grateful to you - our valued customers - for the trust and confidence on Banking with MTB for the past 21 years. You remain the reason we are driven to innovate, succeed and grow. My sincere gratitude to our shareholders and my colleagues at the Board of Directors - your patronage over the years has been a source of immense strength for the Bank and I look forward to your continued support to enable the Bank to move forward in its progressive journey towards sustainable revival.

Together, we shall overcome all challenges and emerge stronger than ever before.

With Best Wishes,



Md. Wakiluddin

Chairman



চেয়ারম্যানের বাণী

প্রিয় শেয়ারহোল্ডার ও স্টেকহোল্ডারগণ,

আস-সালামু আলাইকুম ওয়া-রাহমাতুল্লাহ।

২০২০ সালের বার্ষিক প্রতিবেদন উপস্থাপন উপলক্ষ্যে আপনাদের সামনে বক্তব্য রাখার সুযোগ পেয়ে আমি আনন্দিত ও নিজেকে সৌভাগ্যবান মনে করছি। বাংলাদেশ ও বৈশ্বিক শ্রেষ্ঠাংশে মিউচুয়াল ট্রাস্ট ব্যাংক (এমটিবি) সম্ভাবনাময় একটি গুরুত্বপূর্ণ আর্থিক প্রতিষ্ঠান হিসেবে জাতীয় উন্নয়নে বলিষ্ঠ ভূমিকা পালন করে আসছে। আমি আপনাদেরকে আশ্বস্ত করতে পারি যে, কোভিড-১৯ অতিমারির মধ্যেও অনেক প্রতিবন্ধকতা সত্ত্বেও সবার জন্য টেকসই উন্নয়নের কাজ অব্যাহত রেখেছি আমরা।

সংকটের মাঝে ইতিবাচকতা:

ব্যাংকের প্রতিষ্ঠালগ্ন থেকে সম্মানিত পর্ষদ ব্যক্তি ও প্রতিষ্ঠানের, বিশেষ করে ক্ষুদ্র উদ্যোক্তাদের সমৃদ্ধি ও সক্ষমতার মাধ্যম হিসেবে আর্থিক অন্তর্ভুক্তিতে বিশ্বাস করে। বাংলাদেশের সকলস্তরের মানুষের আর্থিক ক্ষমতায়নের এটাই সম্ভাব্য সমাধান।

এমটিবি প্রতিষ্ঠার প্রায় ২২ বছর হয়ে গেলো। এই সুদীর্ঘ পথচলায় আমরা ব্যাংকিংয়ের মাধ্যমে সামাজিক ক্ষমতায়নে সম্পৃক্ত রয়েছি। আমরা দৃঢ়ভাবে বিশ্বাস করি, এটিই আমাদের টেকসই উন্নয়নের ধারা বজায় রাখতে সহায়ক ভূমিকা পালন করেছে। আমাদের দীর্ঘ পথপরিক্রমায় আমরা অনেক ধরনের উত্থান-পতন দেখেছি, তবে ২০২০ সালের নভেল করোনা ভাইরাস এর কারণে সৃষ্ট মানবিক ও অর্থনৈতিক বৈশ্বিক বিপর্যয় মানব ইতিহাসে একটি অভূতপূর্ব ঘটনা। আমরা এই অপ্রত্যাশিত প্রতিকূলতা ও চ্যালেঞ্জের মধ্যেও অবিচল ছিলাম এবং গ্রাহকদের উন্নত সেবা প্রদানসহ আমাদের লক্ষ্য ও উদ্দেশ্য বাস্তবায়নে নিবেদিত থেকেছি।

আজ এমটিবি একটা বড় ধরণের রূপান্তর ও আধুনিকায়ন প্রক্রিয়ার মধ্য দিয়ে যাচ্ছে। টেকসই উপায়ে আমাদের অগ্রযাত্রা অব্যাহত রাখার লক্ষ্যে আরো প্রযুক্তিগত পরিবর্তনের জন্য আমরা কৌশলগত নীতি প্রণয়ন, এর যোগসূত্র স্থাপনা, পরিকল্পনা প্রণয়নের পাশাপাশি নিজেদের এবং আমাদের সেবাহীতাদের প্রস্তুত করে তুলছি। অতিমারির কারণে ক্রমশ জনপ্রিয় হয়ে ওঠা ডিজিটাল রূপান্তরের সুবাদে আমরা চাই ডিজিটাল ব্যাংক হিসেবে সামনে থেকে নেতৃত্ব দিতে। আমাদের টেকনোলজি টিম এই অতিমারির মধ্যেও অত্যন্ত সফলতার সাথে লিগ্যাসী কোর ব্যাংকিং সফটওয়্যার ফ্লোরা ব্যাংক হতে বিশ্বের অন্যতম সেবা CBS প্লাটফর্ম TCS BOUNCS এ মাইগ্রেট করেছে। এই মাইগ্রেসন আমাদের দীর্ঘদিনের কর্মপ্রচেষ্টার সফল সমাপ্তি। এই আধুনিক সফটওয়্যারের মাধ্যমে আমরা Omni-Channel গ্রাহক সেবা নিশ্চিত করতে পারবো। পাশাপাশি আমাদের টেকনোলজি টিম সহকর্মীদের স্বাস্থ্যগত ঝুঁকি এড়াতে বেশ বড় স্কেলে ঘরে থেকে কাজ করা বা ওয়ার্ক ফ্রম হোম-এর জন্য প্রয়োজনীয় সব অবকাঠামো অতিদ্রুততার সাথে বাস্তবায়নে অতি গুরুত্বপূর্ণ ভূমিকা রেখেছে। এর বাইরেও তারা বেশ কিছু প্রথাগত পদ্ধতির সংস্করণসহ চলমান বড় অটোমেশন প্রজেক্টগুলোতে গুরুত্বপূর্ণ অগ্রগতি দেখিয়েছে। আমাদের চলমান ডিজিটাল ব্যাংকিং কার্যক্রমের আওতায় রিটেইল, এসএমই ও কর্পোরেট গ্রাহক সকলের মধ্যে ইন্টারনেট ব্যাংকিং এর নিবন্ধন ও ব্যবহার বৃদ্ধি পেয়েছে। ইনফরমেশন সিকিউরিটি (আইএস) টিম আমাদের ব্যাংক ও গ্রাহকদের সুরক্ষায় ২৪ ঘন্টাই নজরদারি ও সাইবার নিরাপত্তা নিশ্চিত করেছে। একই সাথে আমাদের সামগ্রিক অবস্থানের উন্নয়নের মাধ্যমে গ্রাহক সেবার মান উন্নয়নের লক্ষ্যে আমরা ক্রমাগত অভিনব কর্মপন্থা অবলম্বন করছি এবং কাজের ধরণের ব্যাপক পরিবর্তন নিয়ে আসছি। একটি সহজ, স্বকীয় ও গ্রাহকসুলভ পরিষেবা নিশ্চিত করার জন্য আগামীতে কীভাবে রোবোটিকস প্রসেস অটোমেশন এবং কৃত্রিম বুদ্ধিমত্তা কাজে লাগিয়ে গ্রাহকদের জন্য বিশ্বমানের গ্রাহক সেবা নিশ্চিত করা যায় সে বিষয়েও আমরা ব্যাপক কার্যক্রম চালিয়ে যাচ্ছি।

কোভিড অতিমারিতে আমাদের কার্যক্রম:

নভেল করোনা ভাইরাসজনিত বৈশ্বিক অতিমারি নিঃসন্দেহে সমগ্র মানবজাতির জন্য এক বিস্মরণযোগ্য ঘটনা। এটি একদিকে যেমন আমাদের স্বাস্থ্যখাতকে পর্যদুস্ত করেছে, সামগ্রিক অর্থনৈতিক কার্যক্রমকে করেছে চরমভাবে বাধাগ্রস্ত। মানবজাতিকে এটি যেমন একটি অস্তিত্বের সংকটের মুখে ঠেলে দিয়েছে, তেমনি অতিমারির দ্বিতীয় ঢেউয়ে আমাদের আধুনিক জীবনের সাপ্লাই চেইন, ব্যবসা ও বাণিজ্যের দুর্বল দিকগুলোও সামনে নিয়ে এসেছে। উদ্ভূত পরিস্থিতিতে অর্থনৈতিক ও সামাজিক ঝুঁকি মোকাবেলা করে মানবজাতিকে সুরক্ষিত রাখার জন্য আমাদের সমন্বিত ও সুনির্দিষ্ট পরিকল্পনা বাস্তবায়নের জন্য কৌশল নির্ধারণ করা প্রয়োজন। সরকারি ও বেসরকারি নীতি নির্ধারকরা এই লক্ষ্যে কাজ করে যাচ্ছেন।

বছর জুড়ে আমাদের লক্ষ্য ছিলো আমাদের তৃণমূল পর্যায়ের গ্রাহকরা অতিমারির প্রভাব কাটিয়ে উঠতে যেসব চ্যালেঞ্জের মুখোমুখি হয়েছেন, সেগুলোর অর্থনৈতিক সমাধান প্রদান করা। এই লক্ষ্যে আমরা টেকসই পদক্ষেপ গ্রহণ ও আর্থিক সহায়তা প্রকল্প চালুর মধ্য দিয়ে ভবিষ্যতে তাদের আরো শক্তিশালী ও আত্মবিশ্বাসী রূপে ঘুরে দাঁড়ানোর কাজে প্রয়োজনীয় সহায়তা প্রদান করছি।

এভাবে আমরা সার্বজনীন নিরাপত্তা ও স্বাস্থ্যবিধি প্রটোকল, ঋণগ্রহীতার নগদ প্রবাহ চালু রাখতে সহায়ক শক্তি হিসেবে ঋণের কিস্তি পরিশোধে সাময়িক স্থগিতাদেশ, সরকারের বিশেষ সহায়তা ও ঋণ সম্প্রসারণ প্রকল্পে সম্পৃক্তি এবং টেকসই সমাজ ব্যবস্থা গঠনের উদ্দেশ্যে স্টেকহোল্ডারদের জন্য সামগ্রিক সহায়তা বাড়িয়েছি। এমটিবি তার এসএমই গ্রাহকদের মধ্যে বাংলাদেশ ব্যাংক কর্তৃক নির্ধারিত ঋণের লক্ষ্যমাত্রা সাফল্যের সাথে অর্জন করেছে। আমরা আমাদের সামর্থের মধ্যে যতটুকু সহায়তা প্রদান করা সম্ভব, তারও অধিক দেয়ার চেষ্টা করেছি।

২০২০ সালে আমাদের অর্জন:

কোভিড-১৯ অতিমারির কারণে ২০২০ সালে সামাজিক মেলামেশা এবং চলাফেরায় বিধিনিষেধ আরোপের পাশাপাশি ব্যবসা বাণিজ্যেও স্থবিরতা এনে দিয়েছে। জীবন বাঁচানোর লড়াইয়ের পাশাপাশি অর্থনীতির চাকা সচল রাখার জন্য বাংলাদেশ সরকার ও কেন্দ্রীয় ব্যাংক ঋণের সুদের হার কমানোর সাথে সাথে বিভিন্ন আর্থিক ও সম্প্রসারণমূলক মুদ্রানীতি প্রণয়ন করেছে।

নেট সুদের মার্জিনের ওপর প্রভাব, অতিমারির কারণে ঋণের কিস্তি প্রদানে সাময়িক স্থগিতাদেশ এবং অর্থনৈতিক সংকোচনের কারণে বাণিজ্যিক কার্যক্রমে শ্রুত পরিস্থিতির মাঝেও ২০২০ সালে মাঝারি মানের সাফল্য দেখিয়েছে এমটিবি।

২০২০ সালে ব্যাংকের অপারেটিং ইনকাম ছিল ৯,৫৮৬ মিলিয়ন টাকা, যা আগের বছরের তুলনায় ১১ শতাংশ কম। ব্যবসা বৈচিত্র্যকরণে আমাদের মনোযোগের সুফল পরিলক্ষিত হয়, বিশেষত বিনিয়োগ আয়ে ৩৭ শতাংশ প্রবৃদ্ধি ঘটান ফলে, সুদ আয়ের ওপর চাপ সীমিত রাখা সম্ভব হয়।

উল্লেখ্য যে, এ সময়ে ব্যাংকের কর পরবর্তী নিট মুনাফা হয়েছে ৮৯৯ মিলিয়ন টাকা, যা সত্যিই প্রশংসনীয়। কারণ এটি অতিমারি প্রসূত সম্ভাব্য মন্দ ঋণের রিজার্ভ তৈরীর নির্দেশনা প্রতিপালন সাপেক্ষে অর্জিত হয়েছে। করোনাজনিত অতিরিক্ত ঋণ প্রভিশন করার পরেও এমটিবি মন্দ ঋণের হার নেমে যায় ৪.৬ শতাংশে যা নিয়ন্ত্রণমূলক নিবৃতি সত্ত্বেও একটি সন্তোষজনক মাত্রা। কারণ মন্দ ঋণের হার বিগত ২০১৯ সালের তুলনায় ৮.২১ শতাংশ কমেছে।

এই আর্থিক সাফল্যের ওপর ভিত্তি করে ২০২০ সালে শেয়ার প্রতি ১০ শতাংশ স্টক ডিভিডেন্ড সুপারিশ করে বোর্ড। প্রণিধানযোগ্য, এই ডিভিডেন্ড চলমান অতিমারি ও এর উত্তর সময়ে ভবিষ্যত প্রবৃদ্ধির ভিত্তিকে শক্তিশালী করার লক্ষ্যে সংরক্ষিত আয় পূর্ন:বিনিয়োগ বিষয়ক ভিত্তি ব্যাংকের নীতির সাথে সঙ্গতিপূর্ণ। এতদ সত্ত্বেও ২০২০ সালের মতো একটি কঠিন বছরে আমাদের ডিভিডেন্ড নীতিমালা ধরে রাখার মাধ্যমে শেয়ার হোল্ডারদের পুরস্কৃত করার জন্য আমাদের অঙ্গীকার প্রতিফলিত হয়েছে। এর মাধ্যমে আমাদের আত্মবিশ্বাসী ভবিষ্যত দৃষ্টিভঙ্গি, সুবিবেচনা প্রসূত ঝুঁকি ব্যবস্থাপনা এবং বিরাজমান পরিস্থিতির সাথে খাপ খাইয়ে নিতে পারা এবং সম্ভাব্য বিপদসমূহ হতে সর্বক থাকার সহজাত সামর্থ্য প্রমাণ করেছে।

সার্বিক পরিচালনার ক্ষেত্রে ঋণ পোর্টফোলিওর ব্যাপারে আমরা অত্যন্ত সতর্ক ছিলাম, এর প্রতিফলন দেখা গিয়েছে আমাদের সার্বিক ঋণ প্রবৃদ্ধিতে। ঋণ খাতে আমাদের রক্ষণশীল প্রবৃদ্ধি ঘটেছে ৮ শতাংশ এর মতো। যদিও বছরের শুরুতে ঋণ বিতরণ কার্যক্রম গতিশীলতা লাভ করেছিলো, তবুও আমরা সচেতন ভাবেই আমাদের পোর্টফোলিও এমনভাবে সাজিয়েছি যেন শুধু যে অতিমারি সংশ্লিষ্ট চ্যালেঞ্জগুলোকেই বিবেচনায় নেয়া সম্ভব হয়, তা নয়, বরং আমাদের ঋণ পোর্টফোলিও আরো বৈচিত্র্যময় এবং শক্তিশালী হয়। আমরা সর্বোচ্চ সতর্কতার সাথে যথাযথ ঋণ যোগ্যতা মূল্যায়নের মাধ্যমে রিটেইল, এসএমই, কমার্শিয়াল ও কর্পোরেট ব্যাংকিং খাতে ব্যবসা সম্প্রসারণের পরিকল্পনা করছি।

ট্রেজারী কার্যক্রমের মাধ্যমে কমিয়ে আনা ঋণ কার্যক্রম এবং ঋণ হার হ্রাসের যৌথ প্রতিক্রিয়ার পরও সুদ-আয়ের সংকোচন হ্রাসের প্রভাব হতে অনেকাংশে পুনরুদ্ধার লাভ করতে পেরেছি। ট্রেজারির মাধ্যমে সরকারী বিনিয়োগ থেকে বিনিয়োগ আয়ে আগের বছরের তুলনায় ৩৭ শতাংশ প্রবৃদ্ধি ঘটেছে।

প্রযুক্তি বাস্তব ব্যাংকিং আমাদের অগ্রাধিকার:

প্রযুক্তি প্রতিনিয়ত এমন ভাবে আধুনিকায়ন হচ্ছে যে আমাদের ব্যবসার সকল কেন্দ্রীয় কার্যক্রম ডিজিটাল প্রযুক্তির উপর নির্ভরশীল হয়ে পড়ছে। অতিমারির ব্যাপকতার কারণে আমরা এখন জোর দিচ্ছি ডিজিটাল ব্যবহারকারী বৃদ্ধিতে, লেনদেন, ডিজিটাল অ্যাকুইজিশন এবং ডিজিটাল মার্কেটপ্লেস উন্নয়নের মাধ্যমে ডিজিটাল বিক্রি সক্ষমতা তৈরির মাধ্যমে ডিজিটাল উদ্যোগসমূহ গতিশীল করার ওপর।

করোনা অতিমারি জীবন ও জীবিকার ধরণ বদলে দিয়েছে। কিন্তু এই 'নতুন স্বাভাবিক' এর সঙ্গে আমরা মানিয়ে নিতে পেরেছি। সৃজনশীল ও উদ্ভাবনী ডিজিটাল মাধ্যমে, যার মাধ্যমে আমরা গ্রাহকদের সাথে সংযুক্ত থাকতে পেরেছি ২৪/৭। যেমন, আমাদের 'হীন পিন' সেবা, Mbot সার্ভিস, ইন্টারনেট

ব্যাংকিং, মোবাইল অ্যাপসের মাধ্যমে গ্রাহকগণ ঘরে বসেই স্বাস্থ্যবিধি মেনে ব্যাংকিং সেবা গ্রহণ করতে পারছে। এতে করে আমাদের কাজের প্রক্রিয়া যেমন সমৃদ্ধ হয়েছে, তেমনি গ্রাহকের জন্যও বিস্তৃত হয়েছে বিকল্প অনলাইন চ্যানেল।

আমাদের নতুন কোর ব্যাংকিং সফটওয়্যার ব্যাংকিং পরিষেবার ব্যাপ্তি ও অভিযোজ্যতার মাধ্যমে ফ্রন্ট লাইনের সক্ষমতা বহুলাংশে বৃদ্ধি করেছে। অটোমেশন, বিশেষ করে কোর ব্যাংকিং সফটওয়্যারের পূর্ণাঙ্গ ব্যবহার কাগজের ব্যবহার কমিয়ে গ্রিন ব্যাংকিং পরিষেবাকে জনপ্রিয় ও উৎসাহিত করবে। কেন্দ্রীয় ব্যাংকের নির্দেশনা অনুযায়ী আমাদের শেয়ারহোল্ডার ও অন্যান্যদের নিরাপত্তা ও কল্যাণের কথা বিবেচনা করে, আমরা দ্বিতীয় বারের মতো ২২তম বার্ষিক সাধারণ সভা ভার্চুয়াল মাধ্যমে আয়োজন করেছি।

আমাদের কার্যক্রমের কেন্দ্রে রয়েছে সুশাসন:

সর্বোচ্চ সুশাসন নিশ্চিত করতে আমাদের ব্যবসায়িক নীতিমালা বার্ষিকভিত্তিতে পর্যালোচনা করা হয়। ২০২০ সালে সকল প্রকার তহরূপ ও দুর্নীতি প্রতিরোধ কল্পে আমাদের ঘৃষ বিরোধী (এন্টি-ব্রাইবারি) নীতি, দুর্নীতি বিরোধী (এন্টি-করাপশন) নীতি, হুইসল-ব্লোয়ার নীতি এবং সন্ত্রাসী অর্থায়ন প্রতিরোধে সামর্থ্য বাড়াতে আমাদের চেষ্টা অব্যাহত রয়েছে।

আমাদের পরিচালনা পর্ষদের সম্মানিত সদস্যদের বয়স ও অভিজ্ঞতার বৈচিত্র্যতা সুশাসনের প্রতি আমাদের অঙ্গীকারের প্রতিফলন। আমি সন্তুষ্ট যে, আমাদের পরিচালনা পর্ষদ যথেষ্ট ভারসাম্যপূর্ণ এবং সুশাসন ও সমাজ তথা স্টেক হোল্ডারদের স্বার্থ সংরক্ষণে প্রয়োজনীয় দক্ষতা তাদের রয়েছে।

‘নতুন স্বাভাবিকের’ সাথে তাল মেলাতে ব্যবস্থাপনা পর্ষদের নানান উদ্যোগকে যথাযথ সর্মথন করেছে বোর্ড। একই সাথে চলমান ও আসন্ন ব্যবসায়িক প্রতিকূলতা মোকাবেলা এবং সর্বক্ষেত্রে কর্পোরেট সুশাসন সমুন্নত রাখার জন্য আমরা মুক্ত আলোচনাকে উৎসাহিত করেছি। পরিচালনা পর্ষদ হতে দীর্ঘ মেয়াদী আর্থিক ঝুঁকি এড়াতে এবং স্বাভাবিক ব্যবসায়িক কার্যক্রমে ফিরে আসতে প্রয়োজনীয় দিক-নির্দেশনা দেয়া হয়েছে যার কারণে ২০২০ সালে আমাদের প্রাতিষ্ঠানিক অবস্থান আশাব্যঞ্জক হয়েছে।

মানব সম্পদ-ই প্রথম:

অতিমারির সবচেয়ে বড় প্রভাব পড়েছে মানুষের জীবনে। শারীরিক ও সামাজিক দূরত্ব, অর্থনৈতিক টানা পোড়েন, শঙ্কা ও অনিশ্চয়তার বিরূপ প্রভাব পড়েছে মানুষের শারীরিক ও মানসিক স্বাস্থ্যে। এমটিবি-তে আমরা অগ্রাধিকার দেই নিরাপদ কর্মস্থল নিশ্চিত করা যেন আমাদের কর্মীরা পেশাদারিত্বের সাথে লক্ষ্য অর্জন এবং পরিবারের দায়িত্ব নিয়ে প্রাজ্ঞ ও স্বতঃফূর্তভাবে কর্ম উদ্যম বজায় রাখতে পারে।

করোনা সংক্রমণের একেবারে শুরুতেই সরকার ও স্বাস্থ্য কর্তৃপক্ষের নির্দেশনাবলীর সাথে সঙ্গতি রেখে আমরা আমাদের কর্মীদের সুরক্ষা নিশ্চিত করতে এবং সংক্রমণের বিস্তার প্রতিরোধে সুনির্দিষ্ট পদক্ষেপ গ্রহণ করি। কর্মী ও গ্রাহকগণের মাঝে স্বাস্থ্যবিধি যথাযথ ভাবে প্রতিপালনের জন্য বিভিন্ন সচেতনমূলক কার্যক্রমের ব্যবস্থা নেয়া হয়। এছাড়া, কর্মী সুরক্ষা ও চাকুরির

নিরাপত্তা দিকে নজর রেখেও কর্মীদের উজ্জীবিত রাখতে যথেষ্ট সংবেদনশীল ছিলাম।

আমি সবসময় বিশ্বাস করি যে দীর্ঘমেয়াদী টেকসই সাফল্য মূলত নির্ভর করে মানব সম্পদের সক্ষমতার উপর। এ কারণেই আমরা এমন একটি যোগ্য ও নির্ভরযোগ্য মানব সম্পদ গড়ে তোলার দৃঢ় অঙ্গীকার করেছি যারা প্রতিকূলতার মাঝেও ব্যাংককে সামনে এগিয়ে নিয়ে যাওয়ার সক্ষমতা রাখে। ২০২০ সালে আমরা অনলাইন শিক্ষন সংস্কৃতির উপর জোর দিয়েছি এবং কর্মীদের দক্ষতা বৃদ্ধির জন্য প্রচুর প্রশিক্ষনমূলক উন্নয়নের ব্যবস্থা করা হয়েছে।

বিশ্ব আজ যখন টিকাদান কর্মসূচীর মাধ্যমে আরোও গতিশীল হচ্ছে আমরাও আমাদের কর্মীদের টিকাদানের সব ধরনের ব্যবস্থা গ্রহণ করেছি যেন একটি ইতিবাচক মনোভাব নিয়ে আমরা আমাদের কর্ম পরিকল্পনা অর্জনের পথে এগিয়ে যেতে পারি।

সামাজিক দায়বদ্ধতা:

করোনাজনিত অতিমারিতে জনজীবন যখন পর্যদুস্থ, এমটিবি সমাজের প্রতি দায়বদ্ধ নাগরিক হিসেবে কিছু উল্লেখযোগ্য কার্যক্রম পরিচালনা করেছে। অতিমারির একেবারেই শুরুর দিকে ২০২০ সালের ২৯ মার্চ কর্মীদের তাৎক্ষনিক স্বাস্থ্য ঝুঁকির কথা বিবেচনায় নিয়ে রিমোট অফিস প্রবর্তন করে। সেই সাথে কোভিড-১৯ অতিমারি মোকাবেলায় একটি জরুরী অনুদান তহবিল গঠন করে যার সর্বমোট আকার ১৪.৫০ মিলিয়ন টাকা। এর মধ্য ৭০ শতাংশ তথা ১০ মিলিয়ন টাকা প্রদান করে এমটিবি কর্মীরা, তাদের একদিনের বেতন অনুদান হিসেবে। এমটিবি পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দও ডিসেম্বর ২০২০ সাল পর্যন্ত তাদের সম্মানীর টাকা এই অনুদান তহবিলে দান করেন। তাছাড়াও এমটিবি ফাউন্ডেশনের বরাদ্দকৃত অর্থের ৪০ শতাংশ অর্থ এই বিশেষ কোভিড তহবিলে দান করা হয়েছিল। তাৎক্ষনিক পরিস্থিতিতে সরকারের আহবানে সাড়া দিয়ে এমটিবি তার সিএসআর তহবিল থেকে বাংলাদেশ অ্যাসোসিয়েশন অব ব্যাংকস (বিএবি) এর মাধ্যমে প্রধানমন্ত্রীর ত্রাণ ও কল্যাণ তহবিলে ৫০ মিলিয়ন টাকা সহায়তা হিসেবে প্রদান করে। সংক্রমণের ব্যাপকতাকে প্রাধান্য দিয়ে রাজধানীতে কোভিড-১৯ এর সংক্রমণ রোধে এমটিবি কুর্মিটোলা জেনারেল হাসপাতাল ও কুয়েত মৈত্রী হাসপাতালে বুয়েটের সহায়তায় দুটি জীবানুনাশক চেম্বার স্থাপন করে। এছাড়াও কঠিন এই সময়ে মানবতার সেবায় নিয়োজিত ফ্রন্টলাইনার যথা চিকিৎসক ও নার্সদের সুরক্ষায় দেশের বিভিন্ন হাসপাতালে এন-৯৫ মাস্ক সরবরাহ করা হয়।

করোনা অভিঘাত মোকাবেলায় ভবিষ্যত কর্মকৌশল:

এই প্রতিবেদন যখন লিখছি, ২০২০ এর সেপ্টেম্বর-অক্টোবর করোনা সংক্রমণের মাত্রা কমে আসার পর, করোনা ভাইরাসের দ্বিতীয় ঢেউ আবারও তীব্র আকারে প্রকাশ পাচ্ছে। ধারণা করছি, সরকার এই ভাইরাসের বিস্তার রোধে মধ্যম মেয়াদী লকডাউন বলবত রাখবে এবং এর প্রভাব পড়বে আমাদের জিডিপি এর উপরে। এমটিবি সর্বান্তকরণে কোভিড-১৯ বিস্তার রোধে সরকার গৃহিত সকল ধরনের জনস্বাস্থ্য ও কল্যাণমূলক পদক্ষেপ সর্বান্তকরণে সর্মথন করে। এই ব্যবসা বিরূপ পরিস্থিতিতে গ্রাহকের ভবিষ্যত সাফল্যের ধারা অব্যাহত রাখার জন্য নীতি ও চর্চার ক্রমাগত পর্যালোচনা,

টেকসই পরিচালনার জন্য সংকটকালীন পরিকল্পনা ও ব্যবসার আপদকালীন পরিকল্পনার (বিজনেস কন্টিনিউইটি) প্রয়োজনীয়তা অপরিহার্য। এরই ধারাবাহিকতায় আমাদের কৌশলগত পরিকল্পনা নিম্নোক্ত স্তরগুলোর ভিত্তি উপর নির্মিতঃ

- সুনির্দিষ্ট গ্রাহক প্রস্তাবনার মাধ্যমে গ্রাহকের যেকোন ধরনের ব্যাংকিং সেবা প্রদানের মাধ্যমে সমৃদ্ধি অর্জন।
- মূল ব্যবসার ক্রমাগত উন্নয়নের মাধ্যমে গ্রাহকদের সাথে সম্পৃক্ত হওয়ার সকল টাচ পয়েন্ট গুলোতে অবকাঠামোগত ও নেটওয়ার্ক আধুনিকায়ন করে ব্যাংকিং খাতে অগ্রণী ভূমিকা পালন।
- ব্যবসা পরিবেশ এর সঠিক ব্ল্যাকি ব্যবস্থাপনা। গ্রাহক সংশ্লিষ্ট তথ্য এর সঠিক মূল্যায়ন এবং বৈশ্বিক সূনাগরিক হিসেবে সবার জন্য একটি পরিচ্ছন্ন ও সুন্দর ভবিষ্যত নির্মাণের লক্ষ্যে কাজ করে যাওয়া।

আজ দেশ যখন ভাইরাসের দ্বিতীয় ঢেউয়ে পর্যদুস্ত সরকারের কাছে আমাদের সবিনয় নিবেদন, যেন তারা চলমান টিকাদানের মতো দীর্ঘমেয়াদী কর্মসূচী হাতে নেন, দেশের সর্বস্তরের মানুষগণকে এই কর্মসূচীর আওতাভুক্ত করেন। একই সাথে কঠোর নিরাপত্তা ও স্বাস্থ্যবিধিজারীর মাধ্যমে গণ আচরণে পরিবর্তনের সূচনা ঘটান। জাতীয় পর্যায়ে লকডাউনজারী অর্থনৈতিক পুনরুদ্ধারের গতিকেই স্থবির করবে। অন্যদিকে আরো গুরুতর সংকটের মধ্যে ঠেলে দেবে দৈনিক শ্রম-প্রসূত মজুরির ওপর নির্ভরশীল প্রান্তিক জনগোষ্ঠীকে।

কৃতজ্ঞতা জ্ঞাপন:

আমি ধন্যবাদ জানাতে চাই আমাদের নিয়ন্ত্রক সংস্থাদের, বিশেষ করে বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানিজ অ্যান্ড ফার্মস, ন্যাশনাল বোর্ড অব রেভিনিউ, ঢাকা ও চট্টগ্রাম স্টক এক্সচেঞ্জ সেন্ট্রাল ডিপোজিটরি বাংলাদেশ এবং ফাইন্যান্সিয়াল রিপোর্টিং কাউন্সিলের প্রতি, যারা আমাদের ব্যবসা প্রবৃদ্ধি

ও সফলতায় গুরুত্বপূর্ণ ভূমিকা রেখেছেন। পাশাপাশি গ্রাহকদের সেবা প্রদানে আমাদের সামর্থ্য বৃদ্ধির লক্ষ্যে মূল্যবান নির্দেশনা দিয়েছেন। আমি আমাদের সকল গ্রাহক এবং স্টেক হোল্ডারদের কাছেও কৃতজ্ঞ আমাদের উপর তাদের আস্থা অব্যাহত রাখার জন্য। আমি বিশ্বাস করি আগামী দিনের পথচলাতেও অব্যাহত থাকবে আপনাদের এই সমর্থন।

সর্বশেষে আমি কৃতজ্ঞতা এবং অভিনন্দন জানাতে চাই দেশব্যাপী ছড়িয়ে থাকা আমাদের প্রিয় সহকর্মীদেরকে। বিগত বছরগুলোতে আপনাদের অব্যাহত সহায়তার জন্য এবং আমাকে একটি সত্যিকার টিম স্পিরিট অনুভবের সুযোগ করে দেয়ার জন্য ধন্যবাদ। একই সাথে এই কঠিন বছরটি অতিক্রম করার পথে আমাদের কর্মীদের দৃঢ় অঙ্গীকার ও অবিচল নিবেদন সরাসরি দেখার সুযোগ পেয়ে আমি সম্মানিত। আজ আমরা যখন এক সাথে একটি ইতিবাচক ভবিষ্যত গঠনের প্রয়াসে ক্রমাগত চ্যালেঞ্জসমূহের মুখোমুখি হতে যাচ্ছি এবং বাংলাদেশের শ্রেষ্ঠ ডিজিটাল ব্যাংক হওয়ার স্বপ্নপূরণের পথে এগিয়ে চলেছি, সেই পথে আমি আমার সহকর্মী আপনাদের প্রত্যেকের এবং সবার সাথে আরো নিবিড় ভাবে কাজ করার গভীর আশ্রহ ব্যক্ত করছি।

আপনার একান্ত,

মোঃ ওয়াকিল উদ্দিন
চেয়ারম্যান



Statement of The Managing Director & CEO

Dear Valued Shareholders, Customers and Other Stakeholders,

Assalamu 'Alaikum Wa Rahmatullah.

It is my privilege to present the performance report of Mutual Trust Bank Limited (MTB) 2020 before you. I am truly Honoured to have this opportunity to share my thoughts on overall activities of MTB. 2020 marks the 21st year of our progressive journey, during which we have won multiple accolades. This would not have been possible without you. So, let me start by thanking each one of you for the immense trust and confidence you have shown in co-creating this great institution.

It goes without saying that 2020 has been an extraordinary year. Like every other company, we've faced substantial challenges as business operations and supply chains were disrupted and normal work routines and social structures were interrupted. The COVID-19 pandemic is having a devastating effect on lives and livelihood across the horizon.

The Governments and Central Banks across the world have responded with massive fiscal, monetary and regulatory measures to counter the outbreak of virus and protect their respective economies that have come to a near standstill state. Economist are skeptical that global economy will take longer time to recover than expected earlier. The Government and the Central Bank of Bangladesh have responded timely, announcing wide measures to aid weaker sections of the society and facilitate credit flow to the economy; and I expect further measures from them to consistently support the economy during the prolonged recovery phase. As the economy continues to combat the unprecedented uncertainty arising from COVID-19 pandemic since the start of this calendar year, we have lived up to our promise to the nation of being a responsible corporate citizen, being 'Open' to address the needs of our customers, employees and communities.

The Bank has been agile and responsive to the ever changing situation. We had proactively strengthened the operational and technological infrastructure needed, to ensure continuity of normal operations. MTB ensured unhindered services to customers during the lockdown, while respecting all directives given by the Local Administration, Government, Industry bodies, and Regulators. Despite the disruption to our normal office operations, we've continued to deliver high levels of service to our customers. The Bank's staff members remained in touch with their customers through phone calls and ensured that there was no disruption in services being provided to them. We have never dropped our sharp focus on execution and getting the job done.

The Coronavirus pandemic and economic distress have tested all of us in many different ways. It has also been a year of learning for all of us, either at the collective or individual level. Matter of optimism is, availability of vaccines heralds the end of a very difficult period and offers hope and perspective of our lives returning to normal. While we are still learning and adjusting, we will step up and respond to each new challenge as it comes.

As a responsible Bank, from the beginning of the COVID-19 pandemic, the MTB Management remained steadfast in ensuring safety to all MTBians. MTB took few drastic measures including closures of few branches and corporate offices in rotation to stem the growth of infection. We have taken a lot of measures to ensure the safety of the lives of our MTBians like Risk Management Guidelines, Work From Home (WFH), recommending Social Distancing, COVID-19 Reporting App and so on. I appreciate the courage and the fighting spirit of MTBians those who all have fought COVID-19 very boldly remaining at the front line in serving our valued customers. I am immensely proud of our team of 2300+ who came together as one, working fearlessly from branches, corporate offices and from their homes to reach out and serve the customers in their most difficult times.

The Bank has navigated this unprecedented and challenging period, well assisted by our capital position, adequate liquidity buffers and stable deposits franchise. I feel a great sense of pride in what MTB has achieved this year, particularly in the second half of 2020. Central Banks injected emergency liquidity into financial markets and cut policy rates. This upheaval had an immediate effect on our business operations. As a result of the regulatory lending

rate cap our yield on loans and advances declined sharply, ended the year down by 237 basis points.

Consequent upon the impact of COVID-19 on our core businesses, earnings per share (EPS) has been down by TK. 0.50 per share compared to 2019, across the year our headline revenue was down by 11.16%, though Net Income was grossly shrunk by 27.46%. Despite activity levels across the group were subdued in the fourth quarter, the business performed in line with the revised expectations and we saw continuing improvement.

2020 has been an extraordinary year, witnessing TK.. 3,518.46 million operating profit with a degrowth of 32.85% over 2019. However the Bank's Return on Equity (ROE) of 5.83% remained impressive, despite pressure for increased provisions against Non-Performing Loans and advances (NPLs). Due to payment pause facility & extra provisioning requirement to shield against COVID-19 related financial hazards in 2020, our balance sheet maintained a moderate growth, where risk assets grew by 7.46% and customer deposit dropped slightly by 0.43% compared to its preceding year. At the same time, the Bank maintained capital adequacy ratio of 12.92%, which is well above the regulatory requirement under current Base-III regime.

Being Digital was a new strategy for many organization to be more competitive but now Digital Banking is no more a buzz word, it is a necessity and the financial institutions across the globe are embracing Digital Banking services to better serve the customer need and striving to be sustainable with the changing customer demand. In the current 'New Normal' and 'New Reality' situation, customers' aspiration for getting services and information from their convenient location and devices or through social networking without visiting Bank branches is a reality now. We need to be close to the customer but without physical presence, give better experience to customer through omni-channel presence. Now these are all a part of our Banking processes that we are doing every day to cater the same to our customers' ever growing needs.

In our aspiration to become the "Digital Bank of Choice", in 2020 we formed Digital Banking department. We continued to deliver high-quality services and innovative products through our well-managed digital channels. We have taken many digital initiatives to address the need for better customer services, enhanced customer experience with innovative products.

We have developed a state-of-the-art online account opening platform named as "MEasy - Banking on the Go" which shall be the face of our Bank in the coming years to our customers, where our customers shall choose the products of their choice and can self-onboard or open account by themselves with their mobile or sitting at home through any preferred devices. This is the first-of-its kind in the Bangladesh Banking industry having such platform, where customers can choose their own product type and can apply online.

We have automated the Internet Banking registration from physically visiting the Branch to automated self-registration through our Internet Banking page. Now, customers need not come to Branches or fill out forms, any existing customers can self-register themselves without any hassle through their Credit or Debit Card. They can also add their credit card into internet Banking account instead of visiting Branches or calling the call center.

Under our Digital Transformation Plan, we have also prepared state-of-the-art virtual assistant "MBot" through which customers can get information easily about MTB products & services, nearby ATMs and branches and even apply for credit cards and loans.

This year, we have revamped our Mobile Banking application (MTB Smart App). **MTB Smart App** is now all set to provide the customers with a complete new experience with greater array of services. Our aim is to make it the one-stop shop for all the Banking needs of our clients.

Keeping mobility restriction under COVID-19 into our consideration, we launched 'Green PIN' for our valued MTB cardholders to enable our cardholders generate their PIN, anytime and anywhere. Green PIN is a Contact Centre IVR-based, instant and secure PIN generation service for all MTB cards. A Cardholder can generate PIN for new card, reset the old PIN, in case lost/stolen card. Fraud risk for Green PIN is minimal as customer's identity is verified and entire conversation is recorded in the system.

Throughout our journey, we focused on re-calibration of customer centricity, while revitalizing the digitally enabled workforce, mitigating cyber risks and ensuring excellent Corporate Governance. We plan to accelerate the transformation to turn our Bank into a more strategically focused, technologically modern, and operationally agile institution, so that we remain dominant in a rapidly evolving financial ecosystem. With this aspiration, we had

transformed our Core Banking System (CBS) from legacy Flora System to **TCS BANCOS**. In the history of MTB, CBS is the most expensive & most prestigious project. The new core Banking solution will empower us to deal with a large number of customers, and quickly analyze reliable data, and which will allow us to come up with customized solutions to our valued clientele. The solution will not only integrate functional areas of business, operations and support services, it will also be able to merge various other systems and sub-systems as well.

As part of the Bank's brand promise, we believe in empowering our customers to advance towards their ambitions and goals at every stage of their lives. With that end in view, we relentlessly strive to provide our existing and potential customers with the right solutions that are simple yet innovative and competitively priced. In alignment with the current COVID situation, we launched 'MTB Shield', the country's first-ever fixed deposit with COVID - 19 along with life insurance coverage.

We have developed a comprehensive Women Banking segment suite under the title of "MTB Angona", comprising of Retail, SME, Cards value proposition. MTB Angona is a tailored segmental approach designed only for women to empower our women customers with financial independence and simplified Banking. Our target is to become a "Bank of Choice" for women through enabling today's independent women to enjoy hassle-free Banking services.

We have got the license for Shariah based Islami Banking branded as "MTB Yaqeen" from Bangladesh Bank. Hopefully, we will start its full-fledged operation from this on going year.

A shining financial brand with strong market existence, MTB aims to become a household name by offering services at the customers' doorsteps through its 118 Branches, 27 Sub branches, over 300 strategically located ATM Booths, 15 Smart Banking Kiosks and 3,000+ POS Machines. During the year, a good number of Branches were relocated to convenient and best locations with the view to ensuring a conducive environment to the customers.

With a view to serving the unBanked population and being aligned with the government's financial inclusion policy, MTB initiated its Agent Banking services in 2016. Within a very short span of time, the Bank has successfully been able to set up 162 MTB Agent Banking Centres

(MABC), serving around 74,135 customers, significantly contributing to the inflow of remittances and achieving a phenomenal growth in terms of customer deposit amounting to TK. 2582.50 million. In addition to the physical network, the Bank encourages the customers to avail its other alternate delivery channels like the Internet Banking and SMS Banking services.

With our vast and growing network and three fully-owned subsidiary companies, MTB, today, has an extensive array of products and services across multiple product lines including Wholesale, SME and Retail Banking.

The Bank not only expanding its network by opening branch outlets, but also regularly mistry shopping to the existing outlets to ensure the quality of customer service in all aspects. To value the customer's need for fast **Turn Around Time (TAT)**, we are continuously implementing process improvements that impress TAT while maintaining the high quality customer service. If the TAT is not met, we are compensating the customers by refunding the service charge leived.

With a view to extending the Bank's Retail Banking and Credit Cards reach and ensuring greater comfort and convenience for its customers and valued stakeholders, MTB has set up MTB Air Lounge at the international departure area of Hazrat Shahjalal International Airport (HSIA) in Dhaka, Shah Amanat International Airport (SAIA) in Chattogram, Osmani International Airport (OIA) in Sylhet and Cox's Bazar Airport in Cox's Bazar (CXB). MTB has the highest Air Lounge facilities to cater the needs of its privileged customers. The Bank is offering 'Priority Pass', 'Diners Club' and 'DragonPass' to allow MTB customers to access international Air Lounges.

For us, 'Open' is more than a sign that is displayed at our Branch doors. It is a sign of what our customers can expect when they walk in through our doors. Over the last 21 years of our operations, it has been a priority for the Bank to stand by our customers as a trustworthy and supportive partner, helping them fulfil their financial needs and realise their life ambitions. In order to keep abreast of customer needs, provide quality service to fulfilling the needs and improve customer service, MTB conducts customer satisfaction survey regularly and tekes necessary steps to resolve the issues identified.

We are not merely a financial intermediary; we are also a welfare-oriented Bank that is portrayed through our CSR activities. CSR is an integral part of our mission and

business. We promote various initiatives that encourage community growth and development mainly through MTB Foundation, which was established specifically for the purpose of providing CSR. In 2020, the Bank spent TK. 201.02 million as a part of its CSR activities, out of which TK. 7.67 million had been spent for education purposes, TK. 125.77 million had been spent for the environment and disaster management and the rest amount had been spent for other various social causes.

Operating in full compliance with the legal and regulatory requirements by managing the core risks has always been our top priority. Over the years, MTB has sufficiently equipped itself with extensive policy guidelines on risk management. The Bank has made substantial investments in human resources and technological developments to ensure compliance with prevailing acts, rules, policy guidelines and circulars issued by the government and regulatory authorities.

Environmental sustainability will remain a global priority. MTB's values, strategies and actions position us well to navigate the period ahead and to play a role in the recovery process. We have structured our business to thrive through changing times, and we are set up well to deal with near-term market uncertainty and to prosper as the world returns to its trajectory of long-term growth.

With interest rates projected to remain depressed over the year ahead, we expect our 2021 results will continue to be affected by reduced margin income. Fundamentally, that is a reflection of where we are in the global economic cycle. However, our core businesses remain robust and well-positioned. Excluding margin income, our Net Income is expected to be up in the year ahead, and we expect to see transactional revenue pick up as confidence returns to markets. We also have good counter-cyclical prospects in Business Services. Overall, we remain focused on the things we can control – building stronger businesses with diversified revenue pools and greater exposure to structural growth trends over the longer term. We will recapture some of the deferred revenue in the year ahead.

In these challenging times, we continue to remain cautious and conservative in our approach, and will focus on having adequate surplus liquidity, be prudent in managing credit and operations risk, conserve capital, current situation will eventually speak in favour of bigger financial institutions with healthy operational performance and strong capital base.

Working with, and for, an organization of such extensive inheritance is a matter of esteem pride for me also. I express my own gratitude to all the fellow Employees of our Bank for their continuous support for achieving the goal of the Organization.

In the end, I would like to express my sincere thanks to our customers who continue to put their trust on our Bank. I would also like to thank and appreciate our brave and hardworking colleagues who have been tirelessly providing Banking services amidst COVID-19 pandemic. I also appreciate valuable guidance and strategic advices from our experienced and prudent Board of Directors. My sincere thanks to Bangladesh Bank, Bangladesh Securities & Exchange Commission, external auditors and other regulatory authorities for their prudent guidance and assistance. And, to our shareholders, we want to assure that our resilience will take us ahead, and we will be able to overcome the challenging economic climate and able to create value for all our stakeholders.

Insha-Allah we shall overcome all adversaries. Together as a team, MTB has faced into many challenges over the years and we will rise to the challenges of the current situation in much the same way, working together to put customers first.

Together, we can do this.



Syed Mahbubur Rahman
Managing Director & CEO



ব্যবস্থাপনা পরিচালকের বাণী

সম্মানিত শেয়ারহোল্ডার, গ্রাহক ও অন্যান্য স্টেইকহোল্ডারবৃন্দ,

আস-সালামু আলাইকুম ওয়া-রাহমাতুল্লাহ।

আমি অত্যন্ত আনন্দের সাথে আপনাদের সামনে আমাদের প্রিয় মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড (এমটিবি) এর ২০২০ সালের আর্থিক তথা সামগ্রিক কর্মকান্ডের পর্যালোচনা পেশ করছি। এমটিবি দেশে ইতোমধ্যেই একটি শক্তিশালী ব্র্যান্ড হিসাবে প্রতিষ্ঠা লাভ করেছে। আপনাদের আস্থা ও সমর্থনে সাহসের সাথে সকল প্রতিকূলতা মোকাবেলা করে এমটিবি আরও একটি সফল বৎসর অতিক্রম করেছে। একটি সমৃদ্ধ অর্থনীতি গড়ার স্বপ্ন পূরণ করতে এমটিবি ধারাবাহিকভাবে একটি শক্ত ভিত্তি গড়ে তোলার জন্য নিরন্তর কাজ করে যাচ্ছে এর দেশব্যাপী নেটওয়ার্কের মাধ্যমে।

একথা বলার অপেক্ষা রাখে না যে, ২০২০ সাল আমাদের সবার জন্যই একটি প্রতিকূল বছর। কোভিড-১৯ অতিমারি জীবন, সমাজ এবং বৈশ্বিক অর্থনীতিতে সর্বত্রাসী প্রভাব ফেলেছে। অন্যান্য সকলের মতো, কঠোর স্বাস্থ্যবিধি ও নিষেধাজ্ঞা বলবত থাকায় আমাদের ব্যবসায়িক কার্যক্রম এবং চিরাচরিত কাজের রুটিন ব্যাহত হওয়ায় যথেষ্ট চ্যালেঞ্জের মুখোমুখি হয়েছি।

বিশ্বব্যাপী সরকার এবং কেন্দ্রীয় ব্যাংকগুলি করোনা ভাইরাসের প্রাদুর্ভাব রোধ করতে এবং এর প্রভাবে ক্ষতিগ্রস্ত অর্থনীতিকে রক্ষার জন্য দ্রুততার সাথে বিশাল আর্থিক ও সহায়ক নীতি প্রণয়ন করেছে। বাংলাদেশ সরকার এবং বাংলাদেশ ব্যাংক সমাজের প্রান্তিক জনগোষ্ঠীকে সহায়তা এবং অর্থনীতির চাকাকে চলমান রাখতে বিভিন্ন রকম আর্থিক ও সহায়ক নীতি ও পরিকল্পনা ঘোষণা করে অর্থনীতি পুনঃরুদ্ধারের জন্য দ্রুত পদক্ষেপ নিয়েছে।

কোভিড-১৯ পরিস্থিতিতেও ব্যাংকের সাধারণ ক্রিয়াকলাপের ধারাবাহিকতা নিশ্চিত করতে আমরা প্রয়োজনীয় অপারেশনাল এবং প্রযুক্তিগত অবকাঠামোকে শক্তিশালী করেছি। স্থানীয় প্রশাসন, সরকার, শিল্প সংস্থাগুলি এবং নিয়ন্ত্রকদের দেওয়া সমস্ত নির্দেশনা মেনে এমটিবি লকডাউনের সময় গ্রাহকদের জন্য নিরবিচ্ছিন্ন পরিষেবাগুলি নিশ্চিত করেছে। আমাদের সাধারণ অফিস কর্মকান্ড ব্যাহত হওয়া সত্ত্বেও, আমরা আমাদের গ্রাহকদের সন্তোষজনক ও নিরবিচ্ছিন্ন

পরিষেবা সরবরাহ করার নিরন্তর চেষ্টা করেছি। আমার সহকর্মীরা এমনকি ফোন কলের মাধ্যমে তাদের গ্রাহকদের সাথে ব্যাংকিং আওয়ারের পরেও যোগাযোগ রেখেছেন এবং গ্রাহকদের নিরবিচ্ছিন্নভাবে সেবা দিয়েছেন। একটি দায়িত্বশীল ব্যাংক হিসাবে, কোভিড-১৯ অতিমারি সংকটের শুরু থেকেই, এমটিবি ম্যানেজমেন্ট সকল এমটিবিয়ানদের সুরক্ষা নিশ্চিত করতে অবিচল ছিল। অস্থিতিশীল অর্থনৈতিক প্রেক্ষাপটে ব্যবসায়িক সাফল্য, প্রযুক্তিগত অগ্রগতি এবং ব্যবসায়িক মডেল সংস্কারের উদ্যোগের ক্ষেত্রে এমটিবির জন্য ২০২০ ছিলো একটি উল্লেখযোগ্য বছর, যা ব্যাংকের সমস্ত অংশীদারদের স্বার্থ সংরক্ষণের জন্য পুরোপুরি চলে সাজানো হয়েছে। ২১ বছরের এই অনবদ্য যাত্রায় আর্থ-সামাজিক ক্রমবর্ধমান চ্যালেঞ্জ সত্ত্বেও এই বছরে ব্যাংকিং-এর বিভিন্ন শাখায় এমটিবি গুরুত্বপূর্ণ অগ্রগতি অর্জন করেছে।

অতিমারির প্রবল পরাক্রম মোকাবেলায় আমাদের প্রতিক্রিয়া:

করোনা ভাইরাসের প্রবল সংক্রমণে বৈশ্বিক জনপদ এক অভূতপূর্ব ও অদৃশ্য সংকট অতিক্রম করেছে। একদিকে যেমন ব্যাপক জীবনহানি হয়েছে অন্যদিকে ব্যাপক ক্ষতিগ্রস্ত হয়েছে মানুষের জীবিকা, বিশেষ করে প্রান্তিক ও নিম্ন আয়ের মানুষের জীবন যাত্রা অমানবিক অমানিশার মধ্যে দিয়ে অতিক্রম করেছে। পরিস্থিতির সাথে তাল মিলাতে গিয়ে শ্রমশক্তি চলে যায় গ্রামীণ ও পশ্চাতবর্তী অঞ্চলে। এ যেন এক রিভার্স মাইগ্রেশন। এমন পরিস্থিতি স্বাধীনতা যুদ্ধ পরবর্তী বাংলাদেশে আগে কখনো দেখা যায়নি। উচ্চ ও মধ্যবিত্ত শ্রেণী কিছুটা আর্থিক নিরাপত্তার মধ্যে থাকতে পারলেও, বেতন ভাতা হ্রাস এবং আয়ের উৎস হারিয়ে গুরুতর সংকটে পড়ে যায় নিম্ন আয়ের মানুষেরা, যার প্রতিফলন পরিলক্ষিত হয় ব্যক্তিগত ব্যয় সংকোচনের মাধ্যমে। সরকারি ও প্রাতিষ্ঠানিক সহায়তার ওপর নির্ভরশীল হয়ে পড়েন অনেকে। এর মধ্যে দিয়ে সমাজের প্রতি সরকারি ও প্রাতিষ্ঠানিক দায়বদ্ধতা আরো প্রতিভাত হয়। আশার কথা হলো বিশ্বব্যাপী লকডাউনজারী থাকায় বৈশ্বিক দূষণের মাত্রা সন্তোষজনক মাত্রায় নেমে এসেছে।

বিশ্বের অন্যান্য দেশের মতো বাংলাদেশেও বাধ্যতামূলক লকডাউনজারী থাকার কারণে ব্যবসা প্রতিষ্ঠান, শিল্প কারখানা দীর্ঘ সময়ের জন্য বন্ধ রাখা হয়। এতে সাপ্লাই চেইন এর মারাত্মক বিপর্যয় নেমে আসে। উৎপাদনশীলতা নেমে আসে সীমিত পর্যায়ে। এর ফলে তৈরি হয় গুরুতর ব্যবসায়িক প্রতিকূলতা। এই ব্যবসা বিরূপ পরিস্থিতিতে আমরা পরিচালনা পর্যদের নির্দেশনায় আমাদের সম্মিলিত প্রজ্ঞার ওপর নির্ভরশীল থেকে ব্যবসার চাকা সচল রাখার ব্যাপারে সিদ্ধান্ত গ্রহণ করি। এভাবে ব্যবসা অব্যাহত রাখা ও স্বাস্থ্য সুরক্ষা নিশ্চিত করার লক্ষ্যে আমরা যেসব উদ্যোগ গ্রহণ করি, তার মধ্যে সবচেয়ে গুরুত্বপূর্ণ ছিল ওয়াক ফ্রম হোম পদ্ধতির সূচনা। অতি জরুরী ও সম্মুখসারির দায়িত্বশীল কর্মীবাদে সব কর্মীকে বাধ্যতামূলকভাবে বাড়ি থেকে কাজ করতে বলা হয়। কাজের জন্য প্রয়োজনীয় সকল সরঞ্জাম সরবরাহ করা হয় যাতে দাপ্তরিক ও গ্রাহক সেবার কোনো বিঘ্ন না ঘটে। ব্যাংক কর্তৃপক্ষ করোনা সংক্রমণের বৃদ্ধি রোধ করতে গ্রাহক চাহিদা বিবেচনা করে গুরুত্বপূর্ণ শাখা এবং অফিস পর্যায়ক্রমে খোলা রাখাসহ স্বাস্থ্যবিধি যথাযথ প্রতিপালনের জন্য কঠোর ব্যবস্থা গ্রহণ করেছিল। এছাড়াও ঝুঁকি ব্যবস্থাপনা গাইডলাইনস, কোভিড-১৯ রিপোর্টিং অ্যাপ ইত্যাদির মতো জীবন সুরক্ষাকারী পদক্ষেপ নিয়েছি। আমি সেইসব এমটিবিয়ানদের সাহস এবং লড়াই করার চেতনাকে প্রশংসা করি যারা আমাদের মূল্যবান গ্রাহকদের সেবা প্রদানের ক্ষেত্রে প্রথমসারিতে দাঁড়িয়ে কোভিড-১৯ এর সংক্রমণের ঝুঁকি নিয়েও লড়াই করেছেন। আমি আমাদের ২৩০০+ কর্মী দলকে নিয়ে গর্ববোধ করছি যারা একসাথে একত্রিত হয়ে, শাখা অফিস এবং তাদের বাসা থেকে নির্ভীকভাবে কাজ করে গ্রাহকদের সবচেয়ে কঠিন সময়ে ব্যাংকিং সেবা তাদের কাছে পৌঁছাতে পেরেছে। আমাদের অনেক সহকর্মী করোনা আক্রান্ত হয়েছেন এবং ইতোমধ্যেই আমাদের দুইজন সহকর্মীকে হারিয়েছি।

নির্ধারিত গ্রাহকগণের প্রতি ব্যাংকিং সেবা নিশ্চিত করার পাশাপাশি সরকারি ভর্তুকি ও ঋণ সহায়তা পৌঁছে দেয়ার ক্ষেত্রে এমটিবি বস্তনিষ্ঠ ভূমিকা পালন করেছে। চলমান সংকটের মাঝে জনগণের মধ্যে সঞ্চয়ের গুরুত্ব অনুধাবিত হয়েছে উল্লেখযোগ্যভাবে, যার প্রতিফলন দেখা যায় আমাদের নো ও লো কস্ট আমানতের পরিমাণের উল্লেখযোগ্য উত্থানে। CASA আমানতের পরিমাণ মোট আমানতের ৩০ শতাংশ এ উন্নীত হয়, যার পরিমাণ ২০১৯ এ ছিল ২৫ শতাংশ ব্যাংকের উপর গ্রাহকদের আস্থার বিষয়টি প্রতিফলিত হয়েছে এই ক্ষেত্রে।

তাই আমি গর্ব করে বলতে পারি, অতিমারির চ্যালেঞ্জ মোকাবেলা করে ২০২০ সালের শেষে এমটিবি সুন্দর আগামীর দিকে এগিয়ে যাওয়ার লক্ষ্যে একটি উদ্দেশ্যমুখী ব্যাংক হিসেবে আমাদের অবস্থান ও ভূমিকা জোরদার করতে পেরেছি। এই সময় এমটিবি যে কেবল তার গ্রাহক ও স্টেকহোল্ডারদের সুনাম অক্ষুণ্ন রেখেছে তা নয়, বরং যেকোন সময়ের চেয়ে আরো সমৃদ্ধ হয়ে আত্মপ্রকাশ করেছে। আমি মনে করি, এই সংকটকালে আমরা যে আত্মবিশ্বাস অর্জন করেছি তা আমাদের দীর্ঘমেয়াদে টিকে থাকার লক্ষ্যে বলিষ্ঠ ভূমিকা পালন করবে।

২০২০ সালের কার্যক্রমের মূল্যায়ন:

করোনা উত্তর একপ্রকার বিধ্বস্ত একটি অর্থনৈতিক প্রেক্ষাপটে এটি বোধগোম্য যে, অধিকাংশ ব্যাংকই ২০২০ সালের লক্ষ্যমাত্রা অর্জন করতে পারেনি। এই প্রতিকূলতার মাঝেও ২০১৯ সালের ৯.০৩ শতাংশের বিপরীতে ইকুইটির ওপর আমাদের রিটার্ন ছিল ৫.৮৩ শতাংশ। এছাড়া ব্যবসার সকল ক্ষেত্রে প্রভিশনিং বাড়ানোর অবশ্যিকতার একটি স্বাভাবিক প্রভাব ছিল আমাদের নিট

মুনাফার উপর, যার পরিমাণ ছিল ৮৯৯.৩২ মিলিয়ন টাকা। যা বছর প্রতি ভিত্তিতে ২৭.৪৬ শতাংশ হ্রাস। তা সত্ত্বেও আমি এটা জানাতে পেরে গর্বিত যে, বিরূপ পরিস্থিতি সত্ত্বেও ২০১৯ সালের ৯.৪৮ শতাংশের বিপরীতে এ বছর কস্ট অফ ফান্ড উল্লেখযোগ্য পরিমাণে কমে ৭.৯২ শতাংশে দাঁড়িয়েছে। তার উপর আমরা ১২.৭৫ শতাংশ টোটাল ক্যাপিটাল টু রিস্ক-ওয়েটেড অ্যাসেট (সিআরএআর) রেশিও অর্জন করেছি, যা ভবিষ্যতে যেকোন বিপর্যয়ের বিরুদ্ধে আমাদের শক্তিশালী মূলধন সামর্থ্যের বহিঃপ্রকাশ।

তবে বছর প্রতি নেট মুনাফার অবনমন সবসময়ই ছিলো হতাশাজনক। আমাদের সাক্ষ্য এই যে, বছরব্যাপী আমাদের গ্রাহক ও অর্থনীতির উপর কোভিড-১৯ এর সর্বগ্রাসী প্রভাব সত্ত্বেও আমরা মুনাফা অর্জন করতে পেরেছি। আমানতের পরিমাণ সামান্য পরিমাণে হ্রাস পেলেও বিনিয়োগের প্রবৃদ্ধি হয়েছে ৭.৬২ শতাংশ। নন পারফরমিং লোনের পরিমাণ ৮৩৯.৪৯ মিলিয়ন কমে ৯,৩৮৭.৭৩ মিলিয়নে দাঁড়িয়েছে, যা মোট লোন পোর্টফোলিও এর ৪.৬৭ শতাংশ, পূর্বেক্ত বছরে এই হার ছিল ৫.৪৮ শতাংশ।

প্রযুক্তি ভবিষ্যত ব্যাংকিং এর নির্ণায়ক:

গ্রাহকের সন্তুষ্টিই প্রতিযোগিতামূলক ব্যাংকিংয়ের ক্ষেত্রে টিকে থাকার মূল নির্ণায়ক। যে ব্যাংকগুলি গ্রাহক সেবায় অধিকতর বিনিয়োগ ও গুরুত্ব আরোপ করে তারাই গ্রাহকের একটি বৃহত্তর ওয়ালেট শেয়ার অর্জনসহ বেশি পণ্য ও পরিষেবা প্রদান করার সম্ভাবনা তৈরি করে। ব্যাংকিংয়ে গ্রাহকরা সবসময় আশা করে একটি তড়িৎ এবং স্বতঃস্ফূর্ত সেবা। গ্রাহকের প্রত্যাশা বজায় রাখার লক্ষ্যে এমটিবি সবসময় আধুনিক প্রযুক্তি নির্ভর আবর্তনশীল ব্যবসায়িক মডেল অনুসরণ করে। গ্রাহকদের ব্যাংকিংয়ের অভিজ্ঞতা সমৃদ্ধ করার প্রয়াসে এমটিবি “ডিজিটাল প্রথম” এই মানসিকতা নিয়ে এর ডিজিটাল ব্যাংকিং প্ল্যাটফর্মকে টেলে সাজিয়েছে। আমি আশা করি এই উদ্যোগ গ্রাহকদের দৈনন্দিন ব্যাংকিং সেবা গ্রহণে আচারগত পরিবর্তন আনতে গুরুত্বপূর্ণ ভূমিকা পালন করবে।

“ডিজিটাল ব্যাংক অফ চয়েস” হওয়ার লক্ষ্যে আমরা ২০২০ সালে স্বতন্ত্র ডিজিটাল ব্যাংকিং বিভাগ গঠন করি। পাশাপাশি উন্নত গ্রাহক সেবা প্রদানের উদ্দেশ্যে, উদ্ভাবনী পণ্যগুলির সাথে গ্রাহকের অভিজ্ঞতা বাড়িয়ে তোলার লক্ষ্যে আমরা অনেক ডিজিটাল উদ্যোগ গ্রহণ করেছি। আমরা একটি অত্যাধুনিক অনলাইন অ্যাকাউন্ট খোলার প্ল্যাটফর্ম তৈরি করেছি যার নাম দেওয়া হয়েছে “MEasy - Banking on the Go”। এমটিবির গ্রাহক নিজের মোবাইল দিয়ে বা কোন অন্য পছন্দসই ডিভাইসের মাধ্যমে বাড়িতে বসে নিজেরাই অ্যাকাউন্ট খুলতে পারবেন এই প্ল্যাটফর্মের মাধ্যমে। এই জাতীয় প্ল্যাটফর্ম বাংলাদেশ ব্যাংকিং জগতে এটিই প্রথম, যেখানে গ্রাহকরা তাদের নিজস্ব সেবার ধরন বেছে নিতে পারেন এবং অনলাইন আবেদন করতে পারবেন।

আমরা আমাদের ইন্টারনেট ব্যাংকিং সেবাটি স্বয়ংক্রিয়ভাবে স্ব-নিবন্ধন ব্যবস্থা করেছি যাতে করে গ্রাহকরা ঘরে বসেই নিবন্ধন করতে পারেন, শাখা পরিদর্শন না করে। এখন, গ্রাহকদের শাখায় আসা বা ফর্ম পূরণ করার দরকার নাই। যে কোন বিদ্যমান গ্রাহক তাদের ক্রেডিট বা ডেবিট কার্ডের মাধ্যমে কোন বামেলা ছাড়াই এই সেবার জন্য নিজেরাই নিবন্ধন করতে পারবেন।

ভবিষ্যতের দিকে নজর রেখে আমরা আমাদের মোবাইল ব্যাংকিং অ্যাপ্লিকেশন (এমটিবি স্মার্ট অ্যাপ) নতুন আঙ্গিকে গ্রাহক বান্ধবরূপে সাজিয়েছি। এমটিবি স্মার্ট অ্যাপ্লিকেশন এখন আরও বৃহত্তর পরিষেবার সাথে গ্রাহকদের একটি

সম্পূর্ণ নতুন অভিজ্ঞতা প্রদানের জন্য প্রস্তুত। আমাদের লক্ষ্য হল এটি আমাদের গ্রাহকদের সমস্ত ব্যাংকিং প্রয়োজনের জন্য ওয়ান স্টপ সেবা প্রদানকারী প্ল্যাটফর্ম হিসেবে কাজ করবে।

করোনা অতিমারিতে কঠোর স্বাস্থ্যবিধি মেনে চলার জন্য আমরা এমটিবি কার্ডধারীদের জন্য “খিন পিন” চালু করেছি যাতে কার্ডধারীরা যে কোন সময় এবং যে কোন জায়গায় থেকে তাদের পিন স্থাপন/পুনঃস্থাপন করতে সক্ষম হন। খিন পিনের জন্য জালিয়াতির ঝুঁকি রোধকল্পে কল সেন্টারের মাধ্যমে গ্রাহকের পরিচয় যাচাই করা হয় এবং পুরো কথোপকথনটি সিস্টেমে রেকর্ড করা হয়।

আমরা আমাদের ব্যাংককে আরও কৌশলগতভাবে সক্ষম, প্রযুক্তিগতভাবে আধুনিক এবং কার্যকরভাবে টেকসই প্রতিষ্ঠানে পরিণত করার জন্য আমাদের লিগ্যাসী কোর ব্যাংকিং সফটওয়্যার ফ্লোর ব্যাংকিং হতে বিশ্বের সর্বাধুনিক সিবিএস TCS BaNCS এ মাইগ্রেট করেছি। এমটিবির ইতিহাসে এই সিবিএস মাইগ্রেশন হলো সবচেয়ে ব্যয়বহুল এবং মর্যাদাপূর্ণ প্রকল্প। নতুন কোর ব্যাংকিং সল্যুশন আমাদের বিপুল সংখ্যক গ্রাহককে নিরবিচ্ছিন্ন সেবা দেয়া এবং গ্রাহকের তথ্যাদি দ্রুত নির্ভরযোগ্য বিশ্লেষণ করার ক্ষমতা দেবে, যা আমাদের কাস্টমাইজড প্রোডাক্ট ও সেবা প্রদান করতে সাহায্য করবে। আগামীতে আইটি খাতে আরো বেশি বিনিয়োগ করার পরিকল্পনা রয়েছে এবং একে অগ্রাধিকার দেয়ার পরিকল্পনাও অব্যাহত থাকবে। এভাবে ক্রমশ আরো বেশি ডিজিটলাইজড হয়ে উঠার পথে উদ্ভাবনকে ধারণ ও তাকে বাস্তব রূপদানের ক্ষেত্রে এমটিবি নেতৃস্থানীয় ভূমিকা রাখতে চায়। আমাদের লক্ষ্য ও উদ্দেশ্য পূরণে টেক ডিজিটাল এবং ফিনটেক ইনোভেটরদের সহায়তা দেয়ার বিষয়টি বিবেচনা করছি।

সময়ের প্রয়োজনে উদ্ভাবনী প্রোডাক্ট:

ব্যাংকের ব্র্যান্ড প্রতিষ্ঠার অংশ হিসাবে, আমরা আমাদের গ্রাহকদের তাদের জীবনের প্রতিটি পর্যায়ে তাদের উচ্চাকাঙ্ক্ষা এবং লক্ষ্যগুলির দিকে এগিয়ে যাওয়ার ক্ষমতায়নে বিশ্বাস করি। সেই লক্ষ্যই আমরা আমাদের বিদ্যমান এবং সম্ভাব্য গ্রাহকদের সহজ এবং উদ্ভাবনীমূলক সঠিক আর্থিক সমাধান দেওয়ার জন্য নিরলসভাবে চেষ্টা করছি। বর্তমানে করোনা পরিস্থিতির সাথে সামঞ্জস্য রেখে আমরা ‘এমটিবি শিল্ড’ চালু করেছি, যা দেশের সর্ব প্রথম কোভিড-১৯ ইন্স্যুরেন্স সুবিধা সহ ফিন্সড ডিপোজিট স্কিম। এই স্কিমে গ্রাহক তার জমাকৃত অর্থের ওপরে মুনাফা পাওয়াসহ লাইফ ইন্স্যুরেন্স সুবিধার মত দ্বৈত সুবিধা পাচ্ছেন।

নারীদের জন্য বিশেষায়িত সেবা:

আমরা “এমটিবি অঙ্গনা” শিরোনামে একটি বিস্তৃত ব্যাংকিং পরিষেবা চালু করেছি, যা শুধুই আমাদের নারীদের জন্য নিবেদিত। এমটিবি অঙ্গনা সহজ ও উদ্ভাবনী ব্যাংকিংসেবার মাধ্যমে আমাদের নারী গ্রাহকদের আর্থিক ক্ষমতায়নের জন্য ডিজাইন করা একটি বিশেষায়িত সেবা। আমাদের ভবিষ্যত লক্ষ্য হলো আজকের স্বাধীন নারীদের জন্য ঝামেলা মুক্ত ব্যাংকিং পরিষেবা উপহার দেয়ার মাধ্যম এই কাস্টমার শ্রেণীর মধ্যে “ব্যাংক অফ চয়েস” হয়ে উঠা।

শরীয়াহভিত্তিক ব্যাংকিং সেবা চালুকরণ:

গ্রাহকদের প্রত্যাশা, আকাঙ্ক্ষা, পছন্দ ও সার্বিক প্রয়োজনগুলো অনুধাবন করে পরিপূর্ণ ইসলামী ব্যাংকিং ব্যবস্থা ও সল্যুশন নিয়ে গ্রাহকদের জন্য আমরা নিয়ে এসেছি শরীয়াহভিত্তিক ব্যাংকিং সমাধান “এমটিবি ইয়াকিন”। সময়ের সাথে সাথে আমরা নতুন প্রোডাক্ট ও সেবা এই ব্যাংকিং প্ল্যাটফর্মে অন্তর্ভুক্ত করবো, ইনশাআল্লাহ।

দেশের সর্ববৃহৎ এয়ার লাউঞ্জ নেটওয়ার্ক:

ব্যাংকের রিটেইল ব্যাংকিং এবং ক্রেডিট কার্ডধারীদের আন্তর্জাতিক ও অভ্যন্তরীণ ভ্রমণ স্বাচ্ছন্দ্যপূর্ণ করার লক্ষ্যে এমটিবি হযরত শাহজালাল আন্তর্জাতিক বিমানবন্দরের আন্তর্জাতিক বহিঃগমন এরিয়ায় এবং চট্টগ্রাম শাহ আমানত আন্তর্জাতিক বিমানবন্দর, সিলেট ওসমানী আন্তর্জাতিক বিমানবন্দর এবং কক্সবাজার বিমানবন্দরে এমটিবি এয়ার লাউঞ্জ স্থাপন করেছে। বর্তমানে এমটিবির রয়েছে দেশের সর্ববৃহৎ এয়ার লাউঞ্জ নেটওয়ার্ক।

অন্তর্ভুক্তিমূলক ব্যাংকিং সেবা:

গত ২১ বছরে গ্রাহকদের কাছে দৈনন্দিন ব্যাংকিং সেবা প্রদানকারী মাধ্যম হয়ে উঠার লক্ষ্যে এমটিবি তার ১১৮ টি শাখা, ২৭ উপশাখা, ৩০০ টিরও বেশি এটিএম বুথ, ১৫ টি স্মার্ট ব্যাংকিং কিয়স্ক এবং ৩,০০০ এরও বেশি পিওএস মেশিনের মাধ্যমে গ্রাহকদের দোরগোড়ায় সেবা দিয়ে আসছে। সরাসরি ব্যাংকিং সেবা থেকে বঞ্চিত জনগোষ্ঠীর কাছে সেবা পৌঁছাতে এবং সরকারের আর্থিক অন্তর্ভুক্তি নীতিমালার সাথে সামঞ্জস্য রেখে এমটিবি তার এজেন্ট ব্যাংকিং পরিষেবা শুরু করেছে ২০১৬ সালে। খুব অল্প সময়ের মধ্যেই আমরা সাফল্যের সাথে ১৬২টি এমটিবি এজেন্ট ব্যাংকিং কেন্দ্র (এমএবিসি) স্থাপন করতে সক্ষম হয়েছে যা প্রায় ৭৪,১৩৫ গ্রাহককে সেবা প্রদান করে রেমিট্যান্স বিতরণে উল্লেখযোগ্য আবদান রাখে এবং গ্রাহক আমানতের ক্ষেত্রে ২,৫৮২.৫০ মিলিয়ন টাকা অন্তর্ভুক্ত করে।

মানব সম্পদ উন্নয়ন:

সম-সুযোগ ও লিঙ্গসাম্যতা কঠোরভাবে পরিপালনের মাধ্যমে এমটিবি সবার পছন্দের ব্যাংক হতে চায়। একবিংশ শতাব্দীতে মানবসম্পদকে মানব মূলধন হিসাবে বিবেচনা করা হয়। এমটিবি-এর জন্য, এমন একটি উৎকর্ষতামূলক মেধাভিত্তিক পরিবেশ তৈরি করতে চায় যেখানে এর কর্মীগণ নিজেরাই নিজেদের মানকে চ্যালেঞ্জ করে জাতীয় এবং আন্তর্জাতিক উভয় ক্ষেত্রেই সফল হতে পারে। এমটিবিতে আমরা বিশ্বাস করি যে, আমাদের বিকাশের মূল চাবিকাঠি একটি দক্ষ এবং নিবেদিতপ্রাণ কর্মী বাহিনী। এই অনুসারে ব্যাংকের মানবসম্পদ নীতিগুলি (নিয়োগ ও কর্মজীবন পরিকল্পনা, কর্মদক্ষতা মূল্যায়ন, প্রশিক্ষণ, উন্নয়ন কর্মসূচী এর স্বচ্ছতা এবং বিশেষায়িত প্রক্রিয়া) সমৃদ্ধ এবং যুগোপযোগী করা হয়েছে যা সেবা প্রতিভা বাছাই এবং তাদের ধরে রাখতে সহায়ক ভূমিকা পালন করেছে।

সমাজের প্রতি দায়বদ্ধতা:

আমরা নিছক আর্থিক মধ্যস্থতাকারী নই, আমরা একটি কল্যাণমুখী ব্যাংক যা আমাদের সিএসআর ক্রিয়াকলাপের মাধ্যমে প্রকাশ পায়। মূলতঃ আমাদের মিশন এবং ব্যবসায়ের একটি অবিচ্ছেদ্য অঙ্গ। আমরা এমটিবি ফাউন্ডেশনের মাধ্যমে বিভিন্ন কল্যাণমুখী উদ্যোগ গ্রহণ করি যা আর্থ-সামাজিক উন্নয়নকে

উৎসাহিত করে। ২০২০ সালে, ব্যাংক এর সিএসআর কর্মকাণ্ডের আওতায় ২০১.০২ মিলিয়ন টাকা ব্যয় করেছে, যার মধ্যে শিক্ষা খাতে ব্যয় করা হয়েছে ৭.৬৭ মিলিয়ন টাকা এবং পরিবেশ ও দুর্যোগ ব্যবস্থাপনার জন্য ১২৫.৭৭ মিলিয়ন টাকা ব্যয় করা হয়েছে এবং অবশিষ্ট অর্থ বিভিন্ন সামাজিক ও মানবিক উদ্দেশ্যে ব্যয় করা হয়েছে।

ঝুঁকি ব্যবস্থাপনা টেকসই ব্যবসার মূল ভিত্তি:

একটি কার্যকর ঝুঁকি ব্যবস্থাপনা ও সমৃদ্ধ সংস্কৃতিচর্চা আমাদের অধাধিকার। একদিকে আমাদের এন্টারপ্রাইজ ঝুঁকি ব্যবস্থাপনা শক্তিশালী ও জোরদারকরণ অব্যাহত থাকছে, অন্যদিকে আরও সমৃদ্ধ হচ্ছে আমাদের ঝুঁকি প্রতিরক্ষা মডেল। ২০২০ সাল একটি অতি চ্যালেঞ্জিং পরিবেশের মধ্যে ঠেলে দিয়েছে। অতিমারির ফলে সবখাতে অবিরাম ঝুঁকি মূল্যায়নের মধ্যে দিয়ে যেতে হয়েছে আমাদের। আমরা নিশ্চিত করেছি কেন্দ্রীয় ব্যাংকের নির্দেশিত টার্মস অব রেফারেন্সের সঙ্গে আমাদের ঝুঁকি ব্যবস্থাপনা যেন সঙ্গতিপূর্ণ থাকে।

আমাদের ভবিষ্যত কর্মকৌশল:

- গ্রাহকদের সকল ব্যাংকিং চাহিদা পূরণে চলমান ডিজিটাল রূপান্তর প্রক্রিয়াকে বেগবান করা।
- দেশের প্রান্তিক জনগোষ্ঠীর উন্নয়নে বিশেষ করে এসএমই খাতের উন্নয়নে আরো অধাধিকার প্রদান করা।
- কর্মীদের কর্মদক্ষতা বৃদ্ধিতে ও মেধা মনন বিকাশে সহায়ক সকল কর্মকাণ্ড নিশ্চিত করা।
- নো ও লো কস্ট ডিপোজিট এর পরিমাণ বাড়িয়ে ব্যাংকের কস্ট অব ফান্ড উল্লেখযোগ্য পরিমাণে হ্রাস করে এনআইএম ও মুনাফার লক্ষ্য অর্জন করা।
- গ্রাহকদের ডিজিটাল অনলাইন ব্যাংকিং সেবা প্রদানের মাধ্যমে ওমনি-চ্যানেল ব্যাংক হিসাবে নিজেদের প্রতিষ্ঠা করা।
- নন পারফমিং লোন রিকভারি জোরদার করা এবং ঋণগ্রহীতাদের নিয়মিত মনিটরিং এর মাধ্যমে ঋণমান বজায় রাখা।
- পরিবেশ বান্ধব বিজনেস প্রজেক্টে অধিক হারে অর্থায়ন করা।
- প্রোডাক্ট ও সেবার মান উন্নয়নে ব্যাংকের অভ্যন্তরে উদ্ভাবন সংস্কৃতিকে উৎসাহিত করা।

পরিশেষে, আমি বলতে চাই -এই ব্যাংককে নেতৃত্ব দেওয়ার সুযোগ পেয়ে আমি গর্বিত। এই ক্ষেত্রে আমি কৃতজ্ঞতা প্রকাশ করছি ব্যাংকের পরিচালনা পর্ষদকে আমার উপর আস্থা রাখার জন্য। আমি ব্যাংক ব্যবস্থাপনার পক্ষ থেকে, আমাদের সম্মনিত পরিচালনা পর্ষদের দিকনির্দেশনা এবং অবিরাম সমর্থনের জন্য আন্তরিক ধন্যবাদ জানাতে চাই।

এক্ষণে, আমি অর্থ মন্ত্রণালয়, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি), জয়েন্ট স্টক কোম্পানির রেজিস্ট্রার (আরজেএসসি), জাতীয় রাজস্ব বোর্ড (এনবিআর), স্টক এক্সচেঞ্জসহ অন্যান্য সকল নিয়ন্ত্রক সংস্থা, গ্রাহক, শেয়ারহোল্ডার, ব্যাংক ও আর্থিক প্রতিষ্ঠান, আন্তর্জাতিক উন্নয়ন সংস্থা যেমন- ডিইজি-কেএফডাব্লিউ, এশীয় উন্নয়ন তহবিল, এফএমও, নরফান্ড এবং অন্যান্য সমস্ত প্রতিষ্ঠানগুলোকে তাদের সামগ্রিক সহায়তার জন্য ধন্যবাদ জ্ঞাপন করছি। তাদের আন্তরিক সমর্থন ও অনুপ্রেরণা আমাদের “বাংলাদেশের সেরা পারফমিং ব্যাংক” হওয়ার আকাঙ্ক্ষাকে বাস্তবে রূপ দিতে সহায়তা করবে বলে আমি দৃঢ়ভাবে বিশ্বাস করি। আমরা আমাদের কৌশলগত লক্ষ্য অর্জনের মাধ্যমে আরও অধিকতর ব্যবসায়িক সফলতা আনতে প্রতিশ্রুতিবদ্ধ। আমরা সম্ভাব্য সেরা ঋণ মান উন্নয়নে ও গ্রাহক সেবা প্রদানে বদ্ধ পরিকর।

এই অন্তে আমি কৃতজ্ঞতা জানাই আমাদের ও অন্যান্য সম্মুখসারির ও জরুরী সেবা প্রদানকারী মানুষদের প্রতি, যারা নিজেকে এমনকি পরিবারকেও ঝুঁকির মুখে ফেলে নিঃস্বার্থভাবে মানবসেবায় নিয়োজিত আছেন। যাদের কারণে আমরা নিরাপদ ও সুরক্ষিত জীবন নির্বাহ করতে সক্ষম হচ্ছি। তাদের সকলের প্রতি গভীরভাবে কৃতজ্ঞতা।

পরিশেষে, আমাদের মাননীয় উদ্যোক্তাগণ যে লক্ষ্য ও উদ্দেশ্য নিয়ে এমটিবি প্রতিষ্ঠা করেছিলেন, তা আমরা অব্যাহত রাখব বলে সম্মিলিতভাবে প্রতিজ্ঞাবদ্ধ। সমাজের সামগ্রিক উন্নয়নের মাধ্যমে এমটিবিকে সময়ের চেয়ে এগিয়ে রাখবো। এই হোক আমাদের আগামী অঙ্গীকার।

ইনশাআল্লাহ।



সৈয়দ মাহবুবুর রহমান
ব্যবস্থাপনা পরিচালক

Managing Director & CEO's Economic Review



Growth Challenges in Global Economy

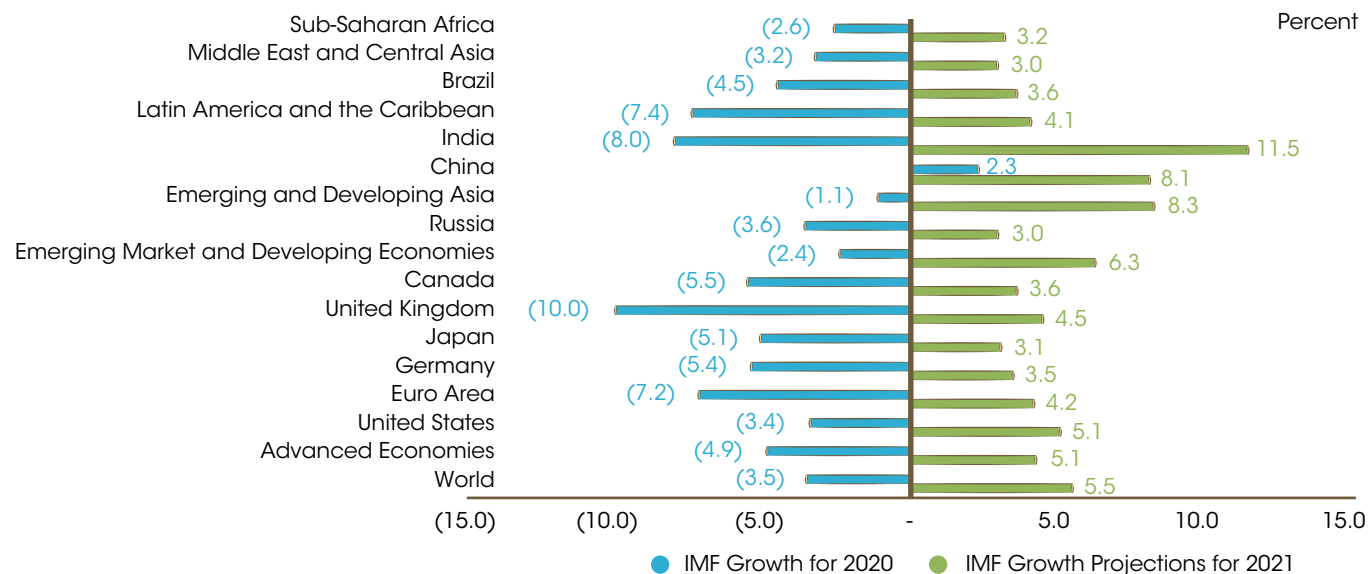
Year 2020 started rough globally with the sudden outbreak of pandemic COVID-19, which hit first on China then gradually on other countries, reaching all around the world. The unprecedented global emergency severely affected world health system while distressing economic activities everywhere. Global value chain system came to nearly standstill as international transitions closed in majority countries. Many nations called state of emergency and almost every type of business was on halt. The rapid rise of COVID-19 cases, together with the wide range of measures to slow the spread of the virus, slowed economic activity precipitously.

The steep decline in activities due to restriction put to control COVID-19 comes with a catastrophic hit to the global Labour market, disrupting labour markets around the world on a historically unprecedented scale.

According to the International Labour Organization (ILO), the global decline in work hours in 2020 compared to 2019 was equivalent to the loss of 225 million full-time jobs. Global labour income in 2020 is estimated to have declined by 8.3 percent, which amounts to USD 3.7 trillion, or 4.4 percent of global gross domestic product (GDP) as stated by ILO.

In Emerging Markets and Developing Economies (EMDE), growth forecasts for all regions have been severely downgraded. In 2020, it is estimated that EMDE output to shrink to 2.6 percent. The pandemic is expected to inflict long-term damage on EMDE growth prospects by depressing investment and human capital. Progress on critical development goals has been set back by several years, as the pandemic has disproportionately affected vulnerable groups and is driving poverty rates sharply higher.

Economic activity in the whole of Europe and Central Asia



Source: IMF World Economic Outlook January, 2021

contracted by 2.9 percent in 2020 and expected to grow by 3.9 percent in 2021. China slowed by 1 percent in 2020 and expected to rebound to 8.2 percent in 2021 as activity gradually normalizes there and as lockdowns are lifted around the world. The Russian Federation's economy is estimated to contract by 6.6 percent during 2020, reflecting a jump in COVID-19 cases and the collapse in oil prices. Turkey's economy is anticipated to shrink by 3.8 percent this year, subject to a drop in investment and shutdowns.

In Latin America and the Caribbean region, the shocks stemming from the pandemic caused regional economic activity to plunge by 6.9 percent in 2020. The forecast for 2021 is for a modest recovery, reaching 3.7 percent growth as restrictions are relaxed, vaccines are rolled out, oil and metals prices rise, and external conditions improve.

Economic activity in the Middle East and North Africa is estimated to contract by 5 percent in 2020 as a result of the pandemic and oil market situation. This contraction adds to already slowing growth in the region and compounds pre-pandemic per capita income losses. The pandemic is expected to leave lasting economic scars on the region, which will likely dampen potential growth going forward. Disruptions related to geopolitical tensions and political instability, renewed downward pressure on oil prices, and additional balance of payments stress are key downside risks.

Regional economic activity in South Asia is estimated to have contracted by 6.7 percent in 2020, led by a deep recession in India, where the economy was already weakened before the pandemic by stress in non-Bank financial corporations. GDP in South Asia is projected to grow by 3.3 percent in 2021 though risks remain tilted to the downside.

In the region of Sub-Saharan Africa, economic activity is estimated to have shrunk by 3.7 percent in 2020, the deepest on record. The pandemic has setting living standards in many countries back by a decade. The region is expected to suffer from the effects of COVID-19 longer than other regions due to slower rollout of vaccines in Sub-Saharan Africa.

The pandemic revealed the necessity of policy action to cushion its consequences, protect vulnerable populations, and improve countries' capacity to cope with similar future events. Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook as stated by IMF in World Economic Outlook April 2021. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022.

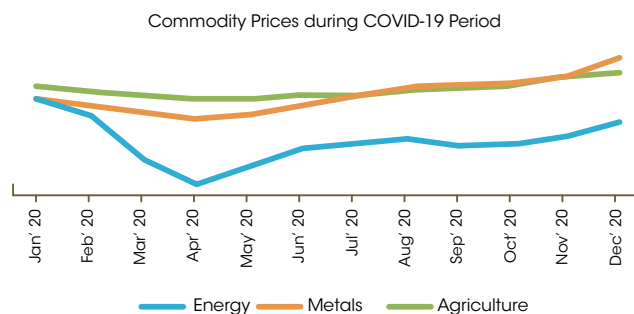
Subdued Inflation

As the COVID-19 sinks the world into recession, inflation has also collapsed in 2020. In a reflection of evaporating demand from consumers and businesses as governments impose tough lockdown measures to limit the spread of the Virus, IMF forecasts inflation to remain subdued in 2021. In advanced economies it is projected to remain generally below central Bank targets at 1.5 percent. Among emerging market and developing economies inflation is projected just over 4 percent, which is lower than the historical average of the group.

Movement in Commodity Market

During 2020, COVID-19 pandemic and the restrictions that have been needed to stem its spread caused precipitous decline in oil consumption. Besides triggering a global recession, the restrictions severely disrupted travel and transport, which account for around two-thirds of oil demand. The collapse in oil prices in March 2020 was the steepest on record, and prices slid further in April before recovering in May. However, the lagged pickup in oil prices lagged broader recovery like commodity prices due to the prolonged impact of the pandemic on global oil demand as many countries turn to low-carbon emission targets.

The halt in economic activity taken a toll on industrial commodities such as Copper and Zinc, and metal prices in the first half of the year followed by a strong recovery in the second half due to rising demand from China. Gold prices, on the other hand, rose as buyers sought safety amid financial market turbulence. Metal prices are expected to increase 5 percent in 2021 alongside the expected rebound in global demand. Agriculture prices are less tied to economic growth and have undergone only minor declines. Most food markets are well supplied. Agricultural prices rose 4 percent in 2020, largely driven by supply shortfalls and stronger-than-expected demand in Edible Oils and meals. Some regions experienced localized food price spikes, and a decline in household incomes—particularly among the poorest populations—has increased the risk of food insecurity.



Index 2019=100

Source: World Bank Commodity Markets Outlook, April, 2021

Monetary Policy

COVID-19 situation has led nations to adopt monetary policies to face the situation and stabilize the economy. Previous crisis faced during 2008 financial crisis and then again in 2020 by the Coronavirus pandemic, the Federal Reserve (FED), European Central Bank (ECB) and most of their international counterparts have become more aggressive and innovative than ever in defending their economies from recession and the threat of deflation. As most Central Banks are diving into deeper uncertainty, such as the FED is buying different types of bonds, the ECB is getting creative with negative interest rates, and Australia has adopted Japanese-style efforts to control bond yields. JPMorgan Chase & Co.'s measure of average global rates stood at just 1 percent at June 2020, and that of developed nations is below zero for the first time. The Central Banks of Australia, New Zealand and India followed Japan's yield curve control with policies that deliberately trying to influence bond yields at specific maturities.

Global Banking Industry

After the COVID-19 pandemic, Banks globally started reimagining how to operate and role in the society. Banks opted for fully virtual operation and executed untested operating model within very short period of time by deploying technology and demonstrating agility and resilience. Despite some hiccups, Banks were able to ensure that customers were served, employees were productive, and regulators were reassured.

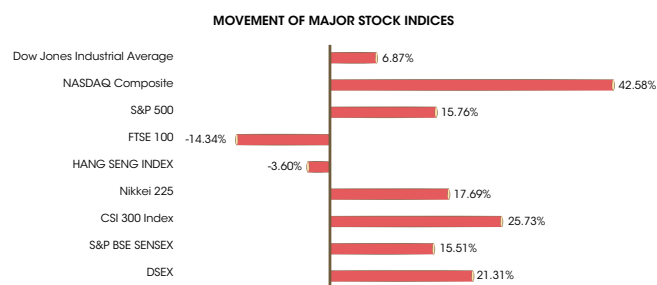
The scope of profitability for Banks had been shrinking with low interest rate scenario. After the outbreak of COVID 19 pandemic Banks in mature markets realizing reducing profitability from core Banking operations. Thus Banks are shifting towards commission-based income from the likes of payments and tech businesses. Most pressing issue rising due to the pandemic is credit risk of Corporate and Retail clients of the Banks. The Deloitte Center for Financial Services estimates that the US Banking industry may have to provision for a total of USD 318 billion in net loan losses from 2020 to 2022, representing 3.2 percent of loans.

With downward trend in global economy, Banking system globally now face the likelihood of profitability losses. According to a research conducted by McKinsey, from USD 1.5 trillion to USD 4.7 trillion in cumulative revenue could be forgone between 2020 and 2024.

Global Capital Markets

For investors, the year 2020 was characterized by sharp swings for stocks. March saw a 33.79 percent drop in the S&P 500 Index as the pandemic worsened. This was followed by a rally in April, and stocks reached their previous highs by August. Ultimately, despite a sequence of epic events and continued concerns over the pandemic, global stock market returns in 2020 were above their historical norm. The US market finished the year in record territory and 15.76 percent annual return for the S&P 500 Index.

Non-US equity markets, both developed and emerging, outperformed the US in December and finished off a strong quarter of outperformance. Though some markets fell during the pandemic thrilled year. Britain's blue-chip stock index – the FTSE 100 – shrank by 14.34 percent in 2020, as the index ended at points 6,460 on December, 2020, down from 7,542 at 2019 year end. The tech-dominated NASDAQ index, whose stocks include Netflix, Facebook and Amazon, posted a rise of 42.58 percent over the year. Japan's Nikkei gained 17.69 percent in 2020 and China's CSI 300 stock index romped ahead by 25.73 percent during 2020.



Source: Yahoo Finance

Bangladesh Economy

Towards the end of calendar year 2019, the dark shadows of the hitherto wholly unknown new COVID-19 pandemic began to engulf the entire global community very rapidly, causing the health and economic disruptions on an unprecedented scale. Bangladesh too came under the cloud of the new scourge with the identification of first COVID-19 patients in the country on March 08, 2020. Like everywhere else, Bangladesh authorities too have had to adopt abrupt drastic steps like community wide extensive spells of mandatory quarantines and lockdowns during 26 March - 30 May, 2020 to limit and contain the threat of COVID infection; bringing in its trail disruptions in domestic economic activities in substantial extents.

The economy of Bangladesh has been growing rapidly over the past few years till FY'19. The Economist ranked Bangladesh on the ninth strongest position in terms of different financial indicators among 66 emerging markets.

However, the fast growing economy of Bangladesh came under pressure as the nation experienced the never-experienced-before COVID-19 pandemic situation, which changed priorities to safeguarding people's lives and keeping the economy active. During the nationwide lockdown, millions lost jobs, poverty rate doubled and many businesses folded up. Income of the vast majority of the population shrank. To protect the people and the economy, the government rolled out a massive TK. 14014 million stimulus package, one of the largest in the world in terms of GDP size. It capped Bank interest rates below single digit to help firms and businesses borrow at a record low rate.

To overcome these adverse effects, the Bangladesh authorities had no option other than to line up massive support measures to help out affected businesses and weaker population segments facing loss of work opportunities for their livelihood. BB is also aggressively supporting with its various policy relaxations and low cost refinances lines of credit. Although the pandemic's pace of expansion in Bangladesh has thus far remained relatively moderate and the economy has already been reopened in a limited scale since 31 May 2020, the shadow of pandemic related uncertainties is still there.

Bangladesh's major indicators such as Export, Import, Balance of Payment, Credit Growth, Private Sector Investment and Foreign Direct Investment were in a fragile state even before the pandemic hit Bangladesh. This was mainly because Bangladesh's major trading destinations had already been facing the impacts of coronavirus from January 2020.

Optimism swung in the air with the arrival of Pfizer, Moderna and AstraZeneca vaccines that promise a high degree of efficacy in debilitating the virus. Government initiated rapid roll out of vaccines, which increased the confidence among mass people.

Despite the COVID-19 pandemic, Bangladesh was able to escape a contraction in 2020. In FY20, the GDP growth was estimated to 5.24 percent, a decline from 8.15 percent in FY'19.

Gross Domestic Product (GDP)

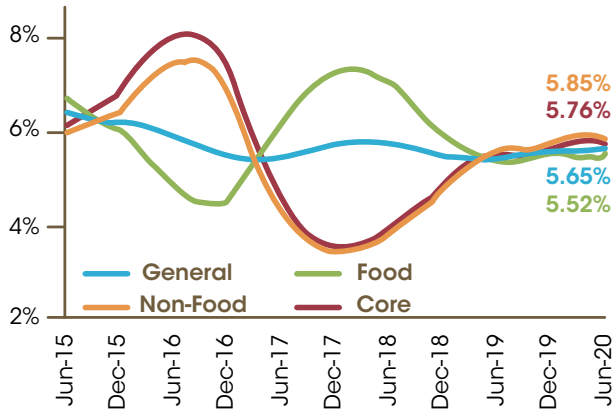
Bangladeshi economy grew at a faster pace than most major nations in 2020 and the country has been much discussed by global media as it secured a positive growth even during the pandemic period. As per provisional estimate of Bangladesh Bureau of Statistics (BBS), the GDP growth is 5.24 percent in FY'20 which is the lowest since FY'09, this situation has been created mainly because of the COVID-19 pandemic. The share of the agriculture and forestry sector in GDP at constant prices stood at 9.83 percent in FY'20, from 10.15 percent in FY'19. Share of broad service sector in GDP stood at 51.30 percent, from 51.35 percent in previous year. Within the broad service sector, the contribution of wholesale and retail trade sector was the highest 13.87 percent. The Government has set the target of real GDP growth at 8.20 percent for FY'21 considering that the ongoing COVID-19 pandemic situation will improve soon and the economy will rebound strongly following a K-shaped path. Anticipating that the ongoing pandemic situation will improve soon and the possible economic recovery at home and abroad will follow immediately aided by the successful and timely implementation of the stimulus packages taken by the Government and BB, the projected output growth scenario is found to be consistent with the Government target.

Inflation

The country's inflation rate, according to Bangladesh Bank data, was 5.57 percent at the beginning of the year 2020 and ended with 5.02 percent at the end of 2020 which is slightly above the Government's fiscal target of 5.40 percent. However, during the same month of the previous year, the 12 month average inflation was 5.51 percent.

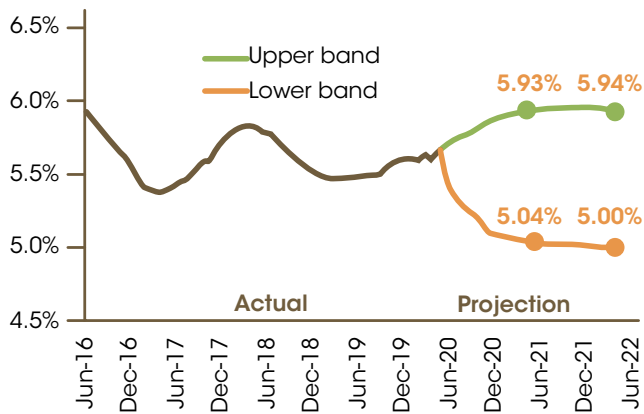
Below Chart plots the trend of Bangladesh's general CPI (12-month average) inflation along with its components food, non-food, and core (non-food and non-energy) inflation since June 2015. Cautiously accommodative monetary and fiscal stances with inclusivity bias have helped stabilize headline (y-o-y annual average) general CPI inflation at around 5.65 percent marginally higher than the targeted 5.50 percent for FY'20. The core and non-food components of general CPI inflation are seen to be moving in tandem in FY'20, though the non-food inflation was slightly higher than food inflation mainly due to medical care and health expenses.

Twelve Month Average CPI Inflation



Source: Bangladesh Bureau of Statistics

Twelve Month Average General CPI Inflation



Source: BB's Research Team Projection Based on BBS Data

Generally, significant inflationary pressure couldn't be expected under the current subdued economic situation inflicted by the COVID-19 pandemic. With a significant drop in international commodity and energy prices along with domestic bumper production of crop and non-crop agriculture will keep food inflation thereby general inflation well in check in the coming months. Based on these expectations, BB projects the ranges of average general CPI inflation for FY21 and FY'22 could be within a range of 5.04- 5.93 percent inflation for FY21 and a range of 5.00- 5.94 percent inflation for FY'22. BB's projections suggest a moderate and tolerable single digit average general CPI inflation both in FY'21 and FY'22, very much consistent with the target set in the medium-term macroeconomic framework of the Government.

However, the huge liquidity injection attributable to the various stimulus packages along with BB's policy relaxation including the possibility of crop loss due to natural

calamities like floods, cyclones, etc., might create undue price bubbles anytime in the future requiring continuous monitoring of domestic price developments so that the possible inflationary pressure could be contained on time.

External Sector

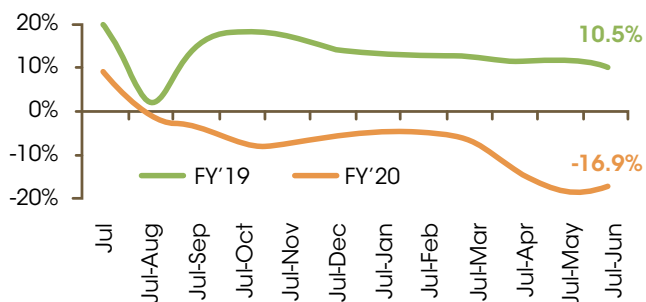
On the onset of COVID-19 pandemic, foreign exchange rules were eased by Bangladesh Bank to provide foreign currency to the Bangladeshi nationals who are visiting abroad and facing problem in returning home due to travel disruptions, and to allow foreign owned/controlled companies operating in Bangladesh to access short term working capital loans from their parent companies/ shareholders abroad to meet actual needs for payments of 3-month wages and salaries.

Overcoming an unprecedented supply chain disruption in March-May of 2020, export earnings began to increase from June but the second wave of COVID 19 in advanced world started taking its toll on the earnings from October, exporters said. The country's export earnings in the year of 2020 fell by 14.57 percent to USD 33.60 billion from USD 39.33 billion in the previous year due to a lower shipment of readymade garment products as the COVID-19 outbreak has hit hard the global business.

The overall imports decreased during 2020 by 16.35 percent over the year 2019, mainly due to lower than previous demand for capital machinery, industrial raw material, apparel and clothing etc. The falling trend in imports started in April 2020 following the spread of Coronavirus in different parts of Bangladesh.

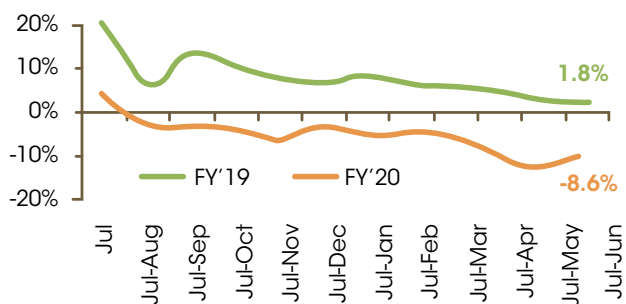
The Balance of Payment witnessed a surplus of USD 3,655 million in FY20, contributed by a decline in current account deficit on the back of robust remittance inflows along with higher inflows of FDI coupled with somewhat healthy inflows of medium and long-term loans. However, the deficit in Trade Balance widened to USD 17,861 million during this period, amid a decline in exports and imports by 16.9 percent and 8.6 percent respectively owing mainly to sluggish domestic and international demand during H1FY20 which further aggravated by the worldwide COVID-19 pandemic. The Exchange Rate remained broadly stable and competitive in FY20 aided by the timely interventions of Bangladesh Bank.

Cumulative Export Growth



Source: Bangladesh Bank

Cumulative Import Growth



Source: Bangladesh Bank

Looking ahead, the deficit in the Current Account is anticipated to slightly deteriorate with moderate receipts in financial accounts as compare to the previous year but will be sufficient enough to make a sensible BoP surplus in FY'21.

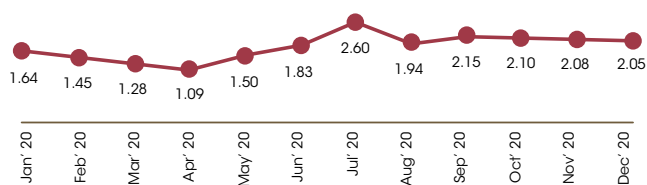
Balance of Payment Highlights

Major Items	Actual (In million USD)			Outlook FY'21
	FY'18	FY'19	FY'20 ^P	
Current Account Balance	(9,567)	(5,102)	(4,879)	(4,879)
Overall Balance	(857)	179	3,655	1,250
Gross International Reserve (GIR)	32,994	32,717	36,037	37,000
Months of Import of Goods and Services	6	6.5	6.4	6.4

Source: Bangladesh Bank, P = Provisional

The National Board of Revenue (NBR) has suspended duties and taxes on imports of medical supplies, including protective equipment and test kits after the COVID-19 outbreak in the country.

Monthly Data of Wage Earner's Remittance (in USD billion)



Remittance is the second highest source of foreign currency earning in Bangladesh next to exports of Ready Made Garments (RMG). The robust flow of remittance lifted the country's foreign exchange reserves to record highs and put the country on a firm footing even amid stress caused due to COVID-19. Bangladesh became an exception among top remittance recipient countries amid the COVID-19 pandemic as expats sent USD 19.8 billion to the country in 2020, an 8 percent increase over the previous year, which was USD 18.4 billion.

Fiscal Management

The government introduced a series of fiscal measures to contain and mitigate the impact of the COVID-19 pandemic. At end-March, the Ministry of Finance (MoF) issued a revised budget for FY'20 including additional resources to fund the Ministry of Health's COVID-19 Preparedness and Response Plan and expanding existing transfer Programmes that benefit the poor. On March 31, the MoF announced a TK. 50 billion stimulus package for exporting industries to be channeled through a refinance scheme operated by Bangladesh Bank. Also interest payments on up to TK. 500 billion in working capital loans will be subsidized to businesses. The Prime Minister further announced allocation under housing scheme for the homeless, for poor people having lost their jobs as a result of the pandemic, for government employees most at risk to provide health insurance, and bonus payment for government doctors and health workers treating COVID-19 patients. Also, the Prime Minister announced that the government would cover TK. 20 billion in interest payments on behalf of 13.8 million loan recipients negatively impacted by the national shutdown.

Amid the Coronavirus crisis, the government has incorporated a comprehensive plan with four main strategies, discouraging luxury expenditures and prioritizing government spending that creates employment. While cutting funds for mega projects due to COVID-19 pandemic, the government allocated of TK. 9,557 billion

for the Social Safety Net Programmes. With second highest priority in budget, agriculture sector has been given proper attention as government takes farm mechanization project to support farmers.

During July-December 2020, total domestic borrowing of Government (Bank and Other than Bank) stood at TK. 235.80 billion (net) which was 55.9 percent lower than TK. 535.14 billion during the same period of the previous year. The borrowed amount till December, 2020 covers 21.4 percent of the total budget target. Thus, govt. borrowing (net) from the Banking system stood at TK. 5.95 billion during the period under report which was BDT 449.47 billion during the same period of the previous year. On the other hand, during July-December 2020, Government borrowed TK. 229.84 billion (net) from other than Banks which was TK.

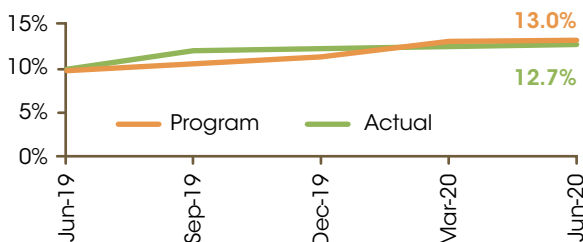
85.67 billion during the same period of the previous year and against target of TK. 250.03 billion during the period under report which was 91.9 percent of the fiscal target.

Capital Market Scenario

The halt of economic activities on the COVID-19 pandemic brought the capital market on the perils. The main index of the stock market dropped by 15 percent in less than 10 days in the second half of March. On March 19, 2020, a historic "floor price" was set for all the stocks in the stock market to stop the free fall of stock prices.

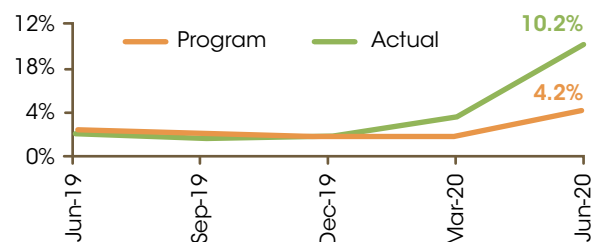
Positively, since the resumption of economic activities in the early part of June 2020, the stock market shown a sign of stability. The first stimulus package worth more than TK. 1.14 trillion, higher remittance inflow, some recovery in exports and the government's special attention to revamping the

Broad Money (M2) Growth



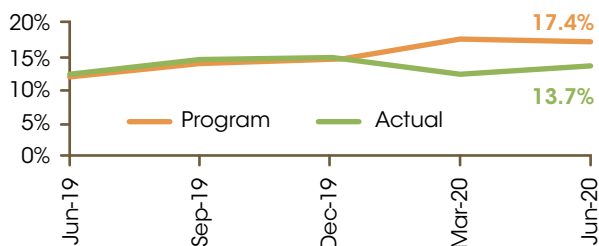
Source: Bangladesh Bank

Net Foreign Assets (NFA) Growth



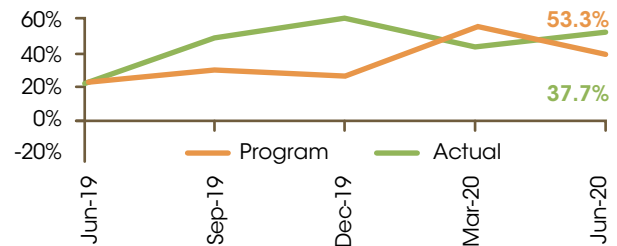
Source: Bangladesh Bank

Domestic Credit Growth



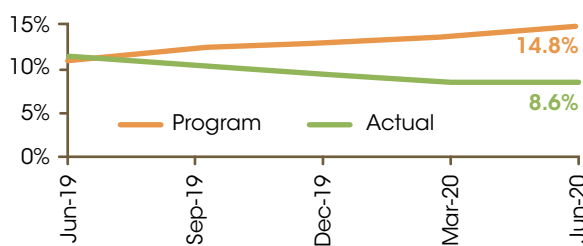
Source: Bangladesh Bank

Public Sector Credit Growth



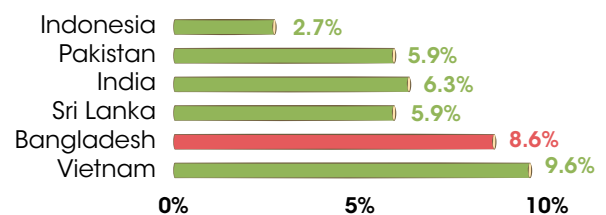
Source: Bangladesh Bank

Private Sector Credit Growth



Source: Bangladesh Bank

Cross-country Comparison of Private Sector Credit Growths



Source: Respective Central Banks Websites, Latest Available Data

capital market have had a positive impact. Investors also channeled their savings into stock market as they look for fair return on their money as the Bank deposit rate fell much lower after single digit rate implementation.

At December, 2020 DSEX index stood at 5,402 points as opposed to 4,453 points at December, 2019, a 21 percent rise from previous year.

Banking Sector Scenario

Under escalating competition in the Banking industry, during last few years, the Banks have been under intense pressure to keep their performance in upward trend while tackling high Non-Performing Loans (NPLs) trends. In 2020, the Banks were put under litmus tests as the COVID-19 spread out and put all economic activities in halt. The stimulus packages declared by the Government disbursed through the Banking channel and kept the credit growth steady. On top of that, the liquidity support of the Central Bank through rate cut in CRR and repo also helped the Banks for liquidity management. Data from Bangladesh Bank shows that excess liquidity in the Banking sector has nearly doubled from TK. 1.03 trillion in January 2020 to TK. 2.05 trillion in December 2020.

Amidst all, Government took out initiative to reduce lending interest rates to single digit 9 percent, starting from April, 2020. This regulation put the industry under new periphery to adjust while combating the uncertain situation of COVID-19.

Bank Deposits

Total deposit of the scheduled Banks was reported to be TK. 12,904.72 billion at the end of December 2020, increased by TK. 1,534.93 billion or 13.50 percent from TK. 11,369.79 billion of December 2019. Time deposits registered a growth of TK. 1,238.04 billion or 12.16 percent and demand deposits also registered a growth of TK. 296.89 billion or 25.06 percent in December 2020 over December 2019.

Bank Advances

Banks' advances recorded at TK. 14,485.41 billion at the end of December 2020, an increase of TK. 1,601.10 billion or 12.43 percent compared to TK. 12,884.31 billion of December 2019.

Bank Profitability

Profit of majority of the Private Commercial Banks (PCBs) shrunk in 2020 mainly due to the impact of COVID-19 and implementation of the single-digit interest rate.

Starting from March, 2020, when COVID-19 hit Bangladesh economy, Banking activities decreased. In addition, the 9 percent lending rate cap rolled out from April, 2020, creating stress for the Banks to keep up profit level. Also

Banks were instructed by Central Bank to keep additional one percentage points provision against their unclassified loans for 2020.

Money Market

Signs of excess liquidity were manifested in the Call Money Market, as the monthly average Call Money Market borrowing and lending rates both tumbled down from June 2020 onwards. The low cost of funds in the call money market indicates that there was hardly any demand for funds, since the majority of Banks most likely had excess liquidity.

91 days Treasury Bill cut-off rate got hit to as high as high as 7.17 percent during June 2020 to fall as low as 1.04 percent during December 2020. The Repo Rate was lowered from 6 percent to 5.75 percent effective March 24 and was further reduced to 5.25 percent effective April 12. The reduction in rates were made effective to reduce liquidity crisis due to COVID-19 perils.

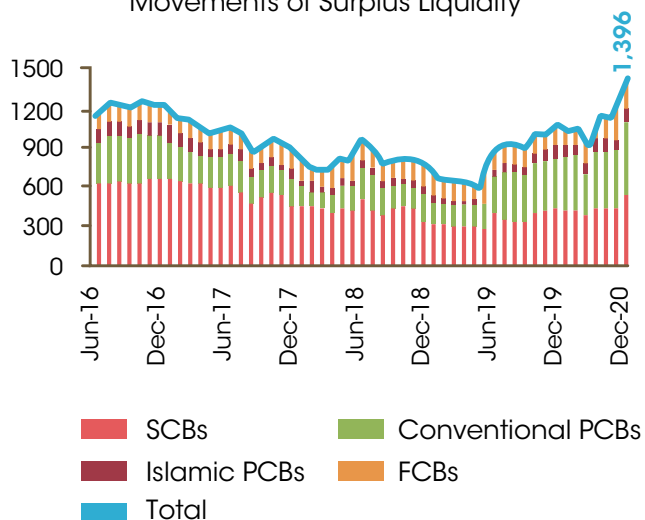
A comparison of FY'20 on the above Programme versus actual developments plotted indicates that actual growth paths of major Monetary Aggregates were somewhat consistent with their Programme paths in FY'20. The Broad Money (M2) growth (12.7 percent) remained very close to the target ceiling of 13.0 percent while the Domestic Credit Growth fully moved together with the Programmmed path during the first half of FY'20, though slightly plunged in the third and fourth quarters, due mainly to a slower than Programmmed growth of Private Sector Credit. The growth of Credit to the Public Sector including net credit to Government, however, witnessed some degrees of volatilities staying above their Programmmed path until February 2020 before dropping below the Programmmed path in March 2020 which has finally surpassed the Programmmed path in June 2020. On the other hand, the growth in Private Sector Credit experienced a moderating trend throughout FY'20 initially due to the Banks' adherence towards quality lending which was further aggravated by the Coronavirus pandemic. Nonetheless, Bangladesh's Private Sector Credit growth is still higher than many other fast-growing South Asian and East Asian emerging markets and developing economies including India, Sri Lanka and Indonesia.

Liquidity Situation

Lower than expected tax Revenue Generation and slow sales in the National Savings Certificate (NSC) forced the Government to switch its borrowing source from non-Bank to Banks to meet up its ADP related expenditure in FY20. In the backdrop of COVID-19 pandemic, Bangladesh Bank's liquidity enhancing policy measures including reduction of CRR by 150 Basis Points for Banks, by 350 Basis Points

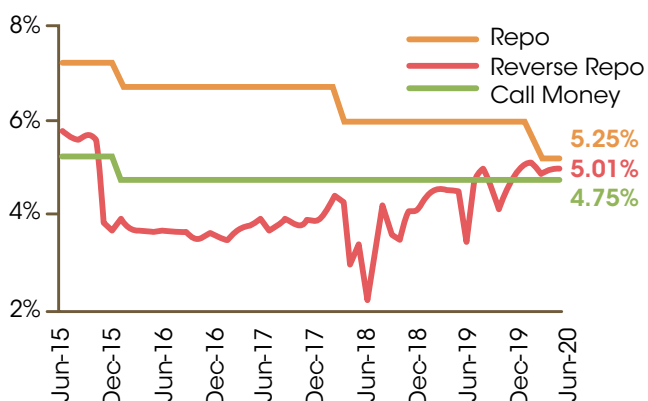
for Offshore Banking units (OBU) and by 100 Basis Points for FIs, purchase of Government Securities from Banks and FIs, the introduction of long-term Repo Facilities up to 360-day, along with the adoption of several refinance schemes helped to inject sufficient liquidity in the money Market. Below charts depict trends of Surplus Liquidity (Liquid assets after the maintenance of CRR and SLR) of Banks and the movements of Call Money Rate (Weighted Average Overnight Interest Rates in InterBank Money Market) along with BB's policy rates. Overall Surplus Liquidity of Banks substantially increased in FY'20 mostly supported by Bangladesh Bank's various policy measures, though a lion share of this surplus liquidity holding by the Banks remained in the form of Government Securities. During FY'20, Monthly Average Surplus Liquidity stood at TK. 1034.9 billion, of which monthly average Surplus Reserves with BB after the maintenance of CRR was TK. 100.4 billion.

Movements of Surplus Liquidity



Source: Bangladesh Bank

Movements of Call Money and Policy Rates



Source: Bangladesh Bank

Alongside BB's ongoing expansionary policy measures its recent drive of buying foreign currency from the market helped restoring normalcy in both the money and foreign exchange markets, stabilizing the Call Money Rate within the corridor of the Repo and Reverse Repo rates and keeping the Taka-USD exchange rate competitive. Moreover, with the gradual improvement of the existing pandemic situation and restoration of full normalcy in economic activities in the coming days, Bangladesh Bank is expected to continuously monitor the progress in money as well as foreign exchange markets and take appropriate policy measures as required.

Interest Rate Spread

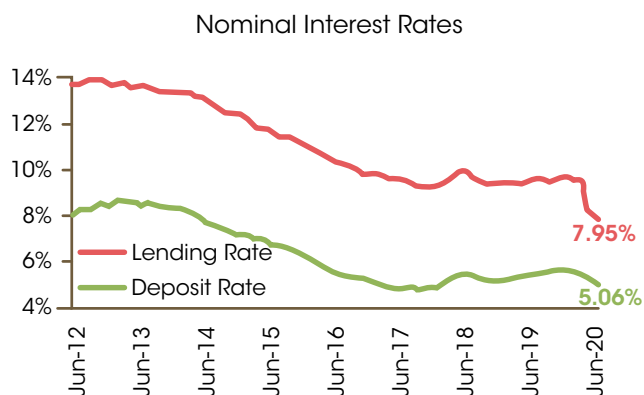
Bangladesh Bank delivered instructions to reduce Spread which the Banks started to follow loosely from the beginning of 2019. The main hindrance to Interest Rate shrinkage was the high NPL rate of Risk Assets, which ultimately affect the profitability of Banks. However to span the economic growth and pressure from the business bodies, Government advised the Banks to bring down the lending rates to single digit to boost investments and also to accelerate employment generation.

The spread declined even further after implementation of 9 percent lending cap rate in April, 2020. The spread between weighted average advances and deposit rates came down to 2.98 percent in December 2020 from 3.98 percent of December 2019.

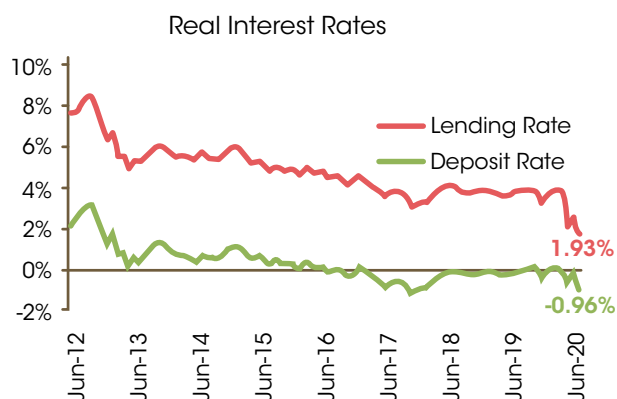
Bangladesh Bank's efforts towards rationalization of Market Lending Rate and enhancement of Banks' intermediation efficiency through reduction of the Spread between the Deposit and Lending rates continued in FY'20. Charts below plot trends of Weighted Average Lending and Deposit Interest Rates of all scheduled Banks in both nominal and real terms.

Both Lending and Deposit Interest Rates are seen to be following declining trends particularly towards the end of FY20. The gap between Lending and Deposit Interest rates (Interest Rate Spread) that viewed as a measure of intermediation efficiency of Banks has also been markedly narrowed down since April 2020 due mainly to Bangladesh Bank's policy direction for rationalization of Interest Rates on Banks' Lending and Investment, with effective from April 2020. Along with the reduction in the intermediation spread, both the Deposits and Advances maintained their growing trends in FY'20 supported by

the Government's execution of discipline on the issuance of National Savings Certificates (NSCs). Following charts plot the trends of Deposit and Advance growth and cross-country comparison of Bangladesh's real Lending Interest Rate with some South and East Asian peer economies. The cross-country evidence suggests that the Weighted Average Real Lending Rate remained lower in Bangladesh than in some of our regional neighbors including India.



Source: Bangladesh Bank

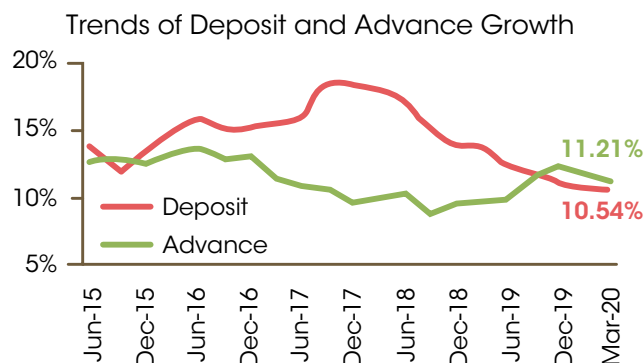


Source: Bangladesh Bank

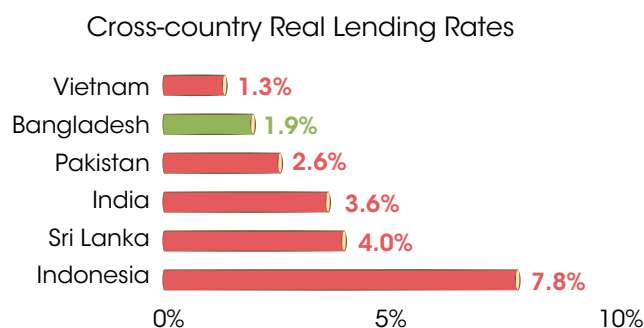
There is a wide spread concern over Bangladesh Bank's policy direction for rationalizing interest rates by executing 9 percent lending rate cap might seriously hamper the growth of small and medium-sized enterprises whose monitoring and management costs are relatively higher in nature. The recent reduction of intermediation spread, a marked efficiency gain of Banks, will be difficult to sustain if the Non-Performing Loan (NPL) burdens, most often cited as a basic reason behind the downward stickiness of Lending Interest Rates, could not be contained.

Advance Deposit Ratio (ADR) in the Banking system remained below the allowable limit set by BB up to end September 2020. This indicates that the liquidity conditions in the Banking sector remained adequate. On the other hand, Banking sector maintained Liquidity Coverage

Ratio (LCR) much above the minimum requirement of 100 percent throughout FY'20, indicating Banks had high-quality Liquid Asset that would cover the Banks net cash flows for a minimum of 30 days.



Source: Bangladesh Bank



Source: Respective Central Banks Websites, Latest Available Data

Additionally, in FY'20 Banks also maintained the minimum regulatory requirement of holding Net Stable Funding Ratio (NSFR) which point out that Banking industry had enough available stable funding for the whole year in any unfavorable situation.

Period	ADR	LCR	NSFR
September 2019	76.58%	187.79%	112.70%
December 2019	77.34%	200.50%	111.24%
March 2020	77.77%	192.53%	109.75%
June 2020	76.22%	213.52%	110.57%
September 2020	74.01%	-	-

Primary Dealer Operation

Primary Dealers Operation is an attempt to establish a sound, efficient and vibrant 'secondary market for the Government Securities' by active participation of market makers, operators and the market participants. A total of 20 Banks are working as Primary Dealers in Treasury Bills and Government Bonds while other Banks and NBFIs did not require to involve their funds in related operations. However,

during 2020, interest rates on the Government Treasury Bills and Bonds remained volatile. The overall excess Liquidity with the Commercial Banks had an effect on downward trend of Government Securities.

Non-Performing Loan (NPL) Management

Non-Performing Loan (NPL) is a critical challenge for the Banking sector of Bangladesh, and most of the Banks are struggling to address the problem. The Banking system is still burdened with an alarming amount of Non-Performing Loans (NPLs) that make funds costlier and Banks' operations riskier. The SCBs (State Owned Commercial Banks) and SBs (Specialized Banks) continue to have high level of NPLs mainly due to substantial loans provided by them on considerations other than commercial criteria.

Amid COVID-19 pandemic, Bangladesh Bank, in March 2020, issued a circular not to change the classification status of the borrower up to March 2021. The NPL of the Banking sector was recorded to 8.06 percent at the end of December, 2020, shrank from 9.32 percent at December, 2019. The major reasons behind high NPL are extending loans based on political consideration, taking mortgage or collateral against loans at inflated prices, use of loan money in unproductive sectors, non-supervision and post disbursement monitoring of loans and inadequate actions to realize loans even after they default.

Implementation of Monetary Policy

The Bangladesh Bank's Monetary and Financial policy stance was grounded on the growth supportive developmental mandate in its charter at the start of FY'20. However, the assumption supporting the Monetary Policy largely changed with the beginning of COVID-19 outbreak. Since then Government adopted many initiatives such as revised budget for FY'20 was issued to fund the Ministry of Health during the pandemic, various stimulus packages were initiated.. To ensure that there is adequate liquidity in the Financial System to support the operations of Financial

Institutions, and it was announced that Bangladesh Bank announced to buy Treasury Bonds and Bills from Banks. The Repo Rate was lowered from 5.25 percent to 4.75 percent and Reverse Repo was cut from 4.75 percent to 4 percent at the end of July 2020. In addition, Bank Rate is also cut to 4 percent from 5 percent, which was unchanged for last 17 years. The CRR was initially reduced from 5 percent to 4.5 percent (daily-basis) and from 5.5 percent to 5 percent (bi-weekly basis), with a further reduction to 3.5 percent and 4 percent, respectively from April 15, 2020. ADR for all the Conventional Banks was increased from 85 percent to 87 percent, effective from April 15, 2020.

Capital Adequacy Management

Basel III, the latest Capital and Liquidity standards for Banks prescribed by the Bank for International Settlements (BIS), emerged in 2010 as the guidelines of Basel II, the previous version of Capital Standard, failed to maintain financial stability during the global financial crisis in 2008.

As per Bangladesh Bank's guidelines, at the end of 2019, a Bank is required to maintain capital equal to at least 12.50 percent (Including Capital Conservation Buffer 2.50) of its risk-weighted assets under the Basel-III guidelines.

At the end of December 2020, only 10 Banks out of 59 experienced shortfall and could not meet the standard 12.50 percent for Capital Adequacy Ratio (CAR). Banking sector's aggregate CAR at the end of December 2020 stood at 11.64 percent, which was 11.57 percent a year earlier. As of December of 2020, the CAR of Foreign Banks was 28.2 percent and of Private Banks was 13.96 percent as per the Central Bank data.

Senior Management Team



01 Mr. Mohammad Aminul Haque, FCA
Group Chief Financial Officer

02 Mr. Rais Uddin Ahmed
Deputy Managing Director & CAMLCO

03 Mr. Chowdhury Akhtar Asif
Additional Managing Director & GCRO

04 Mr. Tarek Reaz Khan
Deputy Managing Director & COO

05 Mr. Goutam Prosad Das
Deputy Managing Director & Group Head of ICC

06 Mr. Md. Khalid Mahmood Khan
Deputy Managing Director,
Corporate & Commercial Business

07 Mr. Syed Rafiqul Haq
Additional Managing Director & CBO

08 Mr. Syed Mahbubur Rahman
Managing Director & CEO



Management Committee (MANCOM)

- 01 Mr. Chowdhury Akhtar Asif
Additional Managing Director & GCRO
- 02 Mr. Tarek Reaz Khan
Deputy Managing Director & COO
- 03 Mr. Rais Uddin Ahmed
Deputy Managing Director & CAMLCO
- 04 Mr. Md. Bakhteyer Hossain
Head of Transaction Banking
- 05 Mr. Md. Shamsul Islam
Group Head of Treasury
- 06 Mr. Malik Muntasir Reza
Group Company Secretary
- 07 Mr. Shyamol Boran Das
Chief Digital Officer
- 08 Mr. Usman Rashed Muyeen
Head of Credit Risk Management
- 09 Mr. Md. Shafquat Hossain
Head of SME & Retail Banking
- 10 Mr. Masud Mushfiq Zaman
Group Head of Human Resources
- 11 Mr. Azam Khan
Head of Communications
- 12 Mr. Mohammad Aminul Haque, FCA
Group Chief Financial Officer
- 13 Mr. Syed Mahbubur Rahman
Managing Director & CEO
- 14 Mr. Goutam Prosad Das
Deputy Managing Director & Group Head of ICC
- 15 Mr. Syed Rafiqul Haq
Additional Managing Director & CBO
- 16 Mr. Md. Khalid Mahmood Khan
Deputy Managing Director
Corporate & Commercial Business





Code of Conduct

Code I: Our Vision

Our code of conduct is in alignment with the Bank's Vision, MTB3V!

Code II: Uphold organizational mission

We aspire to be one of the most admired Banks in the nation and be recognized as an innovative and client focused company, enabled by cutting-edge technology, a dynamic workforce and a wide array of financial products and services.

Code III: Adhere to the highest ethical standards

We ensure that our employees act with integrity, competence, dignity, and in an ethical manner when dealing with customers, prospects, colleagues, agencies and the public.

Code IV: Compliance with the laws & regulations

We maintain knowledge of and comply with all applicable laws, rules and regulations of any government, governmental agencies, regulatory organizations, licensing agencies, or professional associations governing the employee's professional activities.

Code V: Relationship with & responsibilities to MTB

We prioritize the Bank's interest above personal interest. As an objective, employees are required to: Disclose the conflicts of interest including beneficial relationship with customers of any of its associates; state only MTB's view and not her/his own, when speaking in a forum in which audiences would reasonably expect that s/he is speaking as a representative of Mutual Trust Bank

Code VI: Relationship with & responsibilities to customer

We deliver service professionally, respect customers and treat them courteously and consistently; Respect the confidentiality and privacy of customers, or anybody with whom they do business.

Code VII: Protecting business assets & information

We are responsible and accountable for using the goodwill and assets of MTB and its customers, whether tangible, intangible, intellectual or electronic, in a manner both responsible and appropriate to the business and only for legal and authorized purposes.

Code VIII: Respecting others

We treat colleagues, customers and anyone with whom we do business, with respect, dignity, fairness and courtesy; we commit to maintain a work environment that is free from discrimination or harassment based on race, religion, creed, sex, disability, age or any other relevant category.

Code IX: Misconduct

We commit to avoid any professional conduct involving dishonesty, fraud, deceit or misrepresentation or carry out any act that reflects adversely on our honesty, trustworthiness or professional competence; we also commit to support international and local efforts to eliminate corruption and financial crime.

Code X: Insider trading

We are committed to not utilize position for personal gain or for gain of another person. All of us must ensure that any information in our possession that is not publicly available and may have a material effect on the price or value of objectives, is not provided to anyone who may be influenced to subscribe, buy or sell shares or conduct any other business transactions with another person including family and friends.

Code XI: Control

The Code is designed to provide practical assistance in performing our daily tasks and resolving situations, which may present potential ethical conflicts. Our Code of Conduct has eleven core elements supporting a self-regulatory approach to the way we do business. Also, the Management monitors the compliance of the code of conduct.

The Association for Investment Management and Research (AIMR) has developed the Code of Ethics and Standards of Professional Conduct for their members. Most of them are relevant for persons working in a Bank or a financial institution. MTB has adopted the relevant part from the Code of Ethics and Standards of Professional Conduct of AIMR

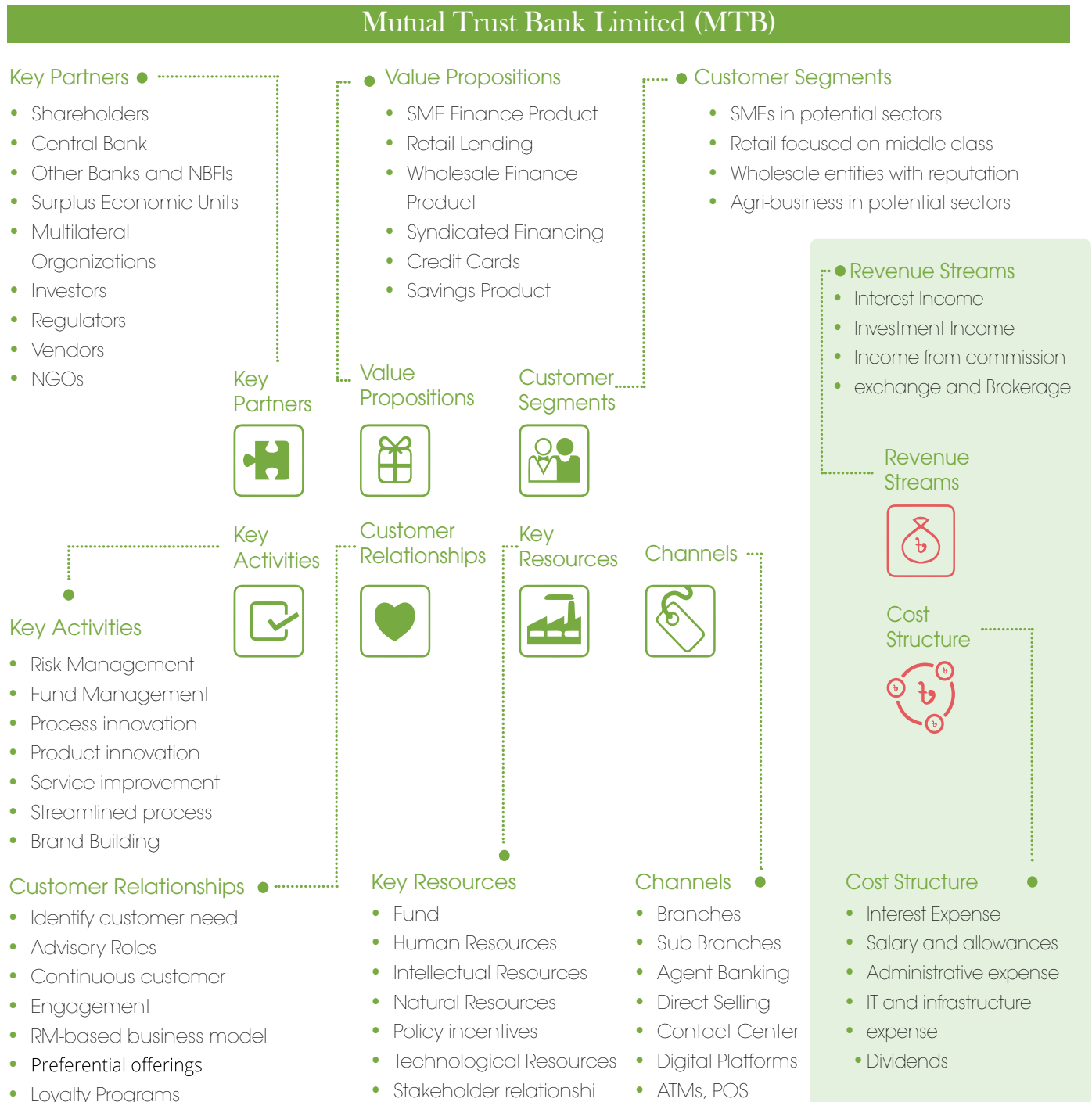


Business Model

Canvas Model

Having over 21 years of successful banking experience in the marketplace, MTB business model is designed and continuously adapting to endure market pressures and absorb macroeconomic shocks. We are careful to strike a balance between different stakeholder objectives, so that the organization can create optimum contributions across the value chain. With a keen sense of changing

market dynamics and rapidly changing technology, our management team strives to make the best use of our available resources, expanding on them strategically. Throughout the report, we will use the Business Model Canvas in its original format as a representation of our business model components, as below:



MTB Capital Limited

Key Partners

- Shareholders
- Bangladesh Securities and Exchange Commission
- Investors
- Regulators
- Vendors

Key Partners



Key Activities



Key Activities

- Portfolio management
- Advisory services
- Underwriting
- Proprietary investment
- Innovative solutions
- Brand building activities
- Relationship management

Customer Relationships

- Identify customer need
- Advisory Roles
- Continuous customer engagement
- Wealth management of the clients

Value Propositions

- Discretionary and non-discretionary portfolio management
- Issue management services
- Corporate advisory Services
- Underwriting services

Value Propositions



Customer Relationships



Key Resources

- Fund
- Human Resources
- Intellectual Resources
- Natural Resources
- Policy incentives
- Technological Resources
- Stakeholder relationships

Customer Segments



Key Resources



Channels



Channels

- Branch offices
- Telephone and Online platform
- Direct Selling

Customer Segments

- Individual investors
- Institution investors

Revenue Streams

- Interest Income
- Income from investment
- Underwriting Commission
- Issue Management fee
- Portfolio management fee
- Settlement and Documentation fee

Revenue Streams



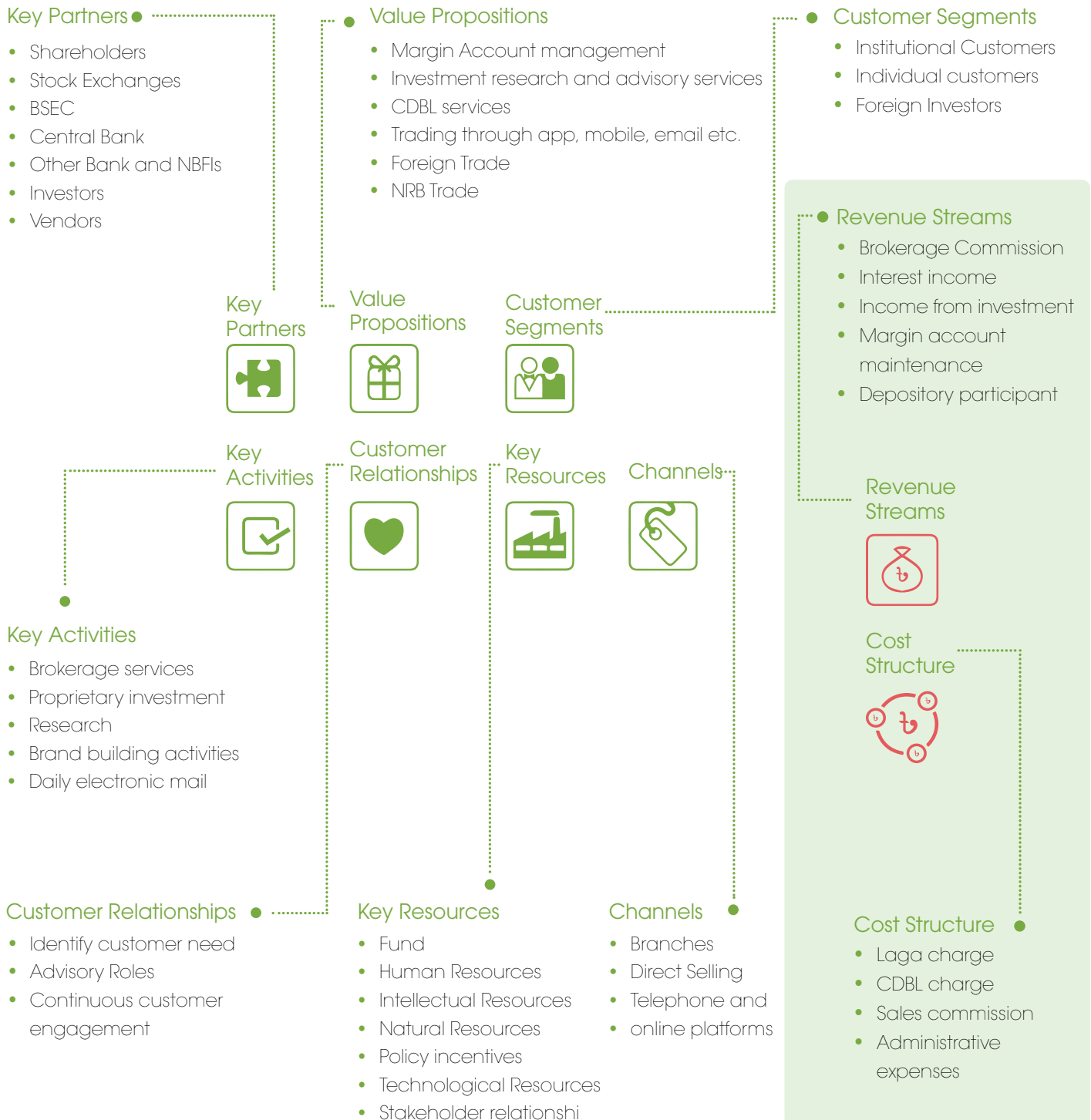
Cost Structure



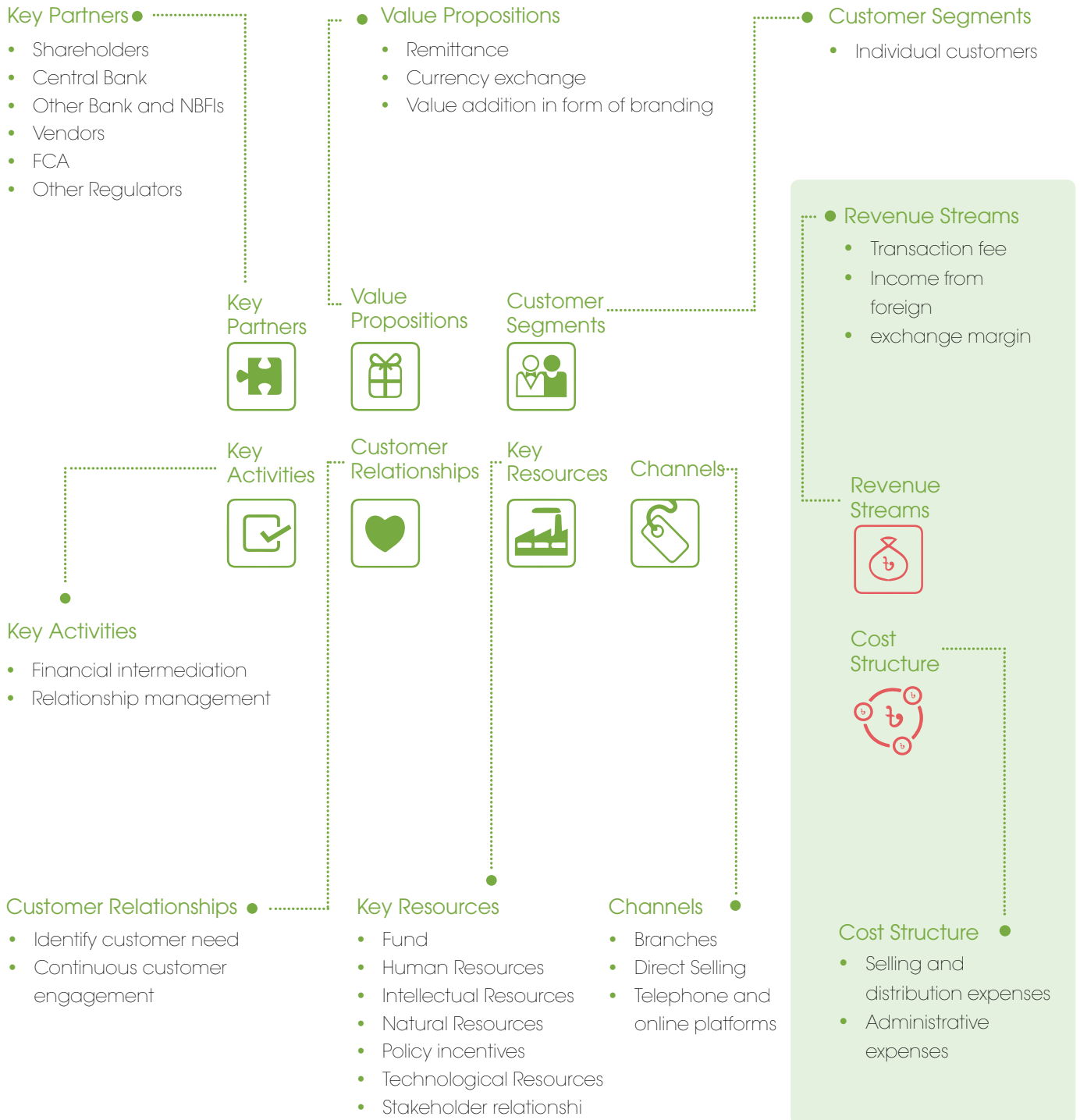
Cost Structure

- Administrative expense
- Interest expense
- Operating expenses

MTB Securities Limited



MTB Exchange (UK) Limited



BUSINESS MODEL- CRAFTED FOR VALUE CREATION

Our business model seeks to create value for stakeholders in a sustainable way. Our strategy is clear and simple. It defines the businesses that we will do and will not do. We use our resources to build competitive advantages. We have put in place a governance framework to ensure effective execution and risk management. Further, we have a balanced process to measure our performance and align compensation to desired behaviors.

How we create value

Our strategy

Our strategy
Our strategies are built around our purpose: Becoming bank of choice by providing world class banking solutions to our customers.

We intermediate trade and investment flows across the country.

In Bangladesh, we are a commercial bank serving all customer segments. In other markets, we have traditionally focused on individuals, large corporates, small and medium enterprises (SMEs) and institutional investors. Going forward we will leverage digital technologies to extend our reach to individuals.

Expanding banking through "Powering Future"
Our vision in our next phase of growth is "Powering Future" – embedding ourselves seamlessly in our customers' lives and delivering simple, fast and contextual banking in the digital age. To achieve this, we are focused on three execution priorities: transforming the bank to be digital to the core, embedding ourselves in the customer's journey to be truly customer centric, and rewiring the organization to create a start-up mindset.

Our businesses
We have three core business segments:

- Wholesale Banking
- SME Banking
- Retail Banking

What we offer
Retail banking
We serve individuals, from mass market to affluent, at every stage of their lives: from saving at a young age to buying a home as they start their own families to investing for retirement with our diverged product range. We offer a diverse range of banking products and services, including deposits, loans, credit cards, online payments, internet banking, primary dealer of govt. Securities, investments and brokerage services.

Institutional banking
We serve large corporates and SMEs: from helping them to finance their business activities to managing their financial risks. We offer a full range of credit facilities from short-term working capital financing to specialized lending. We also provide transaction services such as cash management, trade finance and securities and treasury and markets products; capital markets and advisory solutions. We adopt the professionalism of a worldclass bank with the cultural

Differentiating ourselves

We adopt the professionalism of a world-class bank with the cultural touches that are important for the institution and philosophical base what we call MTB3V.

Industry insights
We know the industry of the country better: we provide unique industry insights, which are published regularly in our in-house magazine— MTBiz, and create bespoke products for our customers.

Customer relationships
We strive to embody the elements of what relationships are about in Bangladesh. We recognize that relationships have swings

and roundabouts, and that every transaction does not have to be profitable in its own right.

Customer service
We are deferential, easy to deal with and trustworthy, with the humbleness to serve and the confidence to lead to our customers.

Product innovation
We relentlessly innovate new ways of banking that are appropriate to our markets as we strive to make banking more spontaneous and interactive for our customers.

Capacity & Network
We work in a collaborative manner across geographies, supporting our customers as they expand and doing business across the country and abroad.

Technology and infrastructure
Over the years, we have invested in our people and skills, and re-architected our technological backbone to be cloud-native, resilient and scalable. We have embraced the practices of global technology standards – adopting agile methodology, user interface and human-centered designs to deliver customer centric front-end applications.

Nimbleness and agility
We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.



Our resources



- Brand MTB**
A strong brand is an important business driver and our brand is a key intangible asset that gives the group a competitive advantage.
- Customer**
Putting customers at the heart of what we do helps differentiate ourselves in an industry as commoditized as banking, enabling us to build lasting relationships and deepen wallet share.
- Digital Platform**
Our resilient technology platform supports our operations across the region. Our digital transformation is pervasive and encompasses technology, customer journey thinking and a start-up culture
- Human Capital**
An agile and engaged workforce enables us to be nimble and react quickly to opportunities
- Financials**
Our strong capital base and diversified funding sources allow us to support our customers through good and bad times, and enable us to provide banking solutions competitively.
- Physical Infrastructure**
Our best-in-class technology and physical infrastructure allow us to be nimble and resilient.
- Natural Resources**
We impact the natural environment directly in our operations, as well as indirectly through our customers and suppliers
- Societal Relationships**
We recognize that not all returns can be found in the financial statements and our license to operate comes from society at large. How we employ and derive value from our core six capitals- Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural are explained throughout this Annual Report



How we create value



Governing ourselves

Competent leadership

A strong, well-informed and fully engaged board provides strategic direction to management. Management executes on strategy and drives performance and organizational synergies. For more details, See the Chapter Board of Directors.

Values-led culture

Our PRIDE! Values shape the way we do business and work with each other: Purpose driven, Relationship-led, Innovative, Decisive, and Everything Fun!

Corporate Governance

We are devoted to the highest standards of truthfulness, ethics and professionalism. To safeguard stakeholders' interests, the Board of Directors is actively engaged in providing sound leadership on the bank's direction.

Effective internal controls

The lines of defense guard our operational excellence: identification and management of risks by units, corporate oversight exercised by control functions, and independent assurance by Group Audit.

Risk management

Effective risk management is fundamental to all parts of our organization. The Board of Directors has overall accountability for ensuring that risk is effectively managed across the group.

Capital management

As one of the compliant banks of the country, we maintain a strong capital position well above regulatory requirements and continuously maintaining our focus in this area.

Commitment

We are committed to our shareholders, community, customers and employees for creating value in every stage of our business.

Accountability

We are accountable for providing the highest level of service along with meeting the strict requirements of regulatory standards and ethical business practices.

Agility

We can respond rapidly and adjust our mode of operation to meet stakeholder needs and achieve our goals.

Trust

We value mutual trust, which encompasses transparent and candid communications among all parties



Measuring ourselves

Our Performance Evaluation

We use performance evaluation process to track the progress we have made in serving the interests of our multiple

stakeholders.

Our evaluation is balanced in the following ways:

- Balanced between financial and non-financial
- Performance indicators
- Balanced across multiple stakeholders, and not focused solely on shareholders
- Balanced between short-term and long-term outcomes

The evaluation results are updated in regular interval and placed before the Board of Directors. It is cascaded throughout the organization, ensuring that the performance goals of every business, country and support function are aligned to those of the Group.

Shareholders

We focus on maximizing shareholders' wealth by declaring sound returns annually.

Customers

We deliver our customers with a safe, reliable and jubilant banking experience

Employees

We offer our employees with an individual professional development journey which help them progress in their careers.

Society

We have a social cognizance which is implanted into our business. Through the CSR activities and MTB Foundation, we are dedicated to advocating social wellbeing across the region.

Regulators and policy makers

We ensure compliance with all regulatory guidelines and directives



Our stakeholders



Value Creation and Distribution Process

HOW WE CREATE VALUE



Our Capital

Financial Capital

Interest Income Fees and Commissions
Funding from investors

Manufactured Capital

Physical, material objects deployed
for service delivery

Human Capital

Skills, knowledge and ability
of human resources

Intellectual Capital

System, process and technology

Natural Capital

Energy and other natural resources
consumed by the organization

Social Capital

Relationship with stakeholders,
CSR, service quality, financial
inclusion



Our Business Model

MTB 3V

- One of the best performing banks in the industry
- Bank of Choice
- A truly world class bank



- We Provide financial services that includes, personal, commercial and corporate lending, payments, savings, advice
- In return, we receive Interest and exchange margin, commission and investment income
- From those Income we meet our operating cost, reinvest In business and pay out returns to investors



How we do it

Wholesale Banking

SME Banking

Trade Finance & OBU

Cards

Retail Banking

Payroll

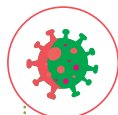
Finance

Privilege Banking

Treasury

Agent Banking

NRB Operations



In a difficult Bangladesh macroeconomic environment, we are accelerating delivery of digital innovations and the drive for greater levels of digital sales and service to improve client satisfaction, explore new revenue streams beyond banking and reduce costs. The focus on risk management, and credit risk, in particular, increases. The behavioral outcomes of the Covid-19 pandemic is has driven increased levels of digital adoption and promote greater levels of flexible work practices.

Risk Associated

Value created



Financial	<ul style="list-style-type: none"> NPAT BDT 0.97 b EPS BDT 1.31 Interest Paid BDT 12.96 b Loan Outstanding BDT 189.73 b Tax paid BDT 2.93 b
Manufactured	<ul style="list-style-type: none"> 118 Branches 27 Sub branches 162 Agent Banking 306 ATM Booth 3,137 POS Machine 4 Air Lounges
Human	<ul style="list-style-type: none"> BDT 3.63 b Salary and Remunerations disbursement 1,933 Training and development programs Winner of "Best Employer Brand" award "Dream Company to work for" award
Intellectual	<ul style="list-style-type: none"> System, process and technology Mnet MTB Smart Banking PCI DSS Certification
Social	<ul style="list-style-type: none"> 2,362 total direct employment BDT 201 m CSR expenditure
Natural	<ul style="list-style-type: none"> Green Initiatives through CSR Conservative consumption of resources



Material Matters That Affect Value Creation



We identify matters that may impact the execution of our strategy. This is a group-wide effort taking into account input from all business and support units, and incorporating feedback from stakeholders.

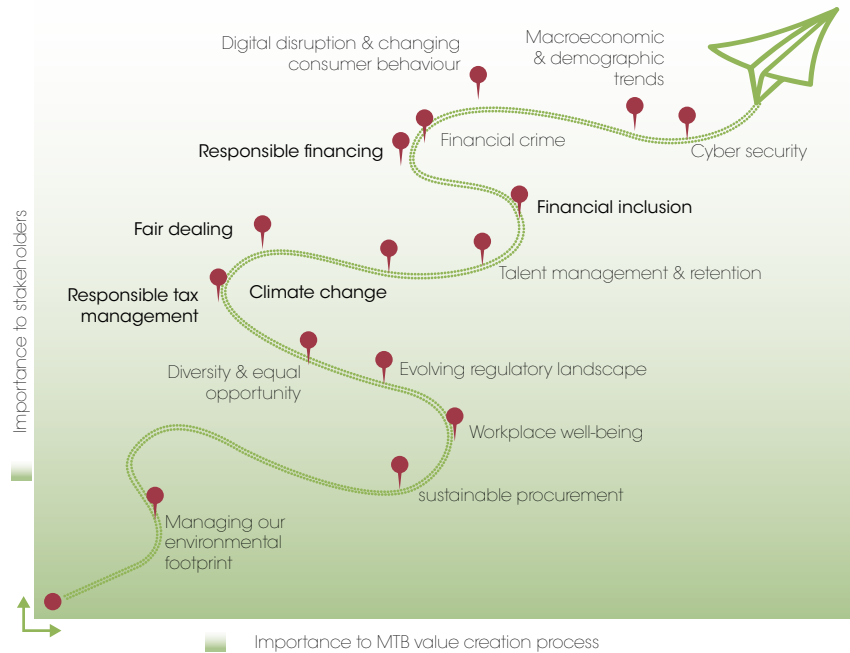


From the list of identified matters, we prioritise those that most significantly impact our ability to successfully execute our strategy and deliver long-term value to our stakeholders.



Those matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people. Important matters are managed as part of our business and operational processes.

Material matters have the most impact on our ability to create long-term value. These matters influence how the Board and senior management steer the bank. Material environmental and social matters are denoted with the symbols and respectively, and are further discussed in "Sustainability" on page 313. Governance matters are discussed in "Corporate Governance" on page 158



Distribution of Value Created

We distribute value to our stakeholders in several ways. Some manifest themselves in financial value while others bring about intangible benefits

We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments.

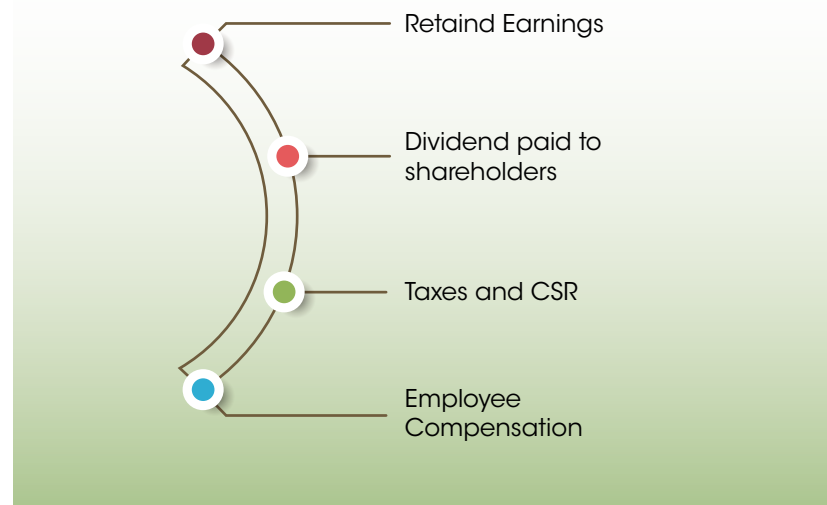
In addition, we distribute non financial values to our stakeholders in the following ways:

Customers: Delivering the right product in innovative, easily accessible and responsible way.

Employees: Training, reskilling and development of our people as well as health and other benefits

Society: Taking shared responsibility and promoting financial inclusion to ensure sustainability

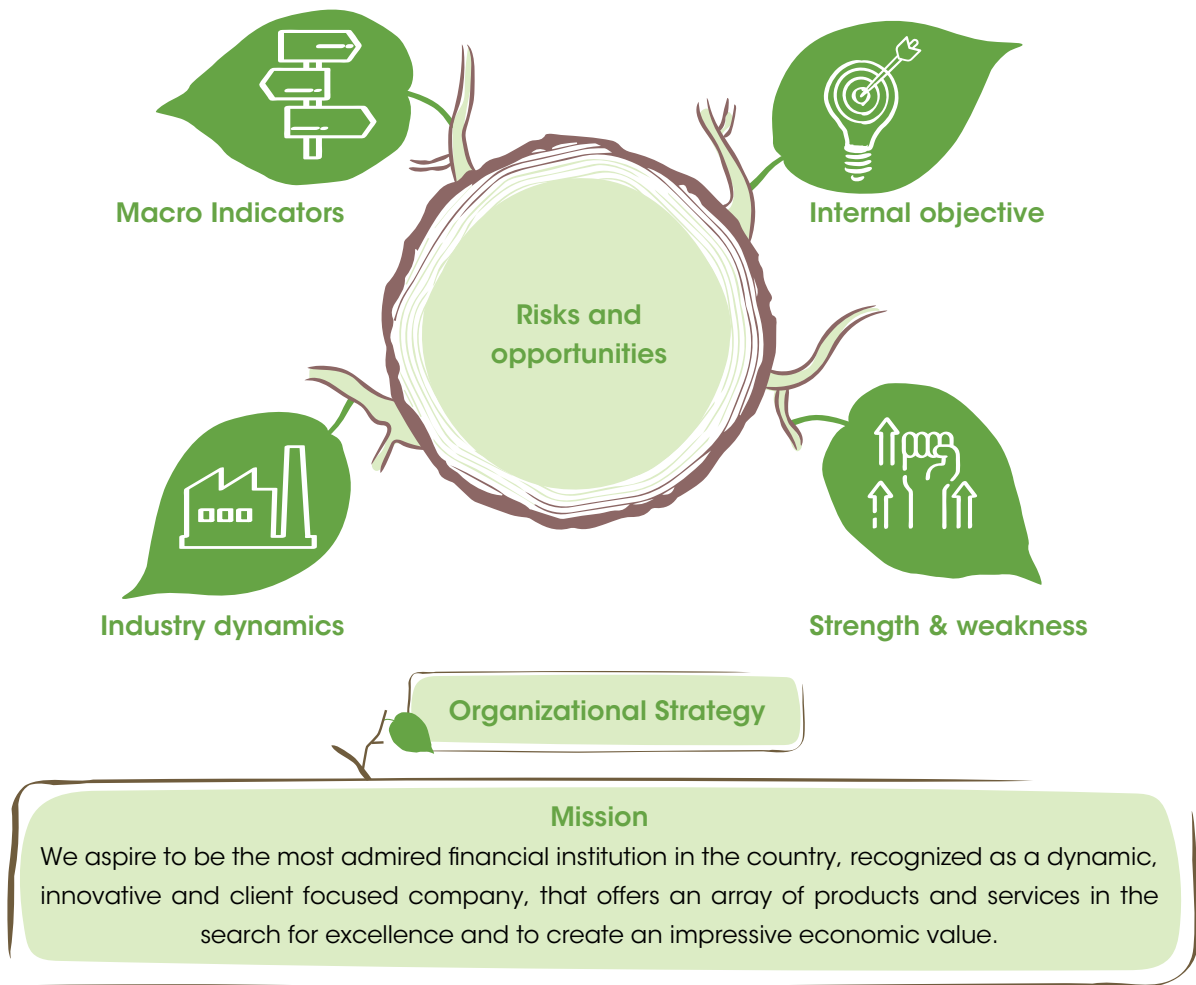
Regulators: Active engagement with local and foreign regulators and policy makers on reforms and new initiatives that help to maintain the integrity of the banking industry



Business Environment Analysis and Risk Management



Operating Framework



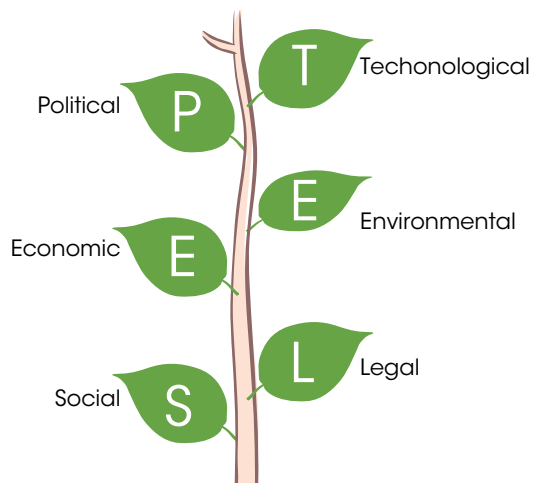
For a financial institute, to grow and prosper it is essential to closely monitor the changes in the dynamics in the macro environment and swiftly respond to it with adaptive strategies. MTB, a third generation bank with rich experience of two decades, has evolved into an organization that has core risk identification and mitigation framework so that it can strategize its way forward to face the 21st century challenges. We have a separate chapter in our annual report that discusses the overall risk management mechanism.

In this chapter of the annual report, we have provided an integrated in depth analysis that reflected current operating, competitive land scape, and how the total financial ecosystem is moving forward in our country. Risk is constant in the financial industry. It is about creating a business process with strategic maneuvering to limit the pressures and minimize the risk and gain competitive advantage. We have set out our strategies through external and internal analysis and they are articulated in the following chapters.



Macroeconomic Landscape

In this ever changing dynamic business environment, organizations are most successful at creating sustainable competitive advantage and differentiate in the market when they can respond swiftly to the macro-economic changes. At MTB, we conduct situational analysis in terms of Political, Economic, Social, Technological, Environmental and Legal dimensions. While undertaking such analysis, we identify issues that has bearing on our operational environment and address the degree of the impact. The outcomes of this analysis are used for finding out the opportunities and threats in our SWOT analysis.



Political Dimension	
Impact: High	
Situational Brief	Read More in
<p>At the helm since 2009, current government has been effectively controlling the political affairs, and it seems overall situation is stable. Policies are undertaken focusing on economic diplomacy to attract FDI, improve trade relations, and find new markets. Challenges are to improve country's position in ease of doing business and competitiveness index.</p> <p>Global political situation is somewhat stable with exception of Recent India-Pakistan, US-China Trade War, US-Iran issues which has no direct political bearing on us. Financial sector is highly regulated. Stringent policies are undertaken and financial institutes are intensely scrutinized. Capital and Risk mitigation is aligned with BASEL III framework, regulatory directives in terms of NPL classification and recovery process, and single digit interest rate implementation</p> <p>Impact Assessment</p> <p>Prolonged period of political stability translates into business growth and economic prosperity. This situation is encouraging for new entrepreneurial initiatives and expansion projects from existing enterprises. Public investments are going to infrastructural development project and improved private investment is anticipated.</p> <p>MTB Views</p> <p>We are focused on financing in thrust sectors as identified by the government. Our focus will remain on quality acquisition, diversification of exposure and regularizing default accounts.</p>	<p>i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter</p> <p>ii. Statement of the MD & CEO in MTB Our Organization and Leadership Chapter</p>

ECONOMIC GROWTH

Impact: High

Situational Brief	Read More in						
<p>In FY 2019-18 the economy of Bangladesh grew by 5.24%. Riding on the decade long 6+ GDP growth, BD economy is anticipated to be the biggest climber between 2020 and 2034. Currently at 40th position, Economy of Bangladesh is expected to grow and climb to 25th spot as per analysis. The entire South Asian and Asian region was expected to grow as well, however the COVID-19 pandemic created economic paralysis in many regions. Economic activity in the whole of Emerging and Developing Asia is estimated to have contracted by 1.1% in 2020.</p> <p>The IMF's prediction is that Bangladesh's GDP growth would be 5% in the 2020-21 fiscal year.</p> <p>In 2020, inflow of remittance increased more than 8%, taking the total remittance inflow to USD 19.80 billion. Slow economic activity after COVID-19 has decelerated inflation growth in 2020. The inflation rate in 2020 dropped to 5.02% compared to that of 5.57% in the beginning of the year.</p> <p>Current challenge for commercial Bank is to cope up with single digit interest rate that rolled out from April, 2020 while tackling the changed business environment due to COVID-19, limited scope for profit making and aftermaths of excess liquidity and loan moratorium facility.</p> <p>Global Growth is projected to improve by 5.5%, as the world recovers from uncertainty surrounding COVID-19, trade and geopolitics, elevated trade barriers.</p> <table border="1" data-bbox="150 1045 834 1153"> <thead> <tr> <th data-bbox="150 1045 528 1078">Economy</th> <th data-bbox="533 1045 834 1078">Projected Growth in 2020</th> </tr> </thead> <tbody> <tr> <td data-bbox="150 1084 528 1116">Advanced economy</td> <td data-bbox="533 1084 834 1116">5.1%</td> </tr> <tr> <td data-bbox="150 1123 528 1153">Emerging economy</td> <td data-bbox="533 1123 834 1153">5.5%</td> </tr> </tbody> </table> <p>Impact Assessment:</p> <p>Single digit interest rate exposes financial institutions to profit contraction. Reducing the cost of fund might lead to liquidity crisis at least for a short period of time unless government funds are made available to private Banks. On the positive side, single digit interest rate might prove to be vital for generating more private level investment, especially in the economic thrust sectors.</p> <p>MTB Views:</p> <p>MTB will have to face increased challenge in terms stiffer competition and reduced margin. MTB will diversify its loan portfolio to SME and Retail lending through improving reach.</p>	Economy	Projected Growth in 2020	Advanced economy	5.1%	Emerging economy	5.5%	<ul style="list-style-type: none"> <li data-bbox="1174 267 1490 463">i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter <li data-bbox="1174 485 1490 592">ii. Financial Capital in Shareholders' Information Chapter <li data-bbox="1174 614 1490 873">iii. Statement of the MD & CEO in MTB: Our Organization and Leadership Chapter in Business Environment Analysis and Risk Management Chapter
Economy	Projected Growth in 2020						
Advanced economy	5.1%						
Emerging economy	5.5%						

*SOURCE:

1. Center for Economic and Business Research
2. Bangladesh Bureau of Statistics
3. World Economic Outlook, June 2020

SOCIAL DIMENSION	
Impact: High	
Situational Brief	Read More in
<p>Bangladesh has fulfilled the criteria set forth by United nations in terms of Per Capita Gross National Income (GNI), Human Asset Index (HAI), and Economic Vulnerability Index (EVI) to graduate from LDC countries in 2018. The official graduation will take place in 2024. In FY 2019 GNI stood USD 1,909 due to impressive control on population growth which is at 1.37%.</p> <p>Telephone density in Bangladesh stands at 102.40% and mobile internet density is 61.66%. Total Mobile internet user 102.35M and Broadband internet user 9.52M. 20% percent of the people of the country is now middle class and is expected to grow 25% by 2025 with increased share of the total income of the country. Currently unemployment rate is 4.15%.</p> <p>Impact Assessment</p> <p>The rising middle income group will be the driving force to increase local consumption. Approximately 67% Middle income groups are salaried, and with rising education level and come from younger demography and have rising lifestyle aspirations deeply rooted in cultural influence, innovation, and experimentation.</p> <p>MTB View</p> <p>The rising social lifestyle standard will be spread across the country, so increasing the geographic reach is priority. To meet the aspirations, these income group will require innovative and convenient financial solutions.</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter ii. Social and Relationship Capital in Sustainability Analysis
TECHNOLOGICAL DIMENSION	
Impact: Modrate	
Situational Brief	Read More in
<p>Bangladesh now currently consumes close to 1 terabyte per second bandwidth which summarizes the digital development in Bangladesh. Bangladesh has 605 GBPS of capacity which meets 62% of the total demand. Plans are underway to establish 3rd undersea internet connectivity.</p> <p>4G has been launched in 2018 which caters for the demand of mobile users. VoLTE has been test run by Mobile operators which will provide seamless voice communication to the user.</p> <p>Not only other financial institutions, telecoms, tourism and hospitality service providers are now increasingly investing on developing mobile and internet platform to reach and convert consumers. On the global scale fourth industrial revolution has become the talking points. In terms of velocity, scale, scope and complexity the world around us will transform with the revolution led by breakthroughs in Artificial Intelligence, Cyber-physical platforms, Internet of Things, Robotics, machine learning, cloud computing, nanotechnology, storage capacity, data analytics.</p> <p>Impact Assessment</p> <p>Technological evolution will facilitate financial institutions to bring operational efficiency. Financial institutes will need to create an ecology to keep up with the convenience driven demands by the customers. In depth data analysis will pave the way to provide well-tailored financial solutions to the customers. Technology will also expose financial systems to exposure of data theft and other security related issues.</p> <p>MTB View</p> <p>To remain relevant and attracting customers MTB is investing on technological front to provide seamless Banking experience to the customers with exciting and relevant solutions. We are focused on simplifying and automating our platforms.</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter ii. Intellectual Capital- IT in Management Discussion & Analysis Chapter

ENVIRONMENTAL DIMENSION	
Impact: Moderate	
Situational Brief	Read More in
<p>Environmental issues are factored in with urgency in the business processes. Environmental degradation due to carbon emission is threatening the sustainability of the planet. Different Conference of parties are being held each year and voluntary works are undertaken to raise global awareness and arrive at a global consensus to reduce pollution at all fronts. Paris Climate Agreement (2016) provided a mechanism to keep the pollution to pre-industrialized era level through reducing emissions, increasing community resilience in critically vulnerable areas through financing and adaptation mechanism. However, implementation of the accord is progressing very slowly.</p> <p>Impact Assessment</p> <p>Bangladesh being a critically vulnerable area, financial institutions as an engine driving money supply and economy of the nation has an obligation to ensure that their actions are just not financial incentives motivated, rather, their actions must encompass environmental issues out of self-interest because if sustainability is compromised which will in turn threaten the sustainability of the financial institutions as well.</p> <p>MTB View</p> <p>MTB is committed to sustainable development through the creation of long-term value - for our stakeholders, for the environment and for the community. Our sustainable finance unit has been performing well in enhancing focus on green financing since its launch in 2016. MTB improved Environmental Risk Management (ERM) Guidelines and established Environmental & Social Risk Management (ERSM) Policy and Procedure of MTB – 2017. The Bank has dedicated product MTB Green Energy Loan. Other than this, the Bank emphasizes on financing in industries that promotes green business.</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter ii. Natural Capital in sustainability Analysis Chapter

LEGAL DIMENSION	
Impact: High	
Situational Brief	Read More in
<p>Government is adopting and implementing tighter rules and regulations in order to increase level of compliance among businesses.</p> <p>Impact Assessment: Regulators have undertaken remarkable regulatory and supervisory initiatives over the years in line with the internationally accepted standards and compliance requirements.</p> <p>MTB View</p> <p>MTB has earned the reputation of being one of the most compliant financial institutions. MTB will continue its pursuit of becoming gold standard in compliance through proactive participation in policy discussion. MTB is committed to creating organization culture that values work ethics, values and integrity followed by everyone in the organization.</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies In Business Environment Analysis and Risk Management Chapter

Competitive Landscape



MTB is taking futuristic view for developing its strategy. Goals of the Bank circulate around being sustainable and efficient. With the view of sustainable growth, operating strategy need to be initiated after careful and meticulous analysis of the Banks position in the industry and the external factors can affect the Bank in its operation. The five forces model, developed by Michael Porter, is a business analysis tool that examines the relative strength of five primary forces that govern competition within virtually

any industry. This analysis considers the competition level among the leading companies in an industry, and then considers four other factors that affect the industry and the success of companies within it: the bargaining power of suppliers, the bargaining power of consumers or clients, the threat of new entrants into the industry and the threat posed by substitute products.

Five Forces Analysis



<h2>Competitive Rivalry</h2> <p>Impact: High</p>	
Situational Brief	Find More in
<p>Financial service industry in our country has 61 commercial Banks, another 5 non-scheduled Bank and 34 other NBFIs which is very high in terms of the Bankable segment of population we have. Because of the high concentration of competitors switching cost is low. However, Competitiveness in an industry depends on the degree of intensity and the extent of rivalry.</p> <p>Extent of rivalry can be defined as not a lot of existing financial service providers provide quality solutions due to different proportion of investment in technology. MTB is one of the front runners in terms of service quality and customer relationship management.</p> <p>Intensity of rivalry increases when multiple FIs are fighting for same segment of clients. More and more FIs are now targeting lucrative SME and retail segment, even government itself has identified SMEs to be the growth driver for future.</p> <h3>Impact Assessment</h3> <p>Intensity is likely to increase as three new Banks are starting their operation and they will want to acquire customers from other FIs. Leveraging on technology to achieve efficiency will significantly define the rivalry among the competitors. Late movers to a category will have to offer smarter solutions to survive and gain significant market share.</p> <h3>MTB View</h3> <p>With our continued investment in technology, we will strive to achieve operational excellence. Retaining existing customer base will help us sustain in the competitive environment. We will enhance and enrich our current product matrix to attract customers in new segments. Finding new ways of delivering values to clients with enhanced Banking experience.</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies In Business Environment ii. Analysis and Risk Management Chapter
<h2>Bargaining Power of Suppliers</h2> <p>Impact: Moderate to High</p>	
Situational Brief	Find More in
<p>Major Suppliers for financial institutes are mainly provider of funds. They come from different segments of our customer base detailed account of which could be found in our business model.</p> <p>However, at a greater extent market dictates the rate of interest. Also, central Bank exercises authoritative power to restrict rates. As a consequence to this, bargaining power fluctuate between medium to high as per market scenario.</p> <p>Upcoming run of single digit interest rate will play a significant role, as most of the financial institutes will be concentrating on acquiring deposits with significantly less interest rate. But this could lead to a lot of retail customers opting for national savings certificate if the interest rate of that is not adjusted accordingly.</p> <h3>Business Impact</h3> <p>Resources are disproportionately distributed among the depositors as majority portion of deposit are held by few depositors. This gives them added bargaining power. Also policies implemented by central Bank has implications in the market.</p> <h3>MTB View</h3> <p>We will have to focus on the diversifying our deposit contributors to reduce dependency. We will focus on mobilizing term deposits to reduce dependency from money market which adds to the bargaining power of the counter party.</p>	<ul style="list-style-type: none"> i. Business Model in MTB: Our Organization and Leadership chapter ii. Financial Capital in Shareholders' Information Chapter iii. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter

<h2>Bargaining Power of Buyers</h2> <p>Impact: Moderate</p>	
Situational Brief	Find More in
<p>The recent trend observed was the increasing buyer power in the industry due to low switching cost as high number of financial institutes are existing in the industry and more are getting license from regulatory body. Higher fixed cost also trigger Banks to attract and acquire new customers which enables buyers to exhibit rate sensitive behavior.</p> <p>Retail and SME customers generally tend to be less price sensitive. But presently they have different sources to access from. Competition among the financial institutes have made them exhibit price sensitivity.</p> <p>Corporate customers are extremely price sensitive. Despite faced with liquidity crisis, they exercise their bargaining power because of price competitiveness among existing FIs.</p> <p>However, single digit interest rate, if rolls out on April 2020, will likely to create an atmosphere of homogeneity in terms of interest rate among all the players in the industry.</p> <h3>Business Impact</h3> <p>It is anticipated that corporate clients will have diminishing leverage in terms of interest rate preference. However, this will lead to Banks pursue superior customer relationship management, faster processing and overall Banking experience to retain and acquire customers. Attracting SME and retail customers will depend on the FI's capability to customize solution to effectively cater for the customer needs.</p> <h3>MTB View</h3> <p>We will focus on enhancing relationship management with the existing corporate client segment and enrich the overall experience with our Bank. This year in order to drive down overall cost of funds, we will intensively focus on acquiring low cost- no cost accounts. Our priority will be enlarging the revenue pie coming from commission income.</p>	<ul style="list-style-type: none"> i. Business Model in MTB: Our Organization and Leadership chapter ii. Financial Capital in Shareholders' Information Chapter iii. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter
<h2>Threat of New Entry</h2> <p>Impact: High</p>	
Situational Brief	Find More in
<p>In 2019, One more Banks was given approval. Government has so far given license to 11 Banks since 2009. These new Banks are entering already a crowded industry, even though the newly launched institutions performances are not satisfactory. And a number of application for getting license for Banks and NBFIs are in the pipeline making the threat of new entrants high.</p> <p>There are also increasing internal threat of new entrants as more and more financial institutions are targeting the SME and retail segment of the customers. In the long run there could be merger and acquisition scenario to consolidate the industry.</p> <h3>Impact Assessment</h3> <p>New entrants eventually decrease the profitability of the existing established Banks. But there is a significant impact on stakeholders trust and confidence if and when new institutions are not performing on expected level. Most financial institutions are targeting SME and retail segments because their long term potential.</p> <h3>MTB View</h3> <p>Since there is an increasing competition in the SME and retail segment as demographic dividend is expected to come from middle class segment of the population. In this segment there are already fast movers established their footprint across country with significant market share. We hope to achieve significant pie of the industry by providing convenient financial solution and swift services</p>	<ul style="list-style-type: none"> i. Allocation of Resources based on Strategies in Business Environment ii. Analysis and Risk Management Chapter iii. Statement of the MD & CEO

Threat of Substitution

Impact: High

Situational Brief	Find More in
<p>Already because of the low cost of switching the threat of substitute is high among Banks. A significant threat of substitute comes from NBFIs as well, as they are already providing specialized financial solutions with easier terms and conditions.</p> <p>In addition to that, in some segments, threat comes from non-financial sector. For example a lot of consumer goods providers (i.e. car, home appliances, and furniture manufacturers) provide installment basis payment without involvement of financial institutions.</p> <p>Card businesses are also facing threat of rapid emergence of Fin-tech services with their swift payment system. They also have scope for innovating ways to cater the individual borrowing need.</p> <h3>Impact Assessment</h3> <p>Adapting to the needs and requirements of the SME and especially retail segments is the key in gaining market share in the segment. We will always have to stay alert on the policy incentives and invest heavily on technological front in order to gain early mover advantage.</p>	<p>i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter</p>



Organizational Position

At MTB, we have introduced SWOT analysis a framework for evaluating our competitive position and developing strategies for sustainable business growth. Dispelling the pre-conceived beliefs and grey areas, we are embracing a realistic, fact based, & data driven framework to engineer our way forward. After analyzing our business structure, operating framework, microenvironment analysis, our position in the industry, we finally embark the SWOT analysis. Identification of SWOTs is important because they can inform later steps in planning to achieve the objective. First, decision-makers should consider whether the objective is attainable, given the SWOTs. This SWOT analysis will facilitate our investors and readers a full awareness of all the factors involved in making a business decision, the extent to which they can have impact as well as enable us to reinforce and our existing strength, convert weaknesses into strengths, capitalize on opportunities and reduce threats.



STRENGTH		
Factors	Impact	Reinforcing the strength
1 Brand Salience		
I. Reputation: MTB is one of the most reputable financial services brands for its service experience, product innovation, productivity, and sustainable performance.	Brand goodwill is the essence of trust building and enhances our relationship with our valued customers.	We will continue to come up with innovative value proposition to keep on building MTB brand
2. Network and Infrastructure		
I. Footprint Direct Delivery Channel: 118 Branch, 27 sub branch, 162 Agent Banking covering 37 districts with 106 rural areas covered	Through strategic positioning of our customer touch points we are extending our geographic reach and including people outside Banking periphery touching their lives with convenient Banking solutions.	We will continue to expand our physical and digital touch points to maintain and expand our service distribution.
Alternative Delivery Channel: Internet Banking, MSS Banking, 306 ATMs, and 3000+ POS, MTB Smart Banking.		
II. Air Lounge: Two "MTB Air Lounge" in International departure in Dhaka and Chittagong, and one in Sylhet domestic, another in Cox's Bazar domestics MTB extends Banking Services to its customers in an ambience of relaxation	Air Lounges are helping us extend our retail reach as well as proving to be great avenue for branding of the Bank to local and foreign passengers of different airlines.	Works are already underway to expand our lounge network across the country and strive for creating more convenience and experience for our customers

STRENGTH		
Factors	Impact	Reinforcing the strength
<p>III. Uninterrupted Service Delivery: With sophisticated technological solution we are providing uninterrupted service delivery 24/7 in our alternative delivery channel</p>	<p>Catering for customer needs whenever it is required lead to customer delight and increased profitability and value creation</p>	<p>The pursuit of service excellence is always a work in progress. We will continue to craft our service delivery to enrich customer experience</p>
<p>3. Financial Performance</p>		
<p>I. Growth Trajectory: Since its inception, the Bank has seen continuous growth. The Bank expanded in scope of operations along with balance sheet items, such as capital, deposits, loans and advances etc.</p>	<p>Continuous growth has led the Bank to a good position in the Bank, earning the trust of customers, generating regular return to for the investors.</p>	<p>The Bank will continue to quest for gaining economies of scale to further improve its financial position and exceed peer Banks performances</p>
<p>II. NPL Management: MTB consistently maintained much lower NPL ratio compared to that of overall Banking industry. In December 2020, MTB NPL ratio was 4.60%, whereas industry NPL was 8.06%</p>	<p>It strengthens the culture that Bank acquires quality risk assets and after on boarding a customer, Bank remain vigilant on maintaining the good borrowers</p>	<p>MTB will keep fortifying its Special Asset Management unit activities for initiating close follow up, monitor and recovery actions.</p>
<p>III. Product Mix: Most focus of the Bank has been on Corporate clients for loan business, which the Bank has conducted successfully, generating more than 80% of loan business from wholesale segment</p>	<p>Corporate clients are generally good borrowers with scope of product cross-selling. They continue to avail services for longer period of time, lowering cost of customer processing expenses. It also reflects the good image of the Bank among borrowers in facilitating their businesses.</p>	<p>More customer tailored and unique products will be launched to serve the necessities of corporate clients and better facilitate their financial needs in the economic context of Bangladesh</p>
<p>4. Human Capital Development</p>		
<p>I. Culture: We have instilled a winning culture within our organization through MTB Winning and MTB Code of Conduct.</p>	<p>The work culture unites employees of diverse background on a common platform and creates an image for the organization.</p>	<p>Through internal practices we will continue to instill MTB values and create a sense of brotherhood among all MTBians.</p>
<p>II. Training & Development: state-of-the art Training Institute at MTB Square provided training to 1,933 employees through 151 training programs in 2020 and expected to keep developing human skills in the future by arranging both domestic and international training sessions.</p>	<p>As we move deeper and deeper into knowledge based economy, knowledge, high skill levels & ability to perform are becoming essential to stay relevant in the industry.</p>	<p>Enhancing the employee capability is priority for MTB. We will continue to invest in our people development.</p>

STRENGTH		
Factors	Impact	Reinforcing the strength
<p>III. Job Satisfaction: The compensation package in MTB is one of the highest in the industry. Along with implementation of KPI based job description and well defined career path, on the job learning and transparent performance appraisal have been underlying factor of High Job Satisfaction among MTBians. The Bank has won "Best Employer Award" in 2018.</p>	<p>Employee job satisfaction and engagement directly contribute to increased productivity, reduced absenteeism, increased profitability. Employee Turnover is very low, reassuring loyalty of employees towards the organization.</p>	<p>We will maintain a transparent performance management system that will encourage employee engagement to achieve sense of ownership and accountability</p>
<p>IV. Work life Integration: We don't believe in hard boundaries. That is why we have adopted an approach that creates more synergies that define life: work, family, community, personal well-being, and health and wellness</p>	<p>Helps achieve each of our employee become more rounded individual avoiding stress and burnouts.</p>	<p>We will continue to nurture a work environment where employee's needs are well looked after.</p>
<p>5. Corporate Governance</p>		
<p>I. Compliance: MTB is regarded as one the most compliant Bank in the industry. To our Board and Management compliance has always been the top most priority. The Bank complies with BSEC and Bangladesh Bank guidelines for corporate governance</p>	<p>Compliance to regulatory requirements protect all of our internal and external stakeholders.</p>	<p>Collaborate with our regulatory bodies and other stakeholders to keep the Bank compliant in the highest standard.</p>
<p>II. Board of Directors: We, here at MTB and in the industry, have the most sophisticated Board of Directors comprising a rich mix of prominent business personalities to veteran politicians who continually guide us with their foresight and acumen</p>	<p>Board of Directors with understanding of contemporary business dynamics help shape the direction of the Bank</p>	<p>We will hold regular Board Meetings to keep our respected Board of Directors updated so that they can mitigate the risk by their prudence</p>
<p>6. Customer Experience</p>		
<p>I. Empowerment: We believe in empowering our employee so that our service delivery is streamlined and seamless</p>	<p>Creates a collaborative environment that encourages taking responsibility and ownership</p>	<p>We will ensure maintenance of a culture of highest ethical standard and sense of ownership</p>
<p>II. Customer Focus: As a customer focused organization, at every stage of the process customer is our top most priority</p>	<p>Retaining customers accelerates profitable growth</p>	<p>We will strive to make our service and service delivery convenient for our customers through integration of new technology and centralized processing.</p>

WEAKNESSES		
Factors	Impact	Addressing our weakness
1. Business Performance		
I. Operating Profit: Though we hold a strong position as a reputational Bank, our operating profit is low compared to third generation peer Banks	Lower operating profit margin in peer comparison indicates operational inefficiencies in the Bank	We will adopt efficient business process that will eliminate income leakage, and making prudential operational expenses to make core business more profitable
II. Higher cost to income ratio: The Bank has cost to income ratio around 64.66% as at December 2020,	Higher costs leads to lower decreases in operating profit, impeding ability to generate high level of operating profit.	We will focus on digital solutions to optimize the cost and continue to develop and selectively recruit human resources to increase productivity.
III. Credit Concentration: Loans and Advance portfolio mix includes more than 70% from Wholesale Banking Division. Retail and SME poses greater opportunity for growth with better profit margin.	Missing out on SME and retail segments while peers are capturing the segment	Diversify our loan portfolio with innovative & value driven financial solutions to SME and Retail segments
2. Business Model		
I. Decentralized Business Model: We are yet to fully centralize our business model	Impedes our effort to increase efficiency, accountability and ownership	The Bank is under the transformation process of centralization. Also MTB will launch new Core Banking Software in shortest possible time
3. Capital Structure		
Regulatory Requirement: According to BASEL III, a Bank is required to maintain CRAR of 12.5%. In the year 2019, risk assets of MTB increased sharply, creating additional capital requirements for CRAR, which the Bank met successfully.	Failure to meet regulatory capital requirement arises noncompliance issue along with putting the Bank into slightly vulnerable situation regarding shock absorption.	To comply with the BASEL III requirement, the Bank is under process of raising capital through issuing subordinated debt instruments and perpetual bond
OPPORTUNITIES		
Factors	Impact	Capitalizing on Opportunities
1. Social and Economic Factors		
I. National Economic Growth: Bangladesh has been experiencing 6+ growth rate for the last decade with 5.24% growth in 2018-19 backed by growth in industrial and services sector and will continue to grow in same momentum for the next decade as well.	Economic growth prospect will attract Foreign Investors as well as encourage local entrepreneurs	Closely monitor the developments in growth driving and potential economic sectors and design industry specific financial solutions.

OPPORTUNITIES		
Factors	Impact	Capitalizing on Opportunities
<p>II. Demographic Dividend and growing Middle class: At the midpoint of demographic dividend which is expected to run until early 2040s. 65% of the people is of working age between ages of 15-64. 20% percent of the people of the country is now middle class and is expected to grow 25% by 2025 with increased share of the total income of the country</p>	<p>Increasing share of millennial and youths will demand value driven and tech-based quality solution from financial institutions</p>	<p>Optimize our cost of fund and target segments with greater profitability with technology driven solutions</p>
<p>III. UnBanked People: Approximately 10,671 branches & 15,908 agent Banking outlets in the industry against around 170M people are still insignificant in terms of financial inclusion.</p>	<p>With growing income level of people outside Banking periphery poses opportunities for low cost deposits and SME and Retail lending</p>	<p>Customized financial solutions to attract diverse segment of otherwise unBanked population Introducing sub branches and Agent Banking Centres are ways to cover more geographic areas and provide access to people across the country in a cost effective way.</p>
<p>2. Technology</p>		
<p>I. Digital Penetration in BD: Telephone density is now 102.40% with mobile internet density of 61.66%.</p>	<p>Majority of our population is young and open to new digital solutions</p>	<p>We are migrating to our new CBS, a vigorous and timely software will surely ensure better customer service experience, faster and effective customer data management for strategic planning and decision making, and retain the confidence in defending the tech-based threat and perpetrator in 2020</p>
<p>II. Industrial Revolution 4.0: In terms of velocity, scale, scope and complexity the world around us will transform with the revolution led by breakthroughs in Artificial Intelligence, Cyber- physical platforms, Internet of Things, Robotics, machine learning, nanotechnology, storage capacity, data analytics</p>	<p>Innovative products and solutions for better convenience that fits the lifestyle of more demanding customer groups. In depth data analysis opportunities to better understand the needs and requirements of customer to tap them with suitable solutions</p>	<p>Develop Alternative Delivery Channel especially internet and mobile platforms with superior quality than the competing peer channels to provide seamless service delivery</p>
<p>3. Financial Management</p>		
<p>I. Maximization of Net Interest Margin: MTB has the opportunity to maximize the non-funded business line to generate more income</p>	<p>Greater chance of broadening income ratio with current operational capacity</p>	<p>We will enhance our capital base, seek lower sources of funds; i.e. current accounts savings accounts and ensure non funded income</p>
<p>II. Leveraging Brand Equity: In financial sector, MTB is already a well-established institutional brand.</p>	<p>This equity can be leveraged to attract and grow new service offerings to stay relevant in this dynamic business environment</p>	<p>Better Customer analysis and employment of tailored marketing and sales strategies for TGs and convert them as retained customers</p>

THREATS		
Factors	Impact	Thwarting Threats
1. Business Environment		
I. Increased Competition: 60 Banks are competing and snatching each other's portfolio leading to unhealthy cutthroat competition. The discussion of merger and acquisition also poses strategic challenge for MTB even if that happens	Banks and other financial institutions are myopic in terms of formulating visions. Financial institutions are forgoing long term vision and plans for short term gain	We will create our strategic competitive advantage and build our future on them to avoid unhealthy competitiveness leveraging on strong brand images, and customer trust.
II. Single digit Interest rate: From 1 April, 2020 Banks will have to follow single digit interest rate. It will generate business boost, but there is possibility of short term liquidity crisis.	This move might contract industry profitability	We will focus on acquiring low cost fund and increase non funded income to make up for the profit loss.
III. NPL Management: Even though NPL at MTB is at acceptable limit, the industry NPL percentage adversely affects the trust of consumers	Asset quality deterioration and poses cyclical threat, affecting all industry participants	We will take cautionary and conservative approach to stop further slippage and intensify our recovery efforts
2. Regulatory Pressure		
I. Strict Regulations: Banking industry is highly regulated and monitored because of recent financial scandals. Timely compliance with new laws and regulations are challenging	Non-compliance are heavily penalized which can drive down profitability of the Bank	Collaborate with Regulatory bodies and stay updated with developments within the industry.
II. FOREX fluctuations: Depreciation of taka against USD and unrest in Middle East continued in Forex management of Bank.	Leads to slump in remittance flow and increases cost of import, affecting the local economy and Banking industry.	We will employ FX risk management techniques to minimize risk from our end



Tone at the Top and Our Corporate Governance: The Risk Oversight Function of the Board of Directors



The Role of Strong Governance

As a Banking financial institution, we often have multiple stakeholders with diverse, changeable, and sometimes dynamic interests. Which is why, stakeholders depend on organizational oversight to a governing body, which in turn delegates resources and authority to management to take appropriate actions, including managing risk. The governing body is ultimately accountable for governance, which is achieved through the actions and behaviors of the governing body as well as management and internal audit. It is evident that the world is changing in fundamental ways, leading to dramatic change in the landscape of both opportunities and risks. These fundamental changes we are seeing, however, also drive increased uncertainty and threats.

In 2020, the risk of a global pandemic became reality. As governments, businesses and societies survey the damage inflicted over the last year, strengthening strategic foresight is now more important than ever. With the world

more familiar to risk, there is an opportunity to find more effective ways to identify and communicate risk to decision-makers. The pandemic has shown that models that focus on effectiveness often offer little flexibility to respond to disruption. Just a year later, business leaders are changing their business models to avoid rigid structures and adopt agility and provide employees with adaptive and flexible roles that also promote cross-functional knowledge and training. Here, Board directors are expected to ensure seamless communications and information flow to and from the executive management of the Bank.

Instilling Risk Culture at the Core

MTB's Board strives to set a high tone for both character and performance to have a more trusted and higher performing organization. It sets the direction of the organization by defining the vision, mission, values, and organizational appetite for risk. Further, delegates responsibility for the achievement of the Bank's objectives to management, along with the necessary resources. The tone at the top sets an organization's guiding values and ethical climate. Properly fed and nurtured, it is the foundation upon which the culture of an enterprise is built. Ultimately, it is the glue that holds an organization together. The Board Risk Management Committee can be more or less "hands on" with respect to strategic and operational matters. In all cases, there needs to be strong communication between management and the governing body. It's important to look at the behaviors that are driving results and the culture that's developing around the bottom line. As observed earlier, responses to the pandemic drove stronger alignment among key risk managers on risk assessments, alignment on responsibilities and priorities, and identification of weaknesses in crisis response and business continuity planning. Therefore, organizations must realign their focus on increasing competence by streamlining roles, supply chains, and workflows.

At MTB, the Board Risk Management Committee accepts accountability towards its stakeholders for risk oversight and engages with stakeholders to monitor their interests and ensures transparency in communication on the achievement of objectives. The Committee also encourages a risk culture promoting ethical behavior and accountability while it establishes structures and processes for governance. Moreover, delegates responsibility, provides resources to management for achieving the objectives of the organization. It is the Board which determines organizational appetite for risk and exercises oversight of risk management and maintains oversight of compliance with legal, regulatory, and ethical expectations. Last but not the least, establishes and oversees an independent, objective, and competent internal audit function.

Setting The Right Tone At The Top

As a Bank we rely on the Three Lines Model of risk management. It helps us to identify structures and processes that best assist the achievement of objectives and facilitate strong governance and risk management. Therefore, the board of MTB and all its relevant committees work closely with management to promote and actively cultivate a corporate culture and environment that understands these complexities and implements enterprise-wide risk management. We go all-out to earn and maintain the public's trust by constantly following the highest ethical standards and proper risk management infrastructure. We constantly invest in our human capital and culture of compliance and controls to build a reliable organization. Comprehensive risk management is not viewed as a specialized corporate function, but instead considered as an integral, enterprise-wide component that affects how we measure and reward the success. The assessment of risk, the accurate evaluation of risk versus reward and the prudent mitigation of risk are incorporated into all business decision-making. In setting the appropriate "tone at the top," transparency, consistency and communication are key, thereby the board's vision for the Bank, including its commitment to risk oversight, ethics and intolerance of compliance failures, are well communicated throughout the organization.

Nonetheless, we must realize that COVID-19 has accelerated the Fourth Industrial Revolution, expanding the digitalization of human interaction, e-commerce, online education and remote work. While these shifts will transform society and promise huge benefits but they also

risk aggravating and creating inequalities. A widening digital gap can worsen societal fractures and undermine prospects for an inclusive recovery. Progress towards digital inclusivity is threatened by growing digital dependency, rapidly accelerating automation, information suppression and manipulation, gaps in technology regulation and gaps in technology skills and capabilities. We know that with the advent and evolution of high technology, smart applications / devices and access to internet everyone is in the middle of a digital highway. As we continue using more and more sophisticated technology, to complement and accommodate these changes stringent Information security is also requisite. As we invest in digitization and partnerships to better serve our clients, new Information security strategies are spontaneously developed to align with the overall corporate strategy and drive consistency across the Bank in managing ICT risk. The prime goal is risk management—not risk elimination. None of this is easy, particularly since not all risks will warrant meaningful oversight at the level of the board of directors. While the importance of ethics and values still applies, leaders also must ensure that their communication and actions project three other critical qualities, which are Competence, Confidence and Compassion. These "Three C's" are especially important in times of crisis. In fact, the tone from the top makes the difference between a thriving organization and one that is stressed – and it all starts at the top.

Building an appropriate risk culture takes time and sustained effort. MTB also stands firmly at the enterprise level ESG (Environmental, Social and Governance) compliance. The impacts of climate change are becoming increasingly evident - not just the physical effects of a warming planet but also the economic impacts. While scaling financial flows to low-carbon solutions is a critical aspect of the transition, we also need a more holistic approach that supports the transition of existing carbon-intensive sector.

Way Forward

We wish to restore with resilience. MTB's Board acts as both a partner and a guide to the management. Drawing attention to the prevailing situation, where a health crisis is turning into a financial crisis as uncertainty about the size, duration and shape of the decline in GDP and employment is beyond our control. In the face of these challenges, resilience is the key. Near-term issues of cash management or liquidity and solvency are clearly very

important. Developing realistic financials stress testing scenario can aid prudent risk management. For this reason, Bank needs to develop business scenarios tailored to their own contexts.

Establishing and driving the cultural change needed is often the most neglected part of risk management. So many see it as a side show, but the truth is the risk culture needs to be at the center stage. Without the right risk culture the policy, process and performance in risk management will struggle. We aim to build our risk management framework in a way to give us more flexibility to employ capital efficiently by preserving a strong capital position, ensuring a high level of liquidity and carefully managing our market risk exposures, while maintaining a prudent investment approach.

We know, the future of Banking is intimately bound up with innovation. The technological revolution that is transforming the financial sector and the wider economy will immensely affect all aspects of our work. Banks must be prepared to address everything concerning the nature of money in a digital world and the new players' potentials to reshape the financial services landscape. This debate will surely intensify further in the wake of the pandemic, which is likely to accelerate many behavioral and technological trends that were already taking place. In the face of uncertainty and volatility, the risk management function of the future will require a much more agile and dynamic approach to risk detection, directly linked to business decision making and incident response. Also, more agile governance processes and approaches to risk mitigation and controls are needed. Rather than organizing problem solving in a process-centric, committee-driven chain, risk managers will need to develop responsive capabilities and mindsets, allowing to identify opportunities to rapidly convene stakeholders and contributors across functions and drive to quick solutions.

The COVID-19 economic shock is the largest and most singular global shock experienced in modern time. It was triggered by a global pandemic and synchronized lockdowns, which resulted in inability to work, disruptions in global supply chains and an abrupt fall in aggregate demand, leading to a severe recession. It is evident that greater and faster overall policy activity reduces the adverse impact of Banking distress. Where, the central Bank's swift response to the COVID-19 crisis, especially their timely stimulus packages, has immensely helped the

Banking sector. Thus, together with the various regulatory interventions and liquidity buffers built over the past decade, we believe the Banking sector will be able to absorb the shock and be a source of stability for the economy. By fostering a robust risk intelligent culture and governance process, we aim to move ahead for a sustainable future. "Tone at the top" is about striking an appropriate balance between creating and protecting enterprise value. In our view, board-level responsibilities include setting the expectations and tone, elevating risk as a priority, and initiating the communication and activities that establish intelligent risk management. The ultimate goal is to assist management in creating a consistent process in which risks and their impacts are routinely identified, evaluated, and addressed.

Board Risk Management Committee (BRMC) Meetings in 2020:

MTB's Board Risk Management Committee (BRMC) convened 4 times in 2020 to review the Bank's stance in risk various aspects for ensuring sound governance of its risk management functions. Most of the meetings were held virtually due to the dire situation instigated by the pandemic.

Meeting No.	Date of Meeting
26 th BRMC	Tuesday, March 3, 2020
27 th BRMC	Thursday, August 13, 2020
28 th BRMC	Thursday, October 15, 2020
29 th BRMC	Sunday, December 27, 2020



Rashed Ahmed Chowdhury

Chairman, Board Risk Management Committee

Among the issues reviewed and directives provided by the Committee in 2020, following is the significant points:

Date	Meeting No	Key Discussion Points
March 03 2020	26 th BRMC	<ul style="list-style-type: none"> Compliance status of the decisions taken in the 25th (4th of 2019) BRMC meeting were discussed, and the minutes of the meeting for the same was confirmed. Stress Testing Report for the quarter ended December 31, 2019. Risk Appetite Statement for 2020 along with credit strategies for retail, SME and corporate segments. Comprehensive Risk Management Report (CRMR) as of December 2020. Reviewed and approved the quarterly report on restructured large loans under BRPD circular 04/15. Reviewed details exposures of FIs as on December 31, 2019 The Committee also reviewed the Know Your Employees (KYE) Policy of the Bank, and recommended to place it in the next Board meeting for approval.
August 13 2020	27 th BRMC	<ul style="list-style-type: none"> Compliance status of the decisions taken in the 26th (1st of 2020) BRMC meeting were discussed, and the minutes of the meeting for the same was confirmed. In order to reduce & absorb NPL effectively, the Committee has reviewed the Bank's credit portfolio. Risk Management Policy, 2020 of MTB, which was formulated and was placed before the Committee. The Committee reviewed the Stress Testing Reports for the quarter ended March 31, 2020 and June 30, 2020 The Committee reviewed the Internal Capital Adequacy Assessment Process (ICAAP) of 2019, the Committee recommended to place it in the next Board meeting for approval. Half-yearly review of Risk Appetite Statement (RAS) was presented to the Committee by the Senior Management Revision The Committee has reviewed the Foreign Exchange (FX) Risk Management Manual of the Bank and recommended for further submission to the Board.
October 15 2020	28 th BRMC	<ul style="list-style-type: none"> Compliance statuses of the decisions taken in the 27th (2nd of 2020) BRMC meeting were discussed, and the minutes of the meeting for the same was confirmed. An analysis on the documentation deferral of the Bank's Wholesale Banking's (WBD) portfolio was conducted. Matured TPA portfolio status of the Bank was presented at the meeting. Key cyber security matters through an eLabourate presentation on technology and cyber security risk were placed. The Senior Management presented the Overdue Loans and Advances position of the Bank before the Committee. The Committee reviewed and approved the quarterly report on restructured large loans under BRPD circular 04/15.
December 27 2020	29 th BRMC	<ul style="list-style-type: none"> Compliance statuses of the decisions taken in the 28th (3rd of 2020) BRMC meeting were discussed, and the minutes of the meeting for the same was confirmed. An analysis on the status of documentation deferral was presented before the Committee. Matured TPA Portfolio Status as of November 30, 2020 was presented at the meeting. The Committee reviewed the Stress Testing Report for the quarter ended September 30, 2020 and advised to place it in the next Board Meeting. The revised Environmental & Social Safeguard Policy, 2020 of Mutual Trust Bank has been formulated in line with the guideline of Bangladesh Bank.



From The Desk of the Group Chief Risk Officer



Risk is inherent in Business

Risk management is proactive, peering around corners to identify uncertainties that may impact the ability of an organization to achieve its objectives. Whereas, Crisis management is reactive, marshalling resources to respond to a risk that has already manifested and requires immediate attention. Both require senior leadership engagement to be effective, but the roles and methods can be very different. And that underscores the paramount significance of the role of Chief Risk Officer (CRO). Many CROs have had to manage through crises but the unprecedented nature of the current pandemic is stretching everyone into uncharted territories. The challenge (and opportunity) for us is to pursue actions that can add value to the Bank, both in the immediacy of the moment and for the long-term. Risk Management functions bring a different lens to the crisis management table, advising our leadership colleagues on the risk-based implications of the rapid decisions leaders are being compelled to make. CROs can help anticipate

unintended consequences, proactively plan for them, and maintain a record for the future, all without distracting from the immediate demands on management for timely action in the midst of the crisis.

Another perspective uniquely suited for a CRO during a crisis such as the current pandemic is to anticipate the risks that its organizations may encounter when the crisis ebbs and it is time to ramp up normal operations. The vast majority of the leadership team is almost exclusively focused on dealing with the current organizational stresses from a vantage point that may not extend beyond a few years. Organization will likely to face risks across the full gamut from operations to compliance to financial to human capital and even to the very essence of the enterprise. Strategies may need adjustments based on new market realities. Internal operations and even organizational culture may require modifications, trying to maintain consistency with the mission, vision, and values of the organization. Growing societal fragmentation manifested through persistent and emerging risks to human health, rising unemployment, widening digital divides and youth disillusionment can have severe consequences in an era of compounded economic, environmental, geopolitical and technological risks.

Impact of COVID-19 on humanity

The immediate human and economic cost of COVID-19 is severe. It threatens to scale back years of progress on reducing poverty and inequality and to further weaken social cohesion and global cooperation. Job losses, a widening digital divide, disrupted social interactions, and abrupt shifts in markets could lead to dire consequences and lost opportunities for many. The ramifications, in the form of social unrest, political fragmentation and geopolitical tensions will shape the effectiveness of our responses to the other key threats of the next decade:

cyber-attacks, weapons of mass destruction and climate change. As COVID-19 continues to threaten lives, communities, and industries around the world, everyone is facing profound disruptions. No one knows when the crisis will truly end, when safe vaccines will be used at scale, or whether they will stop the pandemic for good. Its ultimate impact on public health and the global economy will be measured in the months and years to come. Underwriters are struggling to calculate their exposure to pandemic-generated vulnerabilities. Economists are trying to anticipate the direct and indirect impact of massive new government debt. Managers are wondering how long people can work productively from home and maintain healthy organizational and risk cultures. And in a long-lasting low-interest-rate environment, strategists and product leaders are contemplating future very differently. The COVID-19 crisis will have a significant impact on Bank's capital ratios and overall capital adequacy. On the one hand, deteriorating credit quality may lead to a massive rise in credit impairments, and on the other hand, Banks are expected to continue lending and supporting the economy leading to higher exposures in the downturn of the credit cycle. In response, many regulators across the globe are allowing Banks to use their capital buffers to cover the losses while continuing to lend. However, eventually Banks will need to refill their capital buffers and return to a sustainable capital level.

To navigate this crisis, Banks need to make sure that their management instruments are fit for purpose and having the recovery plan and the respective governance activated for a prolonged period of time might not be the best option. Once a viable 12-month strategy to navigate the crisis has been identified, Banks should consider re-adjusting their risk appetite statement and recovery thresholds to support the plan and return to business-as-usual governance to execute the plan.

Impact on the Banking Industry- Operational Resilience, Compliance And Non-Financial Risks

Economic fragility and societal divisions are set to increase. Our Banking sector will be one of the hardest hit sectors of the economy, owing to the broad-based slowdown in the economy as a whole combined with its exposure to the hardest hit sectors of the economy, such as foreign trade, RMG and the capital market. Having remittance being channeled via Banks, it seems to have a bleak

outlook too. Besides, Bank's internal control system is under extreme stress, leaving a margin for potential losses due to crisis-driven measures. Almost overnight, COVID-19 has become the single greatest threat to the continuity and existence of many businesses. Businesses are faced with crisis situations whether they're cyber risks (such as fraud, remote working), IT risks, employees, project quality, scope and resources risks and reputational impacts. The CRO's central task is to raise awareness of these risks for all stakeholders such as customers, shareholders as well as the employees.

It is mentionable, the After Tax Profit (ATP) in the Banking industry plunged drastically. This plunge was expected as a result of the business slowdown stemming from the COVID-19 pandemic. Consequently Banks had to face historic low credit growth as businesses adopted self-preservation strategies instead of expansion of their enterprises due to the economic hardship. Lending rate ceiling effective from April last year swelled the wound further. It was a major set-back as almost 70% income of the Banks are generated as interest income from the fund disbursed. However the effect was not as severe as expected initially as BB had offered a payment holiday facility and provisioning freeze throughout last year. This helped to contain the upward trend of default loans and give breathing space to Banks to keep provisions against expected loan losses. Tech-driven, retail focused Banks and Banks that shifted focus to 92-days treasury investment shined mostly in the darkness, made Yo-Y higher profits. The Central Bank, however, instructed Banks in December 2020 to keep aside an additional 1% in provisions against unclassified loans aiming to improve financial health along with the shock-absorbing capacity of Banks, preventing some Banks from announcing higher profits which could put the Banking industry in jeopardy in the longer run. The COVID-19 crisis has significantly exacerbated the risks and problems in the sector. Not being able to price loans effectively will essentially force commercial Banks to turn the tap off to the segments of economy -small and medium-sized enterprises -most affected by the crisis, exactly when liquidity is much needed.

The high level of non-performing loans in the Banking sector in Bangladesh has been an area of concern even before the pandemic. With the pandemic, the risk profile of the borrower has deteriorated across the world and Bangladesh is no exception. With lending cap policy that take away the ability to cover the risk to the full

extent created an ill-timed curse. The NPL problem leaves Bangladesh poorly prepared to withstand the coronavirus fallout, while the pandemic's implications will increase the number of bad loans. Tight liquidity scenario is a risk despite BB's measures and government's high borrowing from Banking sector is likely to see large crowding out effects.

Managing Risk through COVID-19 uncertainties

Managing risk through uncertainties can be a daunting task yet some specific actions can prove to be beneficial.

- **Develop high-frequency stress tests and business-plan forecasts:** To reveal vulnerabilities and develop strategic implications, advanced stress-testing for profit and loss (P&L) and befitting tactics should be developed. The Programme should be scenario-based and refined through iteration. Globally, Risk leaders are gaining new insights into market dynamics in metropolitan statistical areas by combining customer projections with epidemiological and economic scenarios. This can help improve the accuracy of projections of customer default or renewal rates: projections can become more precise with stronger links between risk identification, economic scenarios, and overall Bank's strategy.
- **Review the credit strategy:** Pressure on industry performance is coming from several sources, including equity-market volatility, the low-interest-rate environment and sometimes the re-pricing of assets associated with climate risk. Given these pressures, CRO is to ensure that the credit strategy is reviewed and realigned according to the results based on economic scenarios and resulting risk capacity and risk appetite. Addressing the nonfinancial-risk profile, prudent measures to strengthen cyber risk practices must be taken upon aptly addressing fraud and other operational risks, adapting and remediating models.
- **Strengthen cyber risk practices:** The new working environment has increased network exposures to cyber risk. As employees use personal devices for work, for example, they can become more vulnerable to phishing. Traffic volumes are rising sharply on virtual private networks as employees work from home, straining IT systems and personnel. Sensitive data and systems must be protected against access through insecure networks or devices. As a CRO, it is

mandatory to take account of these new strains and vulnerabilities and strengthen cyber security and cyber practices across the organization. CRO must prioritize and reprioritize assets as needed, protecting critical assets and closing critical control gaps as they appear.

- **Pay more attention to fraud:** Fraud and financial crime seem to be on the rise as a result of the new remote working environment and the economic downturn. As CRO strengthens essential controls and the technology infrastructure, he should also push to improve analytics capabilities for fraud risk management.
- **Address other operational risks resilience:** Rising levels of digital interaction and remote work have also changed Banks' overall operational risk profiles, which CRO must monitor and assess accurately. His team can then build tools to mitigate these and other nonfinancial risks and quickly address emerging concerns. Development of Key Risk Indicators (KRI)s for every crucial functions, monitoring of Risk appetite against the set threshold, escalating and putting effective control measure have become even more important under the current normal. Tools like risk registers, various internal and regulatory risk reporting may aid for prudent risk identification and mitigation.
- **Adapt and remediate strategies:** The CRO should lead a full review of critical business strategies used across the organization since they could have been compromised in this changed environment. The assessment should include the rapid triage and remediation of various strategies most affected by the pandemic.

MTB's Re-alignment of Risk Profile and Prudent Risk Appetite

We aim to build an organization of the future. So, riding on the strong partnership with the senior management we revisited the risk appetite and strategy, with an honest intention to inculcate a candid risk culture, build reputational resilience and improve insights about systemic risks. The COVID-19 crisis also highlighted the need for greater coordination on financing to improve resilience and expedite recovery. We strive to attain our strategic objective in the following manner

- **Partner with senior management to revisit the risk appetite and strategy.** By becoming thought partners with the Board and the top management, the CRO helps steer the organization, identify and selectively commit to strategic opportunities. Proactively, engages in dialogue with regulatory bodies and key external stakeholders to better anticipate the regulatory landscape, thereby playing a key role to play in shaping the risk appetite.
- **Transform the risk conduct and culture framework:** In the current environment, Banks have to make decisions quickly for existing governance and guardrails. Thus, an appropriate framework for risk conduct and culture creates a safe environment for speaking up about dangers, fosters adherence to MTB's values, and therefore help us to make sustainable decisions swiftly. Spearheaded by the CRO, MTB ensures inculcating a sound risk culture that can be measured and actions are taken to enhance it where improvements are most needed.
- **Build reputational resilience:** The pandemic is creating unprecedented challenges to organizational culture. In the work-from-home model, maintaining that culture among the Bank staff as well as transmitting it to new hires can be more difficult. Furthermore, as MTB addresses their customers' changing needs, we also take into account the heightened public scrutiny and societal impact of the ongoing crisis. The CRO therefore strives to ensure that robust governance is in place and works to strengthen risk culture and organizational resilience.
- **Significantly improve MTB's insights about systemic risks:** The pandemic is a reminder that low-probability, high-consequence events do indeed happen. Pandemic scenarios were heretofore mostly considered as extreme cases in advanced modeling exercises. That no longer works. With the right mandate from the rest of the organization, the central risk functions have become a center of excellence to protect the Bank by developing and defining better insights on systemic risk, upon duly aligning with international best practices like Basel accords.

Way Forward

Sound risk management framework enables managers to take risks knowingly, devise mitigation plan appropriately

and strategize business through a driveway to better prepare for future uncertainties. Risk management in Banking has been transformed over the past decade, largely in response to regulations that emerged from the global financial crisis and the fines levied in its wake. However, important trends are afoot that suggests risk management will experience even more sweeping changes in the next decade. Global risks such as COVID 19 crystallize differently, but cross-cutting capabilities and systemic approaches to strengthen the overall resilience of countries, businesses and the international community are possible. Every organization, irrespective of size or shape, requires an organizational resilience framework that addresses components as diverse as governance, risk management, change management, business continuity, crisis management and disaster recovery. Therefore, at first, we need a robust policy and framework to operate efficiently in a disruptive environment. Formulating detailed analytical frameworks that take a holistic and systems-based view of risk impacts will help to surface potential dependencies at a fitting moment, spill-over consequences, vulnerabilities and blind spots. Holistic analysis provides a foundation for realistic stress-testing assumptions, identifying and comparing the tradeoffs required by different mitigation proposals and examining responsive capabilities against emerging crises and forward-looking scenarios. Secondly, we must strive to develop a sound risk culture and ensure seamless Communication across the organization as well as with external stakeholders. This helps in improving the clarity and consistency of risk communications and combating misinformation. Most crises require all-of-society responses and there is enormous goodwill and energy to leverage but confusion and frustration can undermine efforts to build trust and align responsibilities between the public sector, private sector, communities and households.

Resilient and agile organizations are those that can move quickly, innovate and respond to the current crisis. These organizations will flourish in the new normal. Agile transformation planning provides a Bank with an adaptive philosophy towards change, in place of the grand plan. In agile environments, all work is broken down into short cycles. Agile change planning can help get the cadence of new value delivery right and mitigate the extreme risk of creative destruction. To get there, risk managers need to embrace the generative operating model. The goal of the generative operating model is to acknowledge that we do not know enough about the precise direction change

should take. Instead of a transformation plan, we have discrete sprints that target different functions within the operating model. Prior to COVID-19, a majority of companies were attempting some form of transformation. That could be a digital transformation (digitizing processes), an agile transformation (creating more flexible work processes), the introduction of AI and other forms of data analytics, or even adapting to fourth industrial revolution technology. Against this backdrop, effective risk oversight has become a strategic imperative for every Bank's Board given that their main activities involve the setting up of a strategy, monitoring of financials, management of key people and evaluation and integration of potential risks. All these activities deal directly or indirectly with risk. The pandemic, but particularly the recovery, poses interesting challenges for risk management because of the difficulty in predicting future economic activity. For the last couple of years Bangladesh maintained an impressive GDP growth rate. However, in the face of COVID-19, GDP growth is expected to slow down significantly. On the brighter side, global CO2 emissions fell by 9% in the first half of 2020, when COVID-19 forced most economies to shut down for weeks. A similar decrease is required every year for the next decade to maintain progress towards limiting global warming to 1.5°C and avoid the worst effects of climate change. A shift towards greener production and consumption cannot be delayed until economies are revived.

Although slow-down in investment activities and consumption in the Banking sector might be weighing down on the continuous rise in NPL ratios, regulatory tangle regarding loan rescheduling and re-categorization will tend to create moral hazard issue among good or able borrowers to willfully default their loans to take get their loans rescheduled at better terms. Apparently, these policy offers a solution for cleaner balance sheets than a remedy to improve risk management. In short-term, it might help the Banks clean the book but in the long run the result might be even worse than current scenario. With governments still deliberating how to pivot away from

emergency to recovery and with companies anticipating a changed business landscape, there are opportunities to invest in smart, clean and inclusive growth that will improve productivity and delivery of sustainable agendas.

Last but not the least, climate adaptation is at risk of serious setbacks in the coming years. Adaptation has also never been more important, as climate shocks are happening now, intersecting with and exacerbating impacts of COVID-19, so building resilience to climate impacts will be critical to response and recovery efforts. We now live in a world of new and unfamiliar risks thanks to swift changes to the climate, unsustainable development patterns, and other fast-paced changes of today's globalized and highly digital world. As we look to develop a climate-resilient future, what we need is a climate adaptation action agenda to ensure global development progress stays on track and that nobody will be left behind. The decade to 2030 is the make-or-break decade for our society. Either we pass a point of no return on climate, or we hold the line. Either we alter the pace of efforts to adapt to the accelerating climate emergency and keep up, or we fall behind and become engulfed in climate chaos. Bearing the brunt of any failures will continue to be the world's poorest and most vulnerable nations and groups. The good news is that adaptation and climate resilience are an extraordinary opportunity. There is an economic opportunity related to the benefits of smarter investments that avoid risk and ensure resilience to upcoming threats. There is also opportunity in the efficiency and restorative power of harnessing nature as a solution. So let us all work together and make this decade our decade of transformation.



Chowdhury Akhtar Asif

Additional Managing Director & GCRO



Risk Management Framework

1 Proactive Management of Risk

All types and sizes of organizations face internal and external factors and influences that make it uncertain whether and when they will achieve their objectives. The effect this uncertainty has on an organization's objectives is risk. Risk is involved in any activity of an organization. ISO 31000:2009 describes a systematic and logical process, during which organizations manage risk by identifying it, analyzing and then evaluating whether the risk should be modified by risk treatment in order to satisfy their risk criteria.

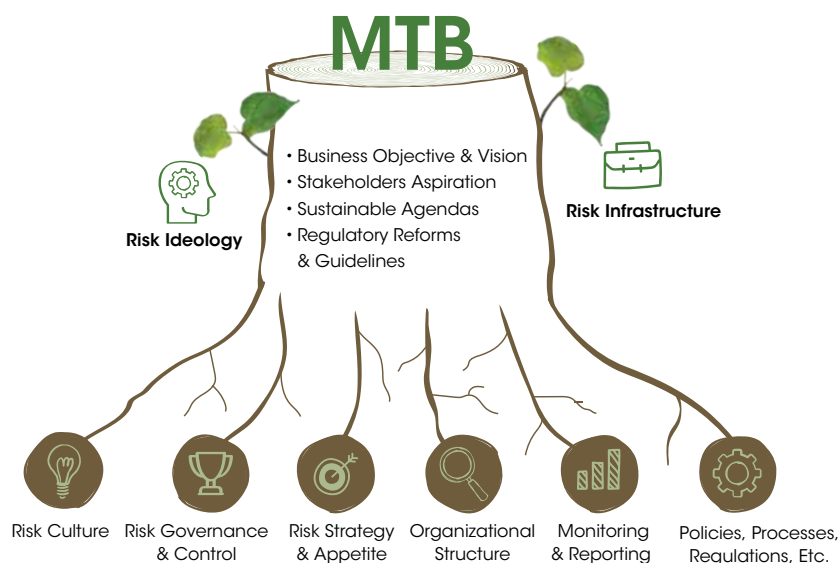
The risk in business organizations is ever-evolving, so is the outlook for risk management. Risk management is no longer confined to reactive approaches, but a proactive approach towards risk management has become a ubiquitous trend. With the onset of COVID-19, social and economic affairs worldwide have been affected badly, which instigated an unprecedented threat to business organizations' survival. Despite that, organizations have rebounded gradually to spin the wheel of the world economy. In this rejuvenated effort amidst the pandemic,

one of the indispensable elements for organizations' stability would be how they respond towards prevailing risk and devise strategies for imminent risk. From a Banking institution's perspective, risk management is an integral part of its longer-term sustainability. Without a profound and holistic risk management framework, a Bank will not excel in today's competitive environment and would likely succumb to the looming adversity.

At MTB, risk management plays a pivotal role in safeguarding its financial strength and protecting its assets' value of its stakeholders. It is also instrumental in cementing the Bank's shock-absorbing capacity and contributes to stabilized revenues. Unlike the conventional approach of treating risk only as an exposed component, the Bank thrives on exploring opportunities out of taking risks while being consistent with its responsible vision.

2 Dimensions MTB's Risk Management

MutualTrust Bank (MTB) has an inclusive risk management dimension, devised on its business objective & vision,



stakeholders' aspirations, sustainable agendas, and regulatory reforms & guidelines. It also entails the ideology for enterprise-wide risk management and embeds apt risk infrastructures across the organization.

3 Key elements in MTB's Risk Management Framework

3.1 Risk Culture

Risk culture delineates the collective beliefs and assumptions of an organization and its employees towards risk. An effective risk culture enables employees to comprehend an organization's approach to risks and incite them to act according to its policies and practices. As such, MTB strives to embed an eloquent and wide-ranging risk culture across the organization. In light of that, the Bank has devised its risk management culture to go in tandem with its business and financial objectives. While setting up the tone of its risk culture, MTB underscores the entire spectrum of risk infrastructures, which includes people, processes, policies, system, operational structures, etc. Key elements of a sound and consistent risk culture throughout a Bank should consist of the following:

Unique Purpose: Employees' distinct values and beliefs must be aligned with those of the organization's risk strategy, appetite, approach. Everyone must be also aligned with the mission, vision and values of the organization. Their interests should be in consensus with the organization's business objectives.

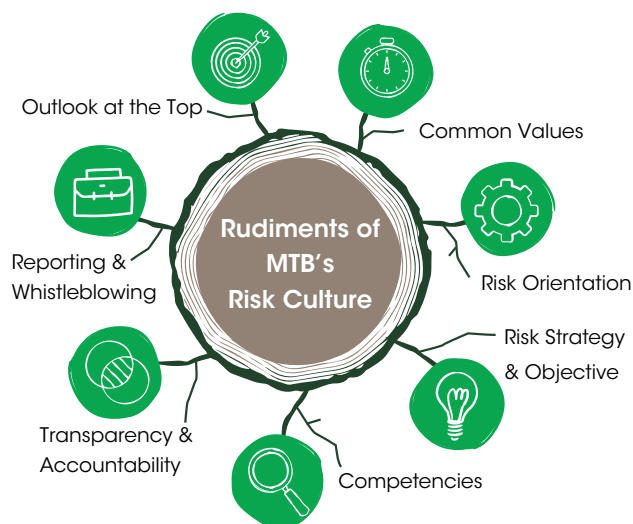
Universal Acceptance: Risk should be considered while conducting any business activity, and risk management should be universalized to all peripheries of the organization, from strategic planning to day-to-day operations. Escalating risk at the right time at the right forum helps mitigate problem at the core.

Comprehending Risk Management: Employees must understand the approaches an organization undertakes for risk management. The essence of risk management should be well-articulated and disseminated across the different levels of the organization.

Strive to Learn: The inextricable part of effective risk culture is continuous improvement through learning. To spur its risk culture, an organization should promote its employees' learning spirit and take adequate measures to ensure the same.

Transparency and Accountability: Transparency is an integral part of an organization's risk culture that instigates trust between the stakeholders and the organization. Besides, employees should shoulder the responsibility for every action they carry out.

Individual and Collective Responsibility: Employees should be proactive in risk management distinctively. When it deems to be a better approach to involve others in the process of risk management, employees must undertake concerted efforts.

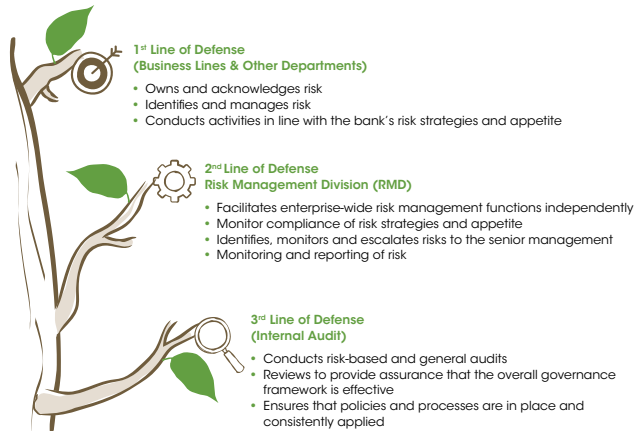


MTB develops its risk culture through policies, process, risk awareness Programmes and training of staff regarding their responsibilities for risk management. Every member of the Bank should be fully aware of his or her responsibility regarding risk management. Risk management should not be confined to risk specialists or to control functions. Business and operational units (being 1st line of defense), under the oversight of the management body, should be primarily responsible for managing risk on day-to-day basis as per approved risk tolerance and risk appetite and in line with Bank's policies and procedures.

3.2 Risk Governance:

Risk governance narrates the structure, mechanism, policies, and processes of an organization in identifying, communicating, and resolving risk. Effective risk governance instigates a full-fledged risk management structure that stresses eliminating risk and managing risk decisively. It also engenders accountability, transparency, and coordination while establishing policies, processes, and systems to implement risk-related decisions. MTB's risk governance framework is underpinned by three lines

of defense as described in the guidelines on “Corporate Governance Principles for Banks” by the Basel Committee on Banking Supervision as well as Bangladesh Bank policy on Risk Management. The defense lines comprise the 1st Line of Defense, which incorporates relevant business lines and operational units, the 2nd Line of defense, which contains independent risk management and control functions, the 3rd Line of defense, which includes internal audit functions.



3.2.1 Board and Senior Management Oversight in Risk Management:

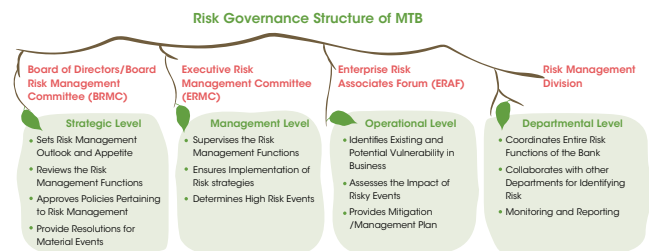
The Board of Directors has the ultimate responsibility for the risks assumed by the Bank. Hence, it is responsible for defining the risk appetite, risk tolerance, risk limit and set risk strategies. The Board is also responsible for understanding the Bank’s risk landscape and is accountable for determining the significant risks to the Bank. They must ensure that the management is taking the necessary steps to implement strategies devised for effective risk management and manage accompanying risks.

At MTB, the Board of Directors, either directly or through BRMC, ensures that risk decision-making is aligned with the Bank’s strategies and risk appetite. The Board receives regular updates on the Bank’s key risks, including the portfolio’s performance against defined goals, which is also presented before the Board, and approves key risk policies, limits, strategies, and risk appetite. Internal Control and Compliance Division reports, independently, to the Board through the Board Audit Committee on the effectiveness of the risk governance structure and risk management framework.

Fundamental Responsibilities of the Board of Directors of MTB in Risk Governance:

- Establishing organizational structure for enterprise risk management within the Bank

- Continuously monitoring the Bank’s performance and overall risk profile through reviewing various reports;
- Defining and reviewing the risk appetite, risk tolerance, limit etc. in line with strategic planning;
- Ensuring that internal audit reviews the credit operations, foreign exchange operations and securities portfolio management functions etc. to assess the effectiveness of internal control system;
- Ensuring the formulation, review and implementation of appropriate policies, plans and procedures for risk management;
- Assigning sufficient authority and responsibility to risk management related officials;
- Monitoring the function of Board Risk Management Committee.



Fundamental Responsibilities of the Board Risk Management Committee (BRMC) of MTB in Risk Governance:

- Formulating and reviewing risk management policies and strategies for sound risk management
- Monitoring implementation of risk management policies & process to ensure effective prevention and control measures
- Ensuring construction of adequate organizational structure for managing risks within the Bank
- Supervising the activities of Executive Risk Management Committee (ERMC)
- Ensuring formulation and review of risk appetite, limits and recommending these to board of directors for their review and approval
- Assessing overall effectiveness of risk management functions
- Ensuring compliance of BB instructions regarding implementation of core risk management
- Ensuring sufficient & efficient staff resources for RMD

While the overall responsibility for risk management is vested with the Board of Directors, senior management of MTB is responsible for transforming the Board's strategic directions into operational policies, procedures, and processes for effective risk management. The Bank's senior management stays abreast of the activities undertaken by the Bank that could expose it to various risks. Senior management, more particularly, the Managing Director & CEO and the Group Chief Risk Officer (GCRO), are responsible for risk management under the board's oversight. The GCRO, who oversees the Bank's Risk Management Division (RMD), reports to the Board Risk Management Committee. The GCRO, AMD, DMDs and other senior executives constitute the Bank's Executive Risk Management Committee (ERMC), with GCRO being the chair.

3.2.2 MTB's Committees and Forums for Broader Risk Management:

Name of the Committee	Role of the Committee	Represented By
Board Risk Management Committee (BRMC)	<ul style="list-style-type: none"> • Sets up risk governance structure, and risk philosophy to ensure adequate capital, and appropriate capital adequacy assessment process to accommodate the present and future business operations. • Reviews risk policies and recommends to the Board. 	Members of Board of Directors
Audit Committee (AC)	<ul style="list-style-type: none"> • Responsible for reviewing the adequacy of the Bank's risk management processes, policies and the effectiveness of implementation of the risk management system. 	Members of Board of Directors
Executive Risk Management Committee (ERMC)	<ul style="list-style-type: none"> • Identifying, measuring and managing Bank's existing and potential risks through detailed risk analysis; • Contributing to formulation of risk policies for business units; • Implementing the decisions of BRMC and board meetings regarding risk issues; • Minimizing/controlling risks through ensuring proper implementation of the decisions; • Supervise operational units to implement the strategies for managing, measuring and monitoring risks 	Members of Senior Management
Credit Risk Management Committee (CRMC)	<ul style="list-style-type: none"> • Responsible for monitoring credit risk for maintaining a well performing and distributed loan portfolio; • Devise strategies for credit policy and procedures 	Members of Senior Management
Assets-Liability Committee (ALCO)	<ul style="list-style-type: none"> • Monitor the structure and composition of Bank's assets and liabilities • Identify major risk issues related to liquidity, interest rate and market and devise strategy to manage/mitigate 	Members of Senior Management
Supervisory Review Process (SRP) Team	<ul style="list-style-type: none"> • Review the Bank's overall capital adequacy in line with its risk profile • Set strategy for maintaining Bank's capital at an adequate level 	Members of Senior Management
Sustainable Finance Committee (SFC)	<ul style="list-style-type: none"> • Set strategies for sustainability matters of the Bank • Supervises to manage adverse environmental and social impacts stemming from the Bank's operation • Oversee the implementation of environmental & social risk management framework of the Bank 	Members of Senior Management
Enterprise Risk Associates Forum	<ul style="list-style-type: none"> • Identify existing and potential vulnerability in business • Assess the impact of risky events • Provide risk mitigation/management Plan • Unique platform for raising and analyzing risk issues 	All Relevant Departmental Representatives

3.2.3 Risk control process:

- **Risk identification:** This is the first step in the risk management function. To ensure all-encompassing involvement, a risk register has been developed, which is a unique platform to flag risks at the individual level.
- **Risk assessment:** We analyze the factors deemed to be a threat in the context of the broad organizational objectives and strategies. To do so, we have forums like Enterprise Risk Associate Forum (ERAF) and Executive Risk Management Committee (ERMC). These platforms enable a pathway along which risk-prone issues are raised and discussed at the initial level with adequate mitigation plans chalked out.
- **Decision-making:** Based on the analysis and forecast, a decision is made for a particular existing/impending risk. However, the decision-making authority is delegated to various levels. High risk issues are escalated to the top management or even to the Board and issues that are deemed to be not severe are resolved by ERAF and /or ERMC.
- **Follow-up and monitoring:** Another vital part of our risk management function, follow-up and monitoring is persisted with until the successful resolution of a particular risk issue. A vital part of our monitoring process is to observe ongoing scenarios against the Bank's risk appetite.
- **Risk reporting:** Lastly, the overall status of risk management is documented through risk reporting. This is effected through periodic risk management reporting with submissions to Bangladesh Bank. Moreover, we have our own mechanisms to quantify potential losses arising out of risk-prone issues. Besides, our management regularly reviews the essentials of the risk management paper and provides instruction as per the necessity.

3.3 Risk Strategies and Appetite:

MTB upholds a holistic outlook for optimized risk management, governed by its board of directors and articulated in its comprehensive policies pertinent to risk management. Creating an inclusive and diverse risk management culture across the Bank is the fundamental conviction of MTB's risk management strategy. At MTB, risk management strategies are orchestrated by considering

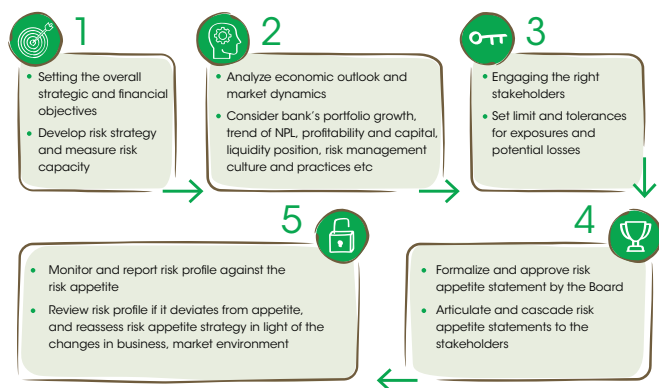
the wider stakeholders' interests, regulatory standards, and social and economic impacts. The Bank's board of directors sets strategic aspects of the Bank's risk management approaches and guides on preparing regimented action-plans for inclusive risk management, which is also reflected in the Bank's risk appetite statement.

The Risk Appetite Statement (RAS) quantifies the elements and boundaries of risks that MTB is willing to accept considering its business stance. It plays a vital role in MTB's philosophy towards building sound and effective risk management. RAS steers the Bank's strategic outlook, which enables allocation and utilization of the Bank's resources in line with its risk-return strategies. The Risk Management Division (RMD), in consultation with relevant stakeholders and supervision from senior management, prepares the RAS on an annual basis. According to its business variation, changes in the economic outlook and market dynamics, MTB's RAS is reviewed once a year.

The fundamental concepts of MTB's RAS is depicted below:

- **Risk Appetite:** is the amount and type of risk an organization is prepared to pursue or take, in order to attain the objectives of the organization and those of its shareholders and stakeholders.
- **Risk Limit:** is a measure of risk, either expressed in terms of (gross) exposure or possible loss or in another metric that tends to correlate with exposure or possible loss. Being a limit, this measure of risk is articulated as an indication of risk tolerance with the intention to constrain risky activities or positions within an entity to an acceptable level.
- **Risk Tolerance:** is/are quantified risk criteria or measures of risk exposure that serve to clarify and communicate risk appetite. Risk tolerances are used in risk evaluation in order to determine the treatment needed for acceptable risk.
- **Risk Profile:** is the amount or type of risk a financial institution is exposed to. Forward Risk Profile is a forward looking view of how the risk profile may change both under expected and stressed economics conditions.

3.3.1 Key Steps in MTB's RAS Preparation



4 Risk Management Division (RMD) of MTB

To galvanize its risk management and control functions independently, MTB has constituted a risk management division, consistent with the regulatory guidelines on risk management and keeping in mind the dynamic needs for effective risk management. The Risk Management Division (RMD), led by the Additional Managing Director (AMD) & Group Chief Risk Officer (GCRO), is largely responsible for implementing the risk strategies, policy standards, and other requisites. It is also accountable for coordinating the entire risk functions of the Bank. The RMD of the Bank has been formed in line with the regulatory directives and comprises separate desks to monitor, control, and comply with the requirements of credit risk, market risk, liquidity risk, operational risk, and Basel III standards. These desks are responsible for managing and mitigating risks in their respective areas and ensure all relevant internal and regulatory compliance. Moreover, RMD serves as the central contact point in escalating risk issues to senior management.

5 Risk Management Policy of MTB:

MTB has formulated its risk management policy focusing on regulatory directives and internal strategies to bolster its risk management function. The policy outlines a robust risk management system across the Bank and is designed to instigate an inclusive yet diverse risk culture in the Bank's day-to-day operation. MTB's risk management policy complements other relevant policies pertinent to risk and takes center stage for ensuing holistic risk management within the organization. Some key principles of MTB's risk management policy are depicted below.

- To promote better risk culture at all levels of the Bank.
- To provide minimum standards for risk management practices.
- To improve financial soundness of Bank and stability of its overall financial aspects.
- To encourage Bank to adopt and implement a sound risk management framework.
- To supplement the risk management efforts, management and the directors will oversee all plans

6 Core Risk & Other Policies for Risk Management:

Following the Bangladesh Bank's guidelines on six core risks, MTB devised its internal policies for each core risk areas, which play vital roles in implementing the overall risk management strategies. These policies are consistently reviewed by the senior management against the regulatory reforms and any changing market affair. In 2020, MTB's core risk policies in the areas of credit risk, foreign exchange risk, ALM, AML, ICT risk were reviewed and revised with the approval from its Board of Directors. Aside from the core risk policies, the Bank has a number of policies in different areas for ensuring a robust risk management function from all corner of the institution. Some of the mentionable ones are as follows:

- Fraud Risk Management Policy
- MTB Security Policy
- MTB Fire Safety and Firefighting Policy
- Earthquake Emergency Procedure
- MTB Procurement Manual
- Business Continuity Plan
- COVID 19 Risk Management Policy.

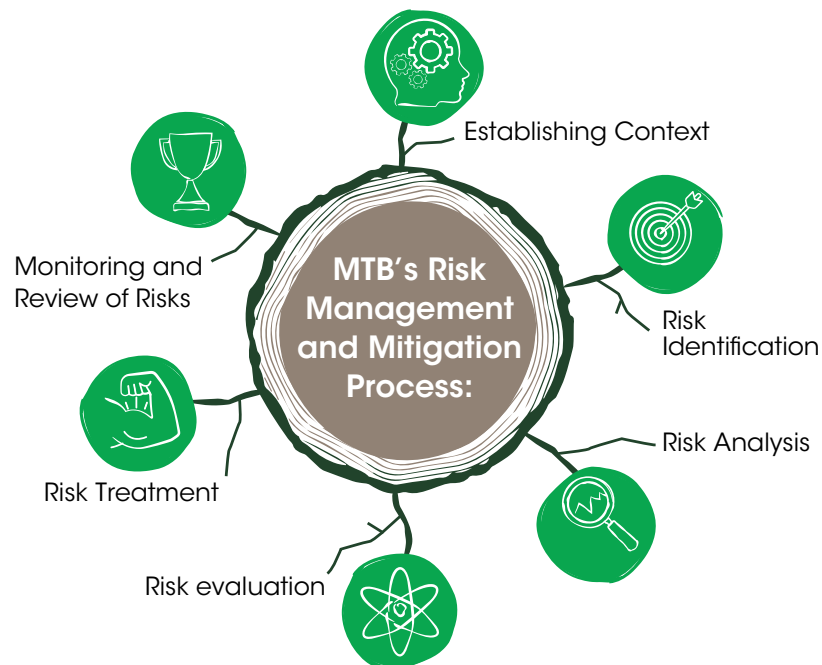


Risk Mitigation Methodology

Banking institutions encounter myriad risky events in its daily operation, but management and mitigation plans for them may not be the same. Depending on the nature and impact of a precarious occasion, a Bank can decisively maneuver its strategy on whether to accept it, avoid it, or accept but manage it. It needs to be done through systematic risk management and mitigation process, which is a pivotal part of inclusive risk culture. MTB has risk-specific strategies to manage every material risk. However, the Bank has exclusive risk management and mitigation process, which is an inextricable element of MTB's broad risk management framework. It entails a distinctive solution for treating risks that trickles down the Bank's risk management philosophy across the organization.

1. MTB's Risk Management and Mitigation Process:

- **Establishing Context:** This involves embodying a holistic risk culture across the Bank. In this step, the Bank ensures that its employees comprehend the key concepts of risk strategies and culture.
- **Risk Identification:** This is the beginning of the major process towards the risk management and mitigation of MTB. It requires identification of possible risks that may affect, either negatively or positively, the objectives of the business and the activity under analysis
- **Risk Analysis:** In this step, impact assessment for the identified risk is done. The Bank attempts to assess the significant and likelihood of the occurrence of an event.



- **Risk Evaluation:** This step is about determining whether risks are acceptable or need specific treatment. It involves comparing the level of risk found during the analysis process with previously established risk criteria
- **Risk Treatment:** It entails setting up options for treating risks, evaluating those options, preparing the risk treatment plans and implementing those plans to achieve the desired outcome.
- **Monitoring and Review of Risks:** Risk rarely remains static. Hence, risk management strategies need to be reviewed and implementation of the decision making has to be monitored consistently.

2. Credit Risk

Credit risk is the potential that a borrower or counterparty will fail to meet its obligations in accordance with the agreed terms and conditions. Credit risk comes from a Bank's dealing with households, small or medium sized enterprises (SMEs), corporate or institutional clients, other Banks and financial institutions, or a sovereign. The goal of credit risk management is to maximize a Bank's risk-adjusted rate of return by maintaining credit risk exposure within acceptable parameters. An organization needs to manage the credit risk inherent in the entire portfolio as well as the risk in individual credit or transaction. Moreover, it should also consider the relationships between credit risk and other risks. The effective management of credit risk is a critical component of a comprehensive approach to risk management and essential to the long-term success of any Banking organization. The assessment of credit risk involves evaluating both the probability of default by the borrower and the exposure or financial impact on the Bank in the event of default.

2.1 Management & Mitigation Procedures:

Credit Risk Management Policy

The credit risk management policy of MTB sets out the fundamental credit principles and standards for managing and mitigating credit risk associated with the Bank. The policy has been formulated pursuant to the regulatory directives and guidelines, such as, "Guidelines on Credit Risk Management (CRM) for Banks" by Bangladesh Bank, Internal Credit Risk Rating System (ICRRS), Risk Management Guidelines for Banks, and credit

related circulars and instructions provided by Bangladesh Bank from time to time.

Credit Risk Appetite:

Credit risk appetite plays the vital role in devising the overall credit strategies of the Bank. It sets out the perimeter for different credit aspects, which helps in shaping meticulous and wide-ranging credit control mechanisms. The Bank follows the following key steps in determining its credit risk appetite:

- Analysis of the present economic outlook
- Forecasting the economic and market environment
- Outlook from the Board of Directors
- Emphasis on regulatory requirements and directives
- Bank's strategies to grow/reduce portfolio in selected sector/industry

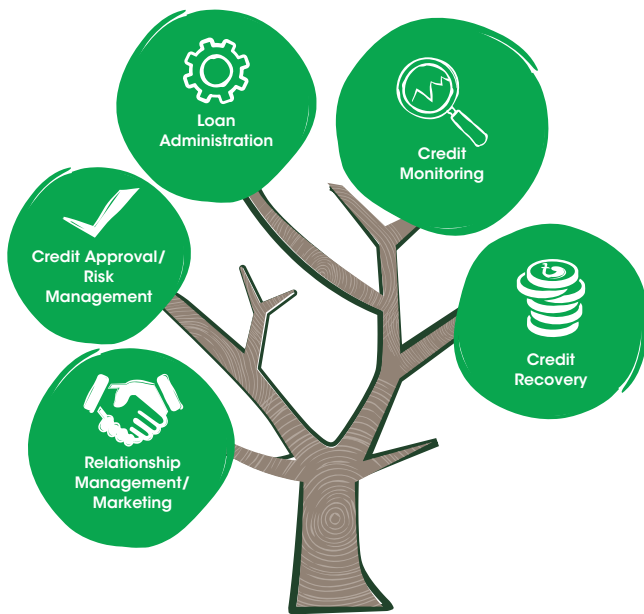
Organizational Structure:

One of the key aspects of credit risk management is the segregation of management roles in credit processing, supervision, and compliance. It is done through adopting an organizational structure, where management roles - starting from risk-taking, risk approving to documentation, disbursement, and recovery - are all functionally separated. It also ensures that a check and balance system is in place and quality of credit is never compromised. An apt organizational structure is pivotal for managing and mitigating risks stemming from its credit-related activities. However, it may vary according to the size, complexity, and diversification of the Bank's activities.

The Board of the Bank has a vital role in assuming and managing the Bank's credit risk. The MTB Board's overall responsibility is to approve credit risk strategies and significant policies relating to it and its management, which should be consistent with the comprehensive business strategies. On the other hand, senior management's responsibility is to transform strategic directions set by the Board in the shape of policies and procedures. Senior management has to ensure that the policies are embedded in the culture of the Bank. The Bank also has a Credit Risk Management Committee (CRMC) to oversee and govern material issues pertinent to the credit risk.

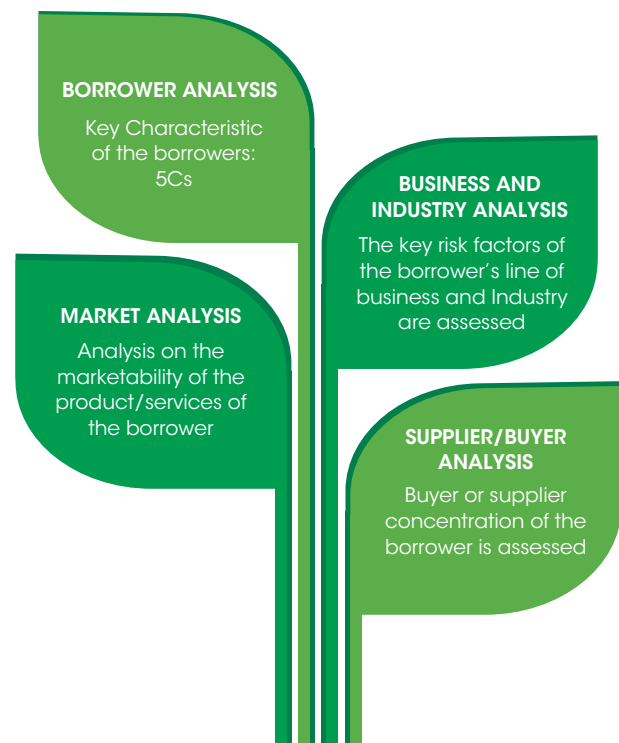
Segregation of Functions

MTB's credit risk management functions are entrusted with various departments with defined roles and responsibilities to instigate synergies for a more structured functionality in the management and mitigation process. This segregation aims to reinforce accountability and transparency in each department and implement corporate governance principles across the credit-related functions. It also allows the Bank to impose controls over the disbursement of authorized loan facilities and to obtain an independent judgment of credit proposals.



Risk Assessment and Grading:

Credit risk assessment of the counterparty is an integral part of the Bank's credit risk management. A lot of factors have been measured prior to granting of loans and advances to any borrower. That assessment provides the base for the mitigation factors that the Bank has to ensure if it enters into relationship with a customer. Moreover, all borrowers are classified as per the qualitative and quantitative risk assessment grade of the Bank. The fundamental parts of this risk assessment process are as follows:



3. Asset-Liability Management (ALM)

Asset-liability management is crucial for the sustainable growth of a Banking institution as it outlines the key approaches in managing and mitigating risks associated with components of the balance sheet. It is the ongoing process of formulating, implementing, monitoring, and revising strategies related to assets and liabilities to achieve the Bank's financial objectives, given its risk tolerances and other constraints. ALM risk is broadly associated with liquidity management and interest rate movement. Liquidity is an institution's ability to meet its liabilities either by borrowing or converting its assets. Apart from the liquidity, Banks may also have mismatches due to changes in interest rates as the Banks typically tend to borrow short term and lend for a long time.

3.1 Management & Mitigation Procedures:

ALM Manual of MTB:

The Asset Liability Management (ALM) policy manual of MTB establishes the framework for the sound management of ALM and outlines the principles and practices for effective management of liquidity and market risk. The fundamental philosophy of MTB's ALM framework is not to entirely avoid the risks but to properly balance the risks against the reward of potential profits. The ALM policy of MTB covers the full scope of all components pertinent to

balance sheet management. These include:

- Organizational Structure & Information Flow
- Process of Asset Liability Management
- Policy related to Liquidity Risks and Interest Rate Risks.
- Policy related to Investment decisions.
- Balance Sheet Analysis Framework.
- Contingency Funding Plan to handle emergency & uncertain situation.

ALM Desk:

The treasury department of the MTB is accountable for managing the ALM concerns of the Bank. Under the treasury department of MTB, the ALM desk is responsible for managing the inherent risk in the Bank's assets and liabilities. This desk keeps a vigilant eye on the balance sheet components and analyzes the movement to minimize potential losses and accelerate profitability. The key roles of the Bank's ALM desk are as follows:

- To analyze the balance sheet of the Bank and identify different risk factors
- To assume overall responsibilities of money market activities.
- To manage liquidity and market risk of the Bank.
- To comply with the Central Bank regulations in respect to ALM
- To understand the market dynamics i.e., competition, potential target markets etc.

Asset Liability Management Committee (ALCO):

The Bank constituted a committee, namely Asset Liability Management Committee (ALCO), comprising the Senior Management of the Bank to manage and oversee the Balance Sheet risk. Managing the assets and liabilities to ensure maximum structural balance sheet stability and optimum profitability is an important responsibility of the ALCO. The committee regularly convenes to review and formulate strategies for managing different risks associated with the balance sheet. ALCO is a decision-making unit responsible for Balance Sheet planning from the risk-return perspective, including the strategic management of interest rate and liquidity risks. Some of the major responsibilities of ALCO are as follows:

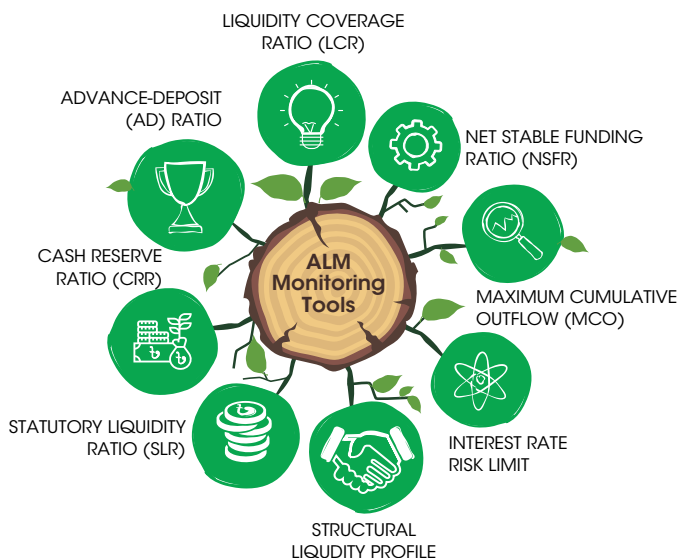
- Monitor the structure and composition of Bank's assets and liabilities and identify balance

sheet management issues that are leading to underperformance

- Review maturity profile and mix of assets and liabilities
- Articulate interest rate view of the Bank and decide on balance sheet strategy
- Approve and periodically review the transfer pricing policy of the Bank
- Review deposit-pricing strategy,
- Review contingency funding plan for the Bank

Key Monitoring Tools for ALM:

MTB's treasury department regularly monitors the following indicators for ensuring the ALM functions:



4. Foreign Exchange Risk:

Foreign Exchange Rate Risk or Forex Risk is the risk of loss from movements in cross-currency exchange rates between foreign currencies and changes in the home or functional currency value against foreign currencies. More specifically, forex risk results from a mismatch between assets and liabilities in a particular currency and their associated cash flows in respect to size and maturity.

4.1 Management & Mitigation Procedures:

FX Policy Manual of MTB:

Akin to other risk dimensions, MTB has articulated forex risk measurement and management principles in a policy

document, which covers the organizational extent of forex risk, defines the risk measurements to be applied, and spells out the risk tolerance using exposure limits. The policy, formulated per the Bangladesh Bank foreign exchange risk Management guideline, also delineates an apt organizational structure with defined roles and responsibilities for FX risk management.

Functions of Treasury Department:

MTB's treasury department is largely responsible for FX risk management. The treasury's organizational structure sets out the environment for a holistic framework to oversee the ever precarious foreign exchange market. The treasury department's functions are segregated into the front office, mid office, and back office, where each unit works independently and collectively when required. Treasury front office is the business unit, whereas the back office is entrusted with the support functions to expedite the front office's functions. On the other hand, mid office monitors and manages the Bank's key indicators pertinent to forex in a more detailed manner.

Monitoring Tools

- **Gap or Maturity Limits:** These limits are put in place to monitor and manage exposures arising from the differences in maturity dates or re-pricing dates of transactions. Such limits can be used to reduce the volatility by staggering the maturity and/or re-pricing and thereby smoothing the effect of changes in market factors affecting price. Maturity limits are required to monitor and manage the liquidity risks as well as re-pricing risks.
- **Notional or volume trigger:** A trigger that needs to be monitored based on the notional amount of the total outstanding FX contracts. This helps to guard against any unusual transaction pattern in the dealing room.
- **Stop loss limits:** These limits are established to avoid unrealized loss in a position from exceeding a specified level. When these limits are reached, the position must either be liquidated or hedged.
- **Daily Treasury Risk Report:** The treasury back office summarizes all daily positions particularly the end-of-day positions on a report format for the information of the senior management. Such report contains information about outstanding open position against limit, counterparty credit limits usage, stop loss limit etc.

- **Open Position Limit:** Treasury keeps the open position within the limit sanctioned by regulator i.e. Bangladesh Bank. Before breaching the limit treasury takes the initiatives to sell/buy foreign currency to keep the position within the open position limit.
- **Internal Audit:** Considering the complexities of the foreign exchange business, a process for an internal audit has widely been accepted as a check point to review the adequacy of the key control issues. Internal control and Compliance Division of the Bank conducts such audits at specific interval.
- **Position Reconciliation:** All dealers' positions must be reconciled with the positions provided by the treasury back office. This must be done daily prior to commencement of the days business. Un-reconciled positions may lead to real differences in actual positions exposing the Bank to adverse market changes and real losses.
- **Management Action Triggers (MAT):** MAT is a predetermined level given by the management. When a trigger is hit, the management needs to be informed the same. Upon advised of a trigger, the treasurer usually decides on close monitoring of the particular situation.
- **Dealing Room Access:** Dealing rooms are restricted areas where the access is controlled for unauthorized persons.

Role of Mid Office

The role of Treasury Mid Office is of paramount significance. It includes monitoring regulatory and internal limit, monitoring counterparty and dealer's limit, Rate appropriateness monitoring, capital market exposure monitoring, monitoring daily P&L, and evaluating & proposing various internal limits. It also furnishes reports and circulars as and when deemed requisite.

5. Money Laundering Risk:

Money laundering is the process by which proceeds from a criminal activity is disguised to conceal their illicit origins. For financial institutions it can lead to an unstable liability base and to unsound asset structures thereby creating risks of monetary instability and even systemic crises. The money laundering is not a single act but a process

accomplished in 3 basic stages which may comprise numerous transactions by the launderers that could alert a financial institution to criminal activity:

- Placement - the physical disposal of the initial proceeds derived from illegal activity.
- Layering - separating illicit proceeds from their source by creating complex layers of financial transactions designed to disguise the audit trail and provide anonymity.
- Integration - the provision of apparent legitimacy to wealth derived criminally.

5.1 Management & Mitigation Procedures:

ML and TF Risk Management Policy:

MTB has outlined its comprehensive policy of money laundering and terrorism financing risk management to ensure that a system is established within which money laundering and terrorist financing control is managed through stringent and appropriate procedures in order to discharge its legal and moral duties.

Central Compliance Committee (CCC):

In line with regulatory instruction and to establish better governing culture on ML and TF risk management, MTB formed the Central Compliance Committee headed by the Chief Anti Money Laundering Compliance Officer (CAMLCO). Some of the fundamental responsibilities of MTB's CCC are as follows:

- Oversee the activities of AML & CFT Division in implementing the strategy and Programme
- Design organizational AML & CFT strategy and Programme and provide strategic guidelines/directives related to AML & CFT
- Ensure that the Bank's money laundering (ML) and terrorist financing (TF) risk management policy guideline is periodically reviewed and updated
- Monitor the overall status of Bank's anti money laundering (AML) & combating the financing of terrorism (CFT) compliance activities

AML & CFT Division:

MTB has constituted a separate division for overseeing and managing the matters pertaining to ML and TF risk. The AML & CFT division of the Bank is responsible for cascading the fundamentals on AML & CFT across the organization and facilitating all the internal and regulatory compliances regarding AML & CFT. Some of the major roles of this division are as follows:

- Ensure implementation of annual "AML & CFT Compliance Programme"
- Issue circulars/instructions to branches on AML & CFT
- Arrange and impart training, workshop, seminar related to AML & CFT
- Present compliance status with recommendations before senior management



6. Internal Control & Compliance (ICC) Risk:

Internal control and compliance is the process, effected by a company's Board of Directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting and
- Compliance with applicable laws, regulations, and internal policies

Internal controls are tools that help an organization to be effective and efficient while avoiding serious problems such as overspending, operational failure, and violation of laws.

6.1 Management & Mitigation Procedures:

Internal Control and Compliance Policy of MTB

The primary objective of the ICC Policy is to establish a framework for internal control and compliance throughout the operational activities of the Bank, and to ensure that all the activities of the Bank are being carried out within the ICC framework. The key objectives of the policy are:

- Establish a framework for effective Internal Control and Compliance system;
- Ensure efficiency and effectiveness of activities to improve overall performance;
- Ensure proper information system and effective communication channel;
- Provide tools for risk identification, assessment and management, and
- Provide guidelines for effective monitoring and correcting deficiencies.

Audit & Inspection Division:

MTB has an Audit & Inspection division under ICC to carry out audit on the following areas round the year:

- To conduct audit and inspection in all Authorized Dealer (AD) Branches, Regional Offices, Divisions/ Departments of Corporate Head Office of the Bank and its subsidiaries
- To carry out audit in Non-AD and SME/Agri branches of the Bank

- To carry out specialized (Information Technology/ Information System) and vigilance audit

Compliance Division:

Internal Audit Compliance Unit: To monitor compliance activities of branches, offices and subsidiaries under internal audit.

External Audit/Inspection Compliance Unit: To monitor compliance activities of branches, Offices and sub-divisions under external audit/inspections (Bangladesh Bank's Inspection, External Audit /Statutory Audit and other regulatory authorities).

Monitoring Division:

The major functions of monitoring division under the ICCD are:

- To assist Internal Audit Division in Risked Based Internal Audit by assessing department wise risk (Off sight Analysis) with grading of all branches.
- To prepare and submit Self-Assessment of Anti-Fraud Internal Controls report and Bank's Health report to Bangladesh Bank.
- To ensure timely and effective audit including ICT Audit by Internal Control Team.

7. Information and Communication Technology (ICT) Risk:

With the onset of COVID-19, everything from individuals to businesses heavily relies upon IT infrastructure, which is playing the instrumental role in shaping the virtual platforms into natural means. Although technology emerged as the savior during the pandemic, it has also exposed us to the greater risk due to the involvement of mass people and massive processes with technologies, giving perfect feeding ground for the cybercriminals. Hence, ICT Security Management of Banks must ensure that the ICT functions and operations are efficiently and effectively managed.

7.1 Management & Mitigation Procedures:

ICT Policy of MTB:

The Bank formulated a policy on its ICT systems to ensure data security, network security, disaster recovery, use of hardware and software, data disposal, protection of

copyright, and other key aspects of IT security. It is approved by MTB's Board of Directors and is reviewed periodically. The key aspects of the policy are as follows:

- To guide the Bank for setting up a secure and stable ICT platform
- To identify information security risks and their management
- To minimize risk for electronic Banking infrastructure including ATM, CDM, POS machine, internet Banking, etc.
- To create user awareness amongst the users of information technology by organizing training periodically

State of the Art Data Centre (DC)

As part of the effective centralized management of Banking operations, a full-fledged Data Centre (DC) was established at MTB Centre, located at Gulshan, in 2009. This DC is equipped with sophisticated technologies, including data replication to manage the operation, and continuation centrally for proper business functions all over the world. In today's digital economy, MTB has taken the challenges of rapid improvement of IT infrastructure, including information security that meets regulatory compliance and protect the information of its clients.

Disaster Recovery Site (DRS)

As part of business continuation, MTB has established Disaster Recovery Site (DRS) at its own premises at MTB Tower, located in Bangla Motor. This DRS is equipped to protect loss of customers' sensitive information and their transactions, in case of failure of primary Data Centre (DC) due to any disaster.

MTB IT Security Department (MITSD)

Information Technology Security Department, headed by Chief Information Security Officer (CISO), was established in compliance with Bangladesh Bank (BB) ICT Security Guidelines and Industry Standards. The prime responsibilities of the department are to:

- Administer the ICT security policy;
- Manage the ICT risks and compliance;
- Handle the incident management;
- Help the Bank for secured setup of its ICT infrastructure

- Establish a secured environment for the processing of data
- Establish a holistic approach for ICT Risk management Conduct awareness-training Programmes round the year; and

Apart from strengthening the ICT infrastructure platform, the department also focuses on managing security risks at an acceptable level, by conducting vulnerability assessment and penetration testing on its existing services periodically or any new acquisition. Besides, the Bank also conducts Business Continuity Planning based on Business Impact Analysis. In addition, the department has established a Security Operation Centre (SOC) for monitoring and analyzing the security posture of MTB on an ongoing basis. The IT Security Department is also responsive to ad-hoc tasks, such as forensic analysis, guiding stakeholders for improving security posture, etc.

8. Environmental & Social Risk:

Environmental and Social risk stems from a Bank's direct and indirect involvements in projects/initiatives that degrade social and ecological harmony. It can also pose threats to a Bank's earnings if its clientele is impacted by the adverse impact of climate change. These days, climate change has a detrimental impact not only on the living beings but also to the planet as a whole. That is why it has become a global agenda, and there have been innumerable policies and measures taken up by the global bodies to mitigate the impact of this peril. Countries like us will face the dire consequences of climate change.

8.1 Management & Mitigation Procedures:

Environment & Social Safe Guard Policy of MTB:

MTB has developed a comprehensive Environment & Social Safe Guard policy, which provides an inclusive framework for managing the prevalent environmental and social concerns associated with Bank's direct operation or from indirect involvement. The 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;

- Collaborate and influence the clients of the Bank to comply with the environmental, health and safety and Labour issues regulations and to undertake resource efficiency activities through rigorous Programmes;
- 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

Governing Structure of MTB's Environmental & Social Risk Management System:

In line with the regulatory reform, MTB formed the Sustainable Finance department (SFD) to revitalize and accelerate its sustainable endeavors in a concerted way, stressing the SDG linked contributions. The SFD of the Bank is responsible for implementing and coordinating the broader sustainable business strategies into the operational spectrums and cascading down applicable regulatory, national, and global Environmental & Social (E&S) standards among the stakeholders concerned.



The Sustainable Finance Committee (SFC) of MTB, chaired by the AMD & GCRO and comprises officials from senior management of the Bank, supervises the Sustainable Finance department (SFD). While the SFC is accountable for supervising the SFD of the Bank to drive its sustainability matters, the solemn authority lies with the Bank's Board Risk Management Committee (BRMC) to oversee the sustainability matters from the broader perspective. The BRMC is the apex body to provide guidance and approvals for setting up policies, strategies related to sustainable Banking, and monitoring and evaluating activities of SFC and SFD.

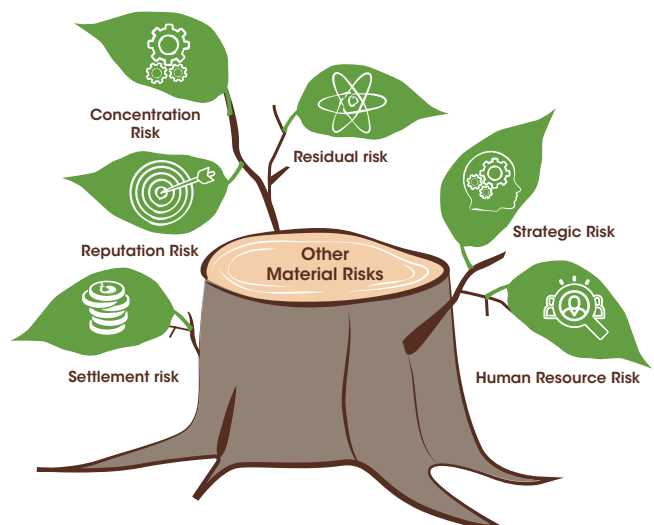
Environmental & Social Due Diligence (ESDD) Process:



The Bank has integrated E&S due diligence into its credit risk management functions. Following is MTB's ESDD process which is being sternly followed in its financing activities:

9. Coverage for Other Material Risks:

MTB's risk management strategies are not confined only to the core risk management, but rather the Bank has several other policies and processes to manage and mitigate the impact of material risks other than the core risks. The Bank comprehends that sources of risks are ever-evolving. As such, MTB also allocates additional capital as a cushion for mitigating looming adverse impact arising out of the following material risk:



Disclosures of Risk Reporting



Risk reporting is the vehicle for communicating the value that the Risk function brings to an organization. It allows for proactive risk management as organizations identify and escalate issues either as they arise, or before they are realized to take a proactive approach to managing risks. Risk reporting is an overarching element of inclusive risk management framework as it helps to articulate the risk profile of a Bank meticulously. It entails enunciation of a Bank's risk-prone areas across its entire operational spectrum to the internal and external stakeholders. Risk reporting is also important because it helps the board to offer strategic advice

At MTB, risk reporting helps identify critical trends, portfolio stance, and other key risk parameters that are fundamental to reorient business strategies efficiently. It also enables the tracker's function on whether the Bank is abiding by the regulatory and internal policies, limits, and processes. The Bank prepares risk reports in line with the regulatory requirements. MTB also aims to maneuver on numerous internal platforms for reporting risk, which are crucial to reshaping the Bank's operating procedures akin to its wide-ranging business objectives.

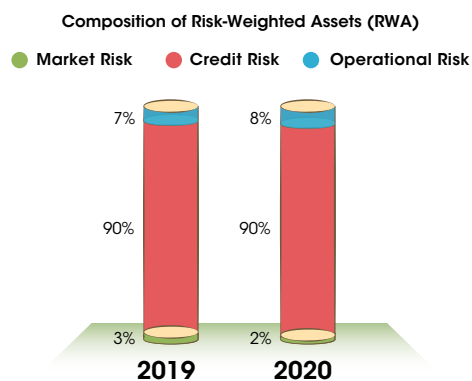
Name of the Report	Frequency	Impact
Capital Adequacy	Quarterly	<ul style="list-style-type: none"> Quantifies capital charge for credit risk, market risk and operational risk Defines the minimum capital requirement for the given risk profile
Internal Capital Adequacy Assessment Process (ICAAP)	Annually	<ul style="list-style-type: none"> Quantifies the entire risk profile Measures adequate capital requirement to support wide-ranging risks Ensures effective process is in place to determine internal capital targets
Stress Testing	Quarterly	<ul style="list-style-type: none"> Conducts scenario analysis under a set of exceptional but plausible assumptions to find out imminent impacts on capital base Proactively triggers alert on the magnitude of potential scenarios
Duration Gap Analysis	Quarterly	<ul style="list-style-type: none"> Indicates sensitivity to the market value of equity (MVE) of the Bank with a certain change in interest rate
Comprehensive Risk Management Report (CRMR)	Half-yearly	<ul style="list-style-type: none"> Provides a comprehensive overview of the Bank's risk profile across the key risk areas.
Monthly Risk Management Report (MRMR)	Monthly/Quarterly	<ul style="list-style-type: none"> Provides a comprehensive overview of the Bank's risk profile across the key risk areas

Name of the Report	Frequency	Impact
Environmental & Social Risk Assessment	Quarterly	<ul style="list-style-type: none"> Ensures environmental and social risk management in the lending process Measures E&S impact of the portfolios
Internal Risk Reports	Ongoing Basis	<ul style="list-style-type: none"> Ensures escalation of risks to appropriate platforms Ascertains proper assessment, management/ mitigation plan for risks
Board approved Risk Appetite Statement (RAS)	Annually/Half-yearly	<ul style="list-style-type: none"> It sets out the limit, tolerance and appetite of sector wise, industry wise, region wise credit portfolio
A review report of Risk Management Policies and effectiveness of risk management functions	Annually	<ul style="list-style-type: none"> An effectiveness report is submitted to Bangladesh Bank to demonstrate the yearly performance of RMD
Desk wise Risk Paper	Ongoing Basis	<ul style="list-style-type: none"> Credit Risk, Market Risk, Liquidity Risk, Operational Risk – wise papers are prepared

1 Capital Adequacy under Pillar I of Basel III: Minimum Capital Requirement (MCR)

Capital plays a pivotal role in strengthening a Bank's shock-absorbing capacity in the event of acute financial and economic stress. After the global financial crisis in 2007-2008, the Basel Committee on Banking Supervision (BCBS) issued "Basel III: A global regulatory framework for more resilient Banks and Banking systems" to reinforce the

global capital and liquidity rules with a view to building a more resilient Banking sector. Subsequently, Bangladesh Bank promulgated a revised regulatory capital framework for Banks in line with Basel III standards. Pillar 1 of Basel III delineates the minimum capital base Banks need to uphold considering their portfolios' risk-magnitude against credit risk, market risk, and operational risk. At present, the minimum capital requirement for Banks is 12.50% (including buffer) of their total risk-weighted assets, which is computed as per the Bangladesh Bank guidelines. Mutual Trust Bank Ltd. was able to maintain the minimum capital requirement in 2020. The Bank has amplified its capital base in 2020 by issuing a perpetual bond under additional tier 1.



2 ICAAP report under Pillar II of Basel III: Adequate Capital Requirement

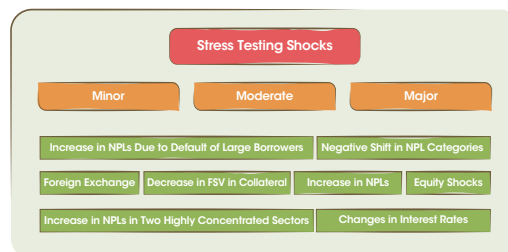
Supervisory Review Process (SRP) is the second pillar of Basel III, where Banks maintain the adequate capital requirement in addition to the MCR under pillar 1. The SRP's fundamental principle entails Banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. Bank needs to be prudent while setting up the internal target for capital adequacy and must ensure that the process is consistent with their overall risk profile and operating environment. MTB prepares ICAAP report on an annual basis.

3 Market Discipline: Disclosure on Risk Based Capital Adequacy

Market discipline, which is pillar III of Basel III, aims to instill a transparent and disciplined financial market, enabling stakeholders to measure the Banks' position regarding capital adequacy and identify risks associated with the portfolios by accessing symmetrical information. Under pillar III, Banks disclose key information on assets, risk exposures, risk assessment processes, and capital adequacy to meet the risks through a set of qualitative and quantitative framework.

4 Stress Testing

MTB conducts stress testing on some key parameters, which could adversely impact the Bank's capital adequacy, on a quarterly basis. It's a simulation technique where the Bank assumes some hypothetical yet plausible shock-events in three different magnitudes, i.e. minor, moderate, and major. Stress Testing is a risk management tool that enables a Bank to gauge the severity of the potential events in a structured way.



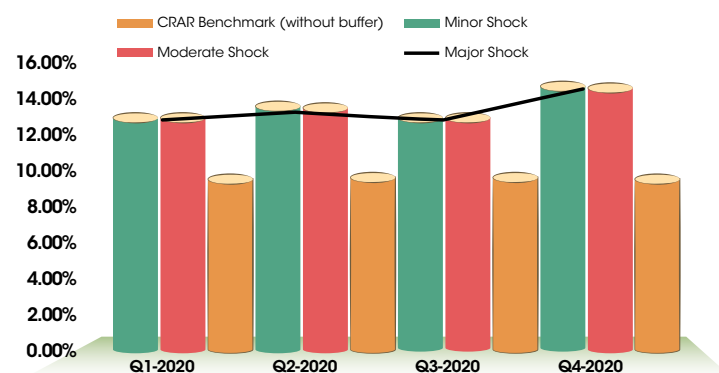
4.1 MTB's CRAR position Upon Applying Different Stress Scenarios:

Parameter	MTB's Position																									
<ul style="list-style-type: none"> Performing loan directly downgraded to B/L in Top-most Sector: <p>It signifies the concentration risk in the portfolio by measuring the what-if scenario of the highly concentrated sector. The procedures in minor, moderate and major levels explain the impact of 3%, 9% and 15% performing loans of a particular sector downgraded to bad/loss category directly having 100% provisioning requirement, impacting the capital adequacy drastically.</p>	<p>In 2020, the Bank's CRAR remained unscathed under this parameter upon applying all three level of shocks.</p> <table border="1"> <caption>CRAR Benchmark and Shocks Data (Q1-2020 to Q4-2020)</caption> <thead> <tr> <th>Quarter</th> <th>CRAR Benchmark (without buffer)</th> <th>Minor Shock</th> <th>Moderate Shock</th> <th>Major Shock</th> </tr> </thead> <tbody> <tr> <td>Q1-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q2-2020</td> <td>~10.0%</td> <td>~13.0%</td> <td>~12.0%</td> <td>~11.0%</td> </tr> <tr> <td>Q3-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q4-2020</td> <td>~10.0%</td> <td>~13.5%</td> <td>~12.5%</td> <td>~11.5%</td> </tr> </tbody> </table>	Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock	Q1-2020	~10.0%	~12.5%	~11.5%	~10.5%	Q2-2020	~10.0%	~13.0%	~12.0%	~11.0%	Q3-2020	~10.0%	~12.5%	~11.5%	~10.5%	Q4-2020	~10.0%	~13.5%	~12.5%	~11.5%
Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock																						
Q1-2020	~10.0%	~12.5%	~11.5%	~10.5%																						
Q2-2020	~10.0%	~13.0%	~12.0%	~11.0%																						
Q3-2020	~10.0%	~12.5%	~11.5%	~10.5%																						
Q4-2020	~10.0%	~13.5%	~12.5%	~11.5%																						
<ul style="list-style-type: none"> Negative Shift in NPL Categories: <p>Under this parameter, it is assumed that there would be downward shift in NPL categories. Resultantly, adverse shift of 5%, 10%, and 15% in the NPL categories are applied respectively under minor, moderate and major level.</p>	<p>MTB's CRAR prevailed and stood above 10% of minimum CRAR (without buffer) in all three levels.</p> <table border="1"> <caption>CRAR Benchmark and Shocks Data (Q1-2020 to Q4-2020)</caption> <thead> <tr> <th>Quarter</th> <th>CRAR Benchmark (without buffer)</th> <th>Minor Shock</th> <th>Moderate Shock</th> <th>Major Shock</th> </tr> </thead> <tbody> <tr> <td>Q1-2020</td> <td>~10.0%</td> <td>~13.0%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q2-2020</td> <td>~10.0%</td> <td>~13.5%</td> <td>~12.0%</td> <td>~11.0%</td> </tr> <tr> <td>Q3-2020</td> <td>~10.0%</td> <td>~13.0%</td> <td>~12.0%</td> <td>~11.0%</td> </tr> <tr> <td>Q4-2020</td> <td>~10.0%</td> <td>~14.5%</td> <td>~13.5%</td> <td>~12.5%</td> </tr> </tbody> </table>	Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock	Q1-2020	~10.0%	~13.0%	~11.5%	~10.5%	Q2-2020	~10.0%	~13.5%	~12.0%	~11.0%	Q3-2020	~10.0%	~13.0%	~12.0%	~11.0%	Q4-2020	~10.0%	~14.5%	~13.5%	~12.5%
Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock																						
Q1-2020	~10.0%	~13.0%	~11.5%	~10.5%																						
Q2-2020	~10.0%	~13.5%	~12.0%	~11.0%																						
Q3-2020	~10.0%	~13.0%	~12.0%	~11.0%																						
Q4-2020	~10.0%	~14.5%	~13.5%	~12.5%																						
<ul style="list-style-type: none"> Interest Rate Shock: <p>Interest rate risk is the potential that value of the on-balance sheet and off-balance sheet position of the Bank would negatively affected with the change in interest rate. The vulnerability of the Bank towards the adverse movements of interest rates is gauged under the assumption of three different interest rate changes i.e. 1%, 2%, and 3% respectively under minor, moderate, and major levels.</p>	<p>The effect of interest rate on MTB's CRAR is negligible as the Bank's CRAR in 2020 remained above 10% in most of the cases upon applying all shocks.</p> <table border="1"> <caption>CRAR Benchmark and Shocks Data (Q1-2020 to Q4-2020)</caption> <thead> <tr> <th>Quarter</th> <th>CRAR Benchmark (without buffer)</th> <th>Minor Shock</th> <th>Moderate Shock</th> <th>Major Shock</th> </tr> </thead> <tbody> <tr> <td>Q1-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q2-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q3-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> <tr> <td>Q4-2020</td> <td>~10.0%</td> <td>~12.5%</td> <td>~11.5%</td> <td>~10.5%</td> </tr> </tbody> </table>	Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock	Q1-2020	~10.0%	~12.5%	~11.5%	~10.5%	Q2-2020	~10.0%	~12.5%	~11.5%	~10.5%	Q3-2020	~10.0%	~12.5%	~11.5%	~10.5%	Q4-2020	~10.0%	~12.5%	~11.5%	~10.5%
Quarter	CRAR Benchmark (without buffer)	Minor Shock	Moderate Shock	Major Shock																						
Q1-2020	~10.0%	~12.5%	~11.5%	~10.5%																						
Q2-2020	~10.0%	~12.5%	~11.5%	~10.5%																						
Q3-2020	~10.0%	~12.5%	~11.5%	~10.5%																						
Q4-2020	~10.0%	~12.5%	~11.5%	~10.5%																						

- Foreign Exchange Shocks:

This parameter assesses the impact of exchange rate volatility on the value of equity. To gauge foreign exchange risk, net open position of the Bank is charged by 5%, 10% and 15% respectively under minor, moderate, and major level shocks. The impact of the shocks is then calibrated in terms of the CRAR of the Bank.

MTB's CRAR remained unmarked and well above the minimum capital requirement after applying all level of shocks.



5 Duration Gap Analysis:

Duration is the measure of the portfolio's price sensitivity to changes in interest rates. The duration gap indicates how the Market Value of Equity (MVE) of a Bank could change with a certain change in the interest rate. If the weighted average duration of assets exceeds the weighted average duration of liabilities, the duration gap is said to be positive, which implies that the assets are more interest-rate sensitive than the liabilities. MTB prepares the duration gap report as a part of the stress testing simulation and submits it to Bangladesh Bank on a quarterly basis.

6 Comprehensive Risk Management Report (CRMR):

Comprehensive Risk Management Report (CRMR) is a holistic approach towards risk reporting taken up by Bangladesh Bank in addition to Monthly Risk Management Reporting (MRMR). Pursuant to the guidance of Bangladesh Bank, MTB submits Comprehensive Risk Management Report (CRMR) to Bangladesh Bank on a half yearly basis. That CRMR encompasses a thorough and rigorous analysis of risk indicators including Credit risk, Market risk, Liquidity risk, Operational risk, Reputational risk, Money Laundering risk, Compliance and other risk. Moreover, a robust set of questionnaire is given to assess the Bank's overall risk resilience capacity on qualitative basis. Bangladesh Bank provides risk rating to the Banks on the basis of quantitative and qualitative information given in the CRMR.

7 Risk Appetite Statement

Bangladesh Bank (BB) introduced the risk appetite statement in 2015 vide DOS circular letter no.13 dated September 09, 2015. Later in 2018, Bangladesh Bank had prescribed a standard template for preparing the RAS. It was further emphasized vide Risk Management Guidelines for Banks in 2018. Henceforth, MTB has been preparing the RAS pursuant to the Bangladesh Bank format and subsequent instructions provided in the risk management guidelines.

Disclosure on Risk Based Capital Adequacy



Under Pillar III of Basel III

For the Year Ended on 31st December, 2020



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Purpose and Basis of the Market Disclosure

The Pillar III Disclosures comprise detailed information on the underlying drivers of risk-weighted assets (RWA), capital, leverage and liquidity ratios as at 31 December 2020 in accordance with the Risk based Capital Adequacy guideline under Basel III. The global financial turmoil in 2007-2008 manifested the effect of feeble risk governance in the financial institutions. Financial systems across the world had to wrestle with the trickle-down impact of that financial crisis. However, the significant lesson learned from that crisis is without prudential governance standards, the financial sector's resiliency in the event of adverse market dynamism would be marred. Basel III reforms are the Basel Committee on Banking Supervision (BCBS) responses to revitalize the Banking sector's ability to absorb shocks arising from financial and economic stress, thus reducing the risk of spillover from the financial sector to the real economy. Basel III regime in Bangladesh entered into force from January 1, 2015, with a "Revised Guidelines on Risk-Based Capital Adequacy (RBCA)" promulgated by Bangladesh Bank vide BRPD Circular No.18 dated December 21, 2014. The key segments of Basel III standards are centered on three pillars, i.e. Pillar I: Minimum Capital Requirement; Pillar II: Supervisory Review Process; and Pillar III: Market Disclosure.

Pillar 1: Sets the minimum capital requirements for credit risk, market risk and operational risk.

Pillar 2: Considers through the Supervisory Review and Evaluation Process whether further capital is required in addition to Pillar 1 calculations.

Pillar 3: Aims to provide a consistent and comprehensive disclosure framework that enhances comparability between Banks and further promotes improvements in risk management. Pillar 3 requires all material risks to be disclosed, enabling a comprehensive view of the Bank's risk profile.

The purpose of Market Discipline is to complement the minimum capital requirements and the supervisory review process. The aim of introducing it in the revised framework is to establish a more transparent and more disciplined financial market so that stakeholders can assess a Bank's position regarding holding of assets and identify the risks relating to the assets and capital adequacy to meet probable loss of assets. With reference to the framework

of BCBS on pillar III, the key principles of the disclosure are as follows:

- **Clarity:** Disclosures must be presented in a form that will be readily understood by key stakeholders, communicated through an accessible medium and easy to find.
- **Comprehensiveness:** Disclosures should describe a Bank's main activities, all significant risks and changes in risk exposures between reporting periods, and management responses, while also providing sufficient qualitative and quantitative information on the Bank's processes and procedures for identifying, measuring and managing risks.
- **Meaningfulness/usefulness:** Disclosure must highlight both significant current risks and emerging risks and how these are managed. References and/or linkages to balance sheet or income statement items that allow for reconciliations must also be disclosed.
- **Consistency over time:** This allows stakeholders to identify and understand trends and changes. Disclosures allow users to understand the Bank's business, its risk profile and its management practices. Any significant change in disclosures must be highlighted and explained.
- **Comparability:** Comparable disclosures are critical for allowing stakeholders to assess the relative performance of Banks and business activities and to compare prudential metrics, risks and risk management across Banks and jurisdictions.

The information provided in the Market Disclosure is consistent with the relevant accounting standards set by Bangladesh Bank from time to time. It has been prepared based on the Bank's audited financial statements and is available on the Bank's website (www.mutualtrustbank.com).

1. Scope of the Application: Qualitative Disclosure

<p>a) The name of the top corporate entity in the group to which this guidelines applies.</p>	<p>Mutual Trust Bank Limited commenced its operation on 24 October, 1999. The Bank is also listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Bank has 118 (One hundred eighteen) Branches including 14 (Fourteen) SME/Agri Branches across Bangladesh, 163 (One Hundred Sixty Three) Agent Banking Centre, 27 (Twenty Seven) Sub Branches.</p>
<p>b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group:</p> <p>(i) that are fully consolidated,</p> <p>(ii) that are given a deduction treatment; and</p> <p>(iii) that are neither consolidated nor deducted</p>	<p style="text-align: center;">MTB Subsidiaries</p> <p>The Bank has three subsidiaries situated within and outside of the country. A brief description of MTB's subsidiaries is given below:</p> <p>MTB Securities Ltd: MTB Securities Limited was incorporated in Bangladesh as a private limited company on 01 March 2010 and converted into public limited company in the year 2015 under the Companies Act, 1994. The company has started its commercial operation on 23 September 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. As a fully owned subsidiary of Mutual Trust Bank Ltd, MTBSL is engaged in buying and selling of securities for its customers.</p> <p>MTB Capital Ltd: MTB Capital Limited (MTBCL) is a wholly owned subsidiary of Mutual Trust Bank Limited and a full-fledged merchant Bank, licensed by the Bangladesh Securities and Exchange Commission (BSEC) in December 2010. MTBCL was incorporated to explore new markets and meet the demand for merchant Banking services. The company strives to extend cooperation and value added services to its respected clients.</p> <p>MTB Exchange (UK) Ltd: Bangladesh Bank has accorded approval to the Bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited in August 2010. The Company was incorporated on 14 June 2010 under the Companies Acts 2006 of UK as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.</p> <p>The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses.</p>
<p>c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group</p>	<p>Not Applicable</p>

Scope of the Application: Quantitative Disclosure

<p>a) The aggregate amount of surplus capital of insurance subsidiaries (whether deducted or subjected to an alternative method) included in the capital of the consolidated group</p>	<p>Not Applicable</p>
--	------------------------------

2. Capital Structure: Qualitative Disclosure

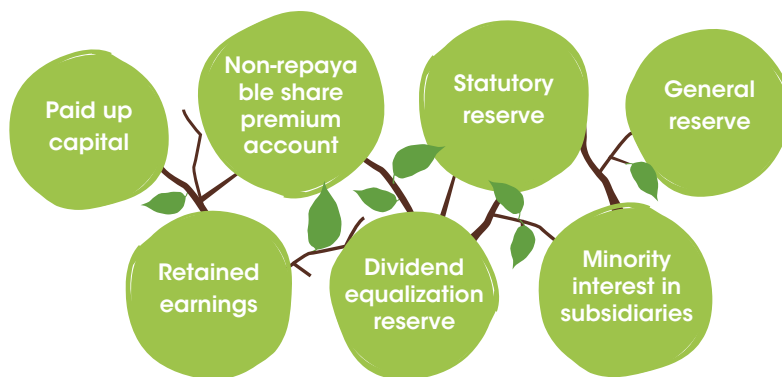
a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in CET 1, Additional Tier 1 or Tier 2.

MTB's regulatory capital requirement and eligible instruments for capital components are measured pursuant to the Bangladesh Bank's guidelines on Risk-Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III). The Basel III framework emphasized raising the quality and level of capital to ensure Banks can absorb losses on both the going concern and the gone concern basis. The framework also entails enhanced risk coverage of the capital framework. MTB's regulatory capital consists of the following two components:

- **Tier 1 Capital:** Tier 1 Capital, also known as going concern capital, is the core capital component, which forms the basis of the Bank's financial strength. It is the fundamental part of the capital base that fend off the Bank from unforeseen losses arising from acute financial and economic fallout, enabling the Bank to perform seamlessly by enhancing loss-absorbing capacity. In accordance with the Basel III guideline, Tier 1 capital consists of common equity tier 1 (CET1) and additional tier 1 (AT1).

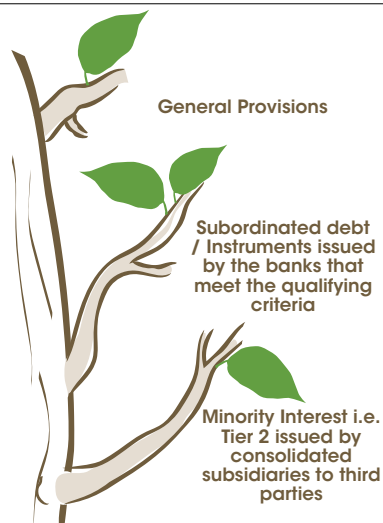
a) Common Equity Tier 1:

Common Equity Tier 1 (CET1) capital shall consist of sum of the following items:



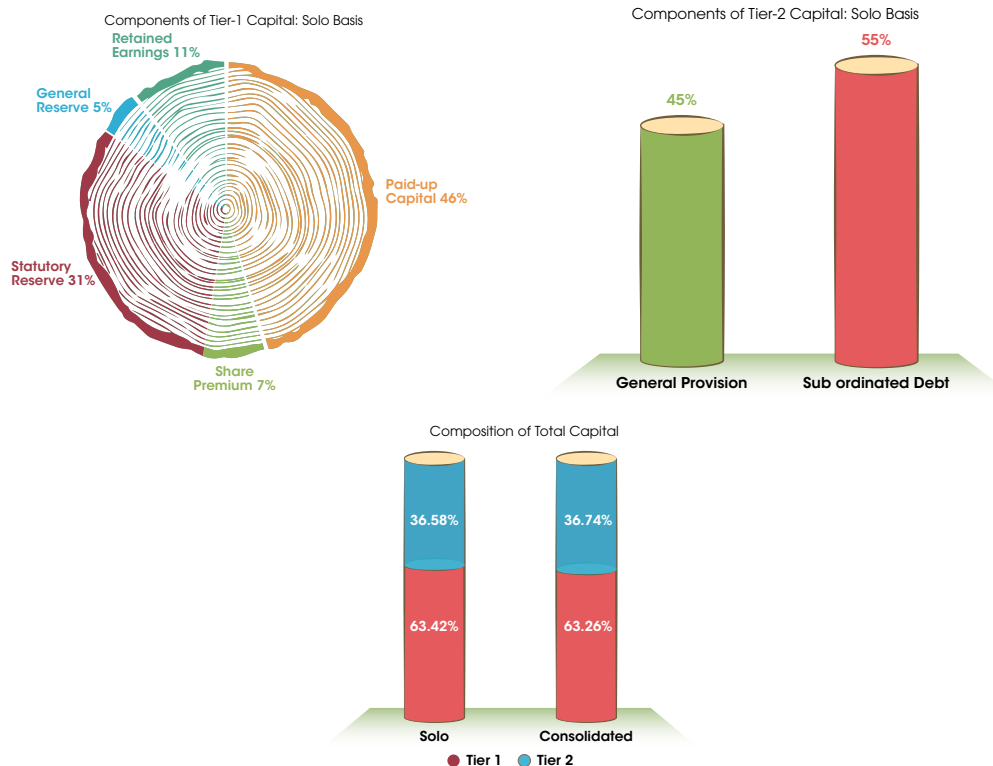
b) Additional Tier 1

- **Tier 2 Capital:** Tier 2 capital, also called gone concern capital, represents other elements that fall short of some of the core capital characteristics but contribute to the overall strength of a Bank. Tier 2 capital is referred to as supplementary capital, which is less reliable than Tier 1 capital. It has less loss absorption capacity, meaning it will absorb losses only in a situation of liquidation of the Bank. Following are the components of Tier 2 capital as per Basel III guideline:



Capital Structure: Quantitative Disclosure

Particulars	Solo	Consolidated
Common Equity Tier 1 (CET1) Capital:		
Paid-up Capital	7,386,324,180	7,386,324,180
Share Premium	1,095,304,778	1,095,304,778
Statutory Reserve	5,037,523,366	5,037,523,366
General Reserve	786,777,324	786,777,324
Retained Earnings	1,779,195,562	2,166,251,505
Dividend Equalization Reserve	-	-
Minority Interest in Subsidiaries	-	131,752
Subtotal	16,085,125,210	16,472,312,905
Regulatory Adjustments/Deductions		
Goodwill and Other Intangible Assets	177,594,883	177,594,883
Investments in own CET1 Instruments/Shares	-	-
Deferred Tax Assets	987,025,397	987,025,397
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	-	-
Subtotal	1,164,620,279	1,164,620,279
Total Common Equity Tier 1 (CET1) Capital	14,920,504,931	15,307,692,626
Additional Tier 1 (AT1) Capital		
Non-cumulative irredeemable preference shares	-	-
Instruments issued by the Banks that meet the qualifying criteria for AT1	650,000,000	650,000,000
Minority Interest i.e. AT1 issued by consolidated subsidiaries to third parties	-	-
Head Office borrowings in foreign currency by foreign Banks operating in Bangladesh for inclusion in Additional Tier 1 capital which comply with the regulatory requirements as specified in Annex-4 of Basel III Guidelines	-	-
Any other item specifically allowed by BB from time to time for inclusion in Additional Tier 1 Capital	-	-
Others (if any item approved by Bangladesh Bank)	-	-
Subtotal	650,000,000	650,000,000
Regulatory Adjustments/Deductions		
Investment in own AT-1 Instrument/Share	-	-
Reciprocal crossholdings in the AT-1 Capital of Banking, Financial and Insurance Entities	-	-
Others if any	-	-
Subtotal	-	-
Total Admissible Additional Tier 1 (AT1) Capital	650,000,000	650,000,000
Total Tier 1 Capital	15,570,504,931	15,957,692,626
Tier 2 Capital		
General Provision	4,009,082,520	4,009,082,520
Subordinated Debt	4,973,166,346	5,258,330,254
Subtotal	8,982,248,866	9,267,412,775
Regulatory Adjustment/Deduction	-	-
Total Tier 2 Capital	8,982,248,866	9,267,412,775
Total Eligible Capital	24,552,753,797	25,225,105,401



3. Capital Adequacy: Qualitative Disclosure

a) A summary discussion of the Bank's approach to assessing the adequacy of its capital to support current and future activities

Capital Calculation Approach

MTB adheres to the RBCA guidelines of Bangladesh Bank while gauging its capital adequacy requirement. The Bank adopted standardized approach for credit & market risk exposures, and basic indicator approach for operational risk exposure. We emphasize the following principles while assessing our capital base:

- A strong Capital to Risk Weighted Asset Ratio (CRAR);
- Maintaining capital at a reasonable level to absorb all material risks;

Capital Management

Capital adequacy calculation gives the Bank an indicative resolution for the capital requirement; capital management, on the other hand, plays a vital role in maintaining the overall capital at an adequate level. MTB's capital management is underscored by a sound capital assessment process, followed by a risk-based long-term capital planning approach. Some of the mentionable initiatives to ensure adequate capital of the Bank are as follows:

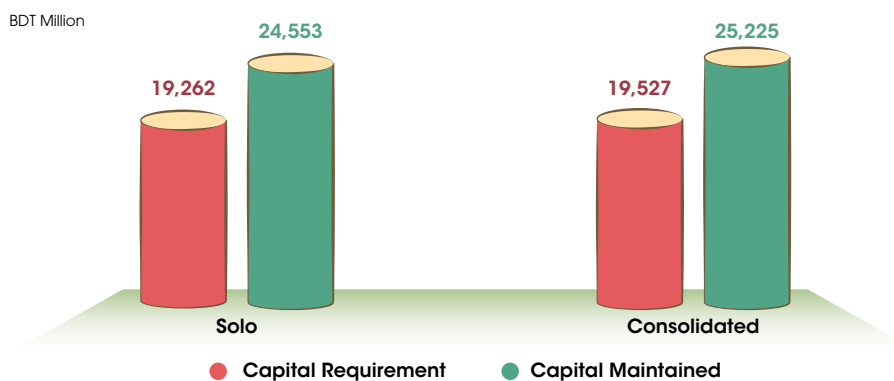
- Encouraging borrowers to complete external credit rating to assess counterparty credit risk status, and minimizing regulatory capital requirements;
- Improving and enhancing collateral coverage through efforts to obtain eligible collateral;
- Stressing internal capital accretion. However, if needed, issuing subordinated debt to meet capital requirement;
- Growth projection in line with RWA composition and capital planning trajectory ;
- Assessing risk profile of new clients and onboarding clients with satisfactory external credit rating.

MTB's Risk Management Division (RMD) monitors CRAR status regularly and reports to the senior management and the Board periodically.

Capital Adequacy: Quantitative Disclosure

Capital Adequacy	Solo	Consolidated
Capital Requirement for Credit Risk	17,310,810,586	17,327,782,120
Capital Requirement for Market Risk	365,321,409	551,919,776
Capital Requirement for Operational Risk	1,585,839,687	1,647,793,045
Total Capital Requirement	19,261,971,683	19,527,494,940
Total Eligible Capital	24,552,753,797	25,225,105,401
Capital to Risk Weighted Asset Ratio (CRAR) (%)	12.75%	12.92%
Common Equity Tier-I Capital Ratio (%)	7.75%	7.84%
Total Tier 1 Capital Ratio (%)	8.08%	8.17%
Tier 2 Capital Ratio (%)	4.66%	4.75%
Required Capital Conservation Buffer (%)	2.50%	2.50%
Maintained Capital Conservation Buffer (%)	2.08%	2.17%

Status of Capital Adequacy



4. Credit Risk: Qualitative Disclosure

a) The general qualitative disclosure requirement with respect to credit risk:

i. Definitions of past due and impaired (for accounting purposes)

To define past due for loan classification and provisioning purposes, the Bank diligently follows guidelines and circulars promulgated by Bangladesh Bank from time to time. In 2020, Bangladesh Bank brought forth a deferral period for loan repayment to bail out the businesses from the COVID-19 impact. Several guidelines have been provided to the Banks on loan classification and provision requirements throughout 2020, considering the COVID-19 impact. MTB abided by the instructions laid down by Bangladesh Bank while determining past due for loan classification purposes. However, considering the BRPD Circular No.14 dated September 23, 2012, and its subsequent amendments, loans and advances are categorized under the following four categories for the purpose of classification:

- Continuous Loan
- Demand Loan
- Fixed Term Loan
- Short-term Agricultural and Micro Credit

Loan classification methodology of the aforesaid categories are as follows:

Continuous Loan & Demand Loan: Criteria of Classification (In Month)						
Category		STD	SMA	SS	DF	BL
SMEF	Cottage, Micro & Small	Overdue < 2	2 ≥ Overdue < 6	6 ≥ Overdue < 18	18 ≥ Overdue < 30	30 ≥ Overdue
	Medium Enterprise	Overdue < 2	2 ≥ Overdue < 3	3 ≥ Overdue < 9	9 ≥ Overdue < 12	12 ≥ Overdue
CF, BHs & Other		Overdue < 2	2 ≥ Overdue < 3	3 ≥ Overdue < 9	9 ≥ Overdue < 12	12 ≥ Overdue
Fixed Term Loan: Criteria of Classification (In Month)						
Category		STD	SMA	SS	DF	BL
SMEF	Cottage, Micro & Small	Overdue < 8	8 ≥ Overdue < 12	12 ≥ Overdue < 24	24 ≥ Overdue < 36	36 ≥ Overdue
	Medium Enterprise	Overdue < 8	8 ≥ Overdue < 9	9 ≥ Overdue < 15	15 ≥ Overdue < 18	18 ≥ Overdue
CF, BHs & Other		Overdue < 8	8 ≥ Overdue < 9	9 ≥ Overdue < 15	15 ≥ Overdue < 18	18 ≥ Overdue
Short Term Agricultural and Micro Credit: Criteria of Classification (In Month)						
Category		STD	SMA	SS	DF	BL
Short Term Agricultural and Micro Credit		Period of up to 12 Months	NA	After a period of 12 Months or beyond but period of up to 36 months	After a period of 36 months or beyond but period up to 60 months	After a period of 60 months or beyond

ii. Description of approaches followed for specific and general allowances and statistical methods:

Pursuant to Bangladesh Bank guidelines, Banks need to set aside funds as general provision and specific provision subsequently for unclassified and classified loans. Those provisions against loans and advances are made to navigate the impending crisis stemming from the bad loans. MTB adheres to Bangladesh Bank guidelines while determining provision requirements for loans and advances. The provision rates prescribed by Bangladesh Bank are as follows:

RATE OF PROVISION										
Particulars		Short Term Agri. Credit & Microcredit	Consumer Financing				Small & Medium Enterprise Financing		Loans to BHs/ MBs/ SDs	All other credit
			Other than HF, LP, & Card	HF	LP	Only Card	Cottage, Micro & Small Credits under CMSME	Medium Enterprise Financing		
UC	Standard	1%	2%	1%	2%	2%	0.25%	0.25%	2%	1%
	SMA	0%	2%	1%	2%	2%	0.25%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	5%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	20%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%	100%	100%

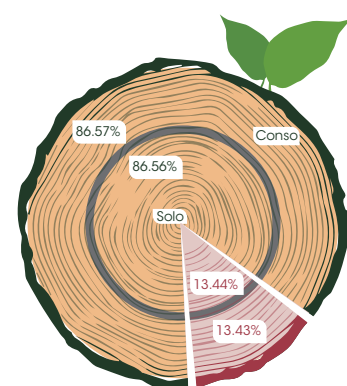
<p>iii. Discussion of the Bank's credit risk management policy</p>	<p>MTB's Credit Policy Manual (CPM) is reviewed by its Board of Directors periodically, depending upon the regulatory reforms, internal strategies, and market dynamism. The policy manual outlines the organizational structure, defined roles & responsibilities, and delegation authority for an apt credit appraisal process. It also addresses regulatory issues and establishes control points for holistic credit risk management. MTB's credit approval process entails all plausible aspects for borrowers' risk assessment and mitigation. The Bank manages credit risk by continuously measuring and monitoring risks at both obligor (borrower) and portfolio levels. We have also deployed the Internal Credit Risk Rating System (ICRRS) model and other relevant Bangladesh Bank guidelines in our credit appraisal/approval process.</p> <p>Moreover, credit risk appetite plays a vital role in devising the overall credit strategies of the Bank. It sets out the perimeter for different credit aspects, which helps in shaping meticulous and wide-ranging credit-control mechanisms. We also provide emphasis on our clients' external credit rating while onboarding and retaining them. We underscore good governance, sound risk assessment, and timely approvals in our lending processes to accelerate quality credit operations. Thus, the Bank's credit policy encompasses all operational issues of credit, right from the selection of borrower to the ultimate recovery, including transfer process of delinquent account and treatment of slow, overdue accounts, Special Mention Accounts (SMA), and classified loan accounts.</p>
--	--

Credit Risk: Quantitative Disclosure

a) Composition of Credit Risk Weighted Assets:

Credit Risk Weighted Assets	Solo	Consolidated
On balance sheet	149,838,424,782	150,008,140,114
Off balance sheet	23,269,681,082	23,269,681,082
Total	173,108,105,864	173,277,821,196

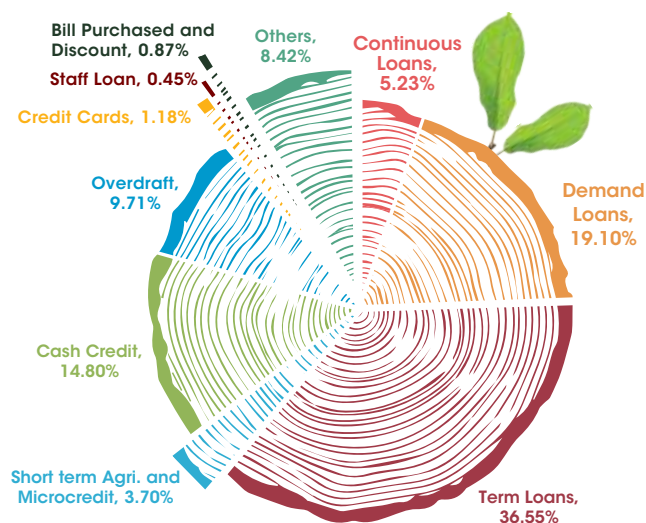
Composition of Credit RWA



● On balance sheet ● Off balance sheet

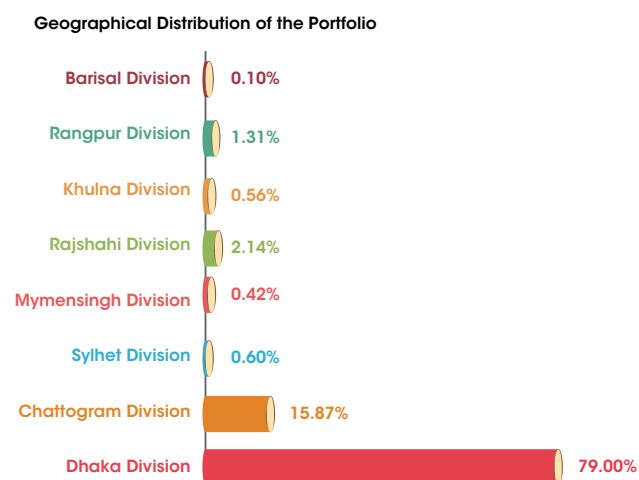
b) Total gross credit risk exposures broken down by major types of credit exposure:

Particulars	Amount (Solo)
Continuous Loans	10,511,408,885
Demand Loans	38,393,729,515
Term Loans	73,453,005,178
Short term Agri. Credit and Microcredit	7,436,452,871
Cash Credit	29,736,847,375
Overdraft	19,526,334,939
Packing Credit	728,735,729
Credit Cards	2,368,599,336
Staff Loan	897,359,140
Lease Finance	283,736,872
Others	594,841,404
Offshore Banking Unit	15,314,178,710
Subtotal	199,245,229,954
Bill Purchased and Discounted	1,746,691,377
Payable in Bangladesh	1,207,890,474
Payable outside Bangladesh	255,354,597
Offshore Banking Unit	283,446,306
Total	200,991,921,331



c) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure:

Particulars	Amount (Solo)
Dhaka Division	158,780,338,247
Chattogram Division	31,890,307,076
Sylhet Division	1,206,291,441
Mymensingh Division	842,817,865
Rajshahi Division	4,306,456,067
Khulna Division	1,125,166,165
Rangpur Division	2,642,028,796
Barisal Division	198,515,673
Total	200,991,921,331

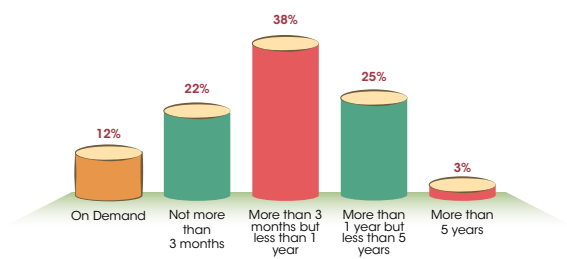


d) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure:

Particulars	Amount (Solo)
Agriculture	1,072,530,729
RMG	36,061,274,711
Textile	15,509,761,634
Ship Building	2,250,291,971
Ship Breaking	3,772,626,707
Other Manufacturing industry	51,853,880,070
SME loans	29,607,882,775
Construction	3,606,234,828
Power, Gas	2,815,397,515
Transport, Storage and Communication	374,732,171
Trade Service	14,449,080,029
Commercial real estate financing	9,280,232,917
Residential real estate financing	1,105,407,245
Consumer credit	12,793,694,375
Capital Market	841,858,789
NBFIs	4,136,463,046
Others	11,460,571,820
Total	200,991,921,331

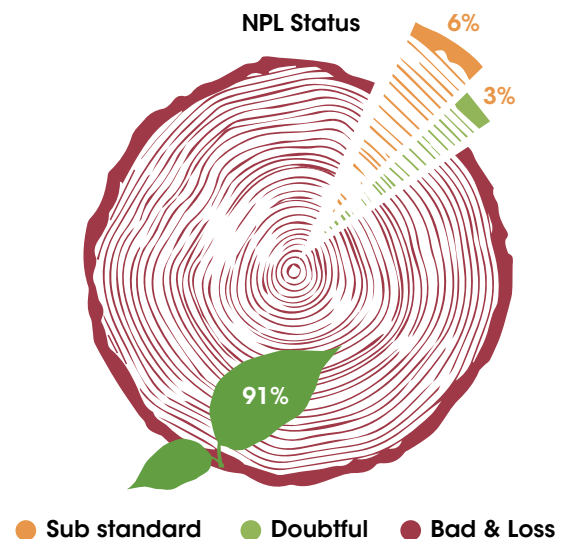
e) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure:

Particulars	Amount (Solo)
On Demand	23,408,875,818
Not more than 3 months	44,849,969,952
More than 3 months but less than 1 year	76,223,821,856
More than 1 year but less than 5 years	50,185,196,797
More than 5 years	6,324,056,907
Total	200,991,921,331



f) Amount of impaired loans and if available, past due loans, provided separately:

Particulars	Amount (Solo)
Substandard	585,186,000
Doubtful	261,891,000
Bad & Loss	8,540,655,000
Total	9,387,732,000



g) Specific and General provisions:

Particulars	Amount (Solo)
Provision for Unclassified Loans & Advances	3,196,785,133
Provision for Classified Loans & Advances	4,181,064,000
Provision for Off Balance Sheet Items	812,297,387
Total	8,190,146,520

h) Gross Non-Performing Assets (NPAs):

Particulars	Amount (Solo)
Non-Performing Assets (NPAs) to Outstanding Loans & Advances (%)	4.67
Movement of specific provisions for NPAs	
Opening Balance	3,099,303,284
Add: Provision made during the year	879,759,262
Add: Recoveries of amounts previously written off	34,559,987
Add: Provision transferred from Shares in quoted companies	1,079,098,757
Less: Waiver during the year	(95,642,801)
Less: Adjustment for Loan written off during the year	(816,014,489)
Closing Balance	4,181,064,000

5. Equities: Disclosures for Banking Book Position: Qualitative Disclosure

The general qualitative disclosure requirement with respect to equity risk:

<p>a) Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons</p>	<p>MTB Securities Limited, a corporate member of Dhaka Stock Exchange Limited, executes MTB's stock brokerage functions. The Bank's equity shareholdings are primarily for capital gain or dividend income purposes. However, MTB has some investments for relationship and strategic reasons.</p> <p>For equity financing, only investment in unquoted securities is considered Banking Book assets; investment in equity for relationship or strategic reason is considered under trading book. Investment in equity securities is broadly categorized into two parts:</p> <ul style="list-style-type: none"> • Quoted securities (common or preference shares and mutual funds) - Traded in the secondary market (trading book assets) • Unquoted securities- Categorized as Banking book equity exposures, which are further, sub-divided into two groups: <ul style="list-style-type: none"> • Unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held-to-Maturity (HTM); • Unquoted securities acquired under private placement or IPO that are going to be traded in the secondary market after completing required formalities
<p>b) Discussion of important policies covering the valuation and accounting of equity holdings in the Banking book</p>	<p>Both quoted and unquoted equity securities are valued at cost, and necessary provisions are maintained if the prices fall below the cost price. As per Bangladesh Bank (BB) guidelines, Held-for-Trading (HFT) equity securities are mark-to-market (revalued) once a week, and HTM equity securities are amortized annually. HTM securities are revalued if reclassified to HFT (with approval of the Board of Directors). The quoted shares of the Bank are valued at cost or market price, whichever is lower.</p>

Equities: Disclosures for Banking Book Position Quantitative Disclosure

a) Total Unrealized gains/ losses:

Particulars	Amount
Holding cost of quoted shares	165,337,483
Market value	122,772,518
Unrealized gain/loss	(42,564,964)

b) Capital Charge on Equities:

Capital Charge on equities	Solo	Consolidated
Specific Risk	43,666,839	136,530,450
General Market Risk	43,666,839	136,530,450

Entity	Specific Risk	General Market Risk
Solo	44	44
Consolidated	137	137

6. Interest Rate Risk In The Banking Book (IRRBB): Qualitative Disclosure

a) The general qualitative disclosure requirement including the nature of IRRBB and key assumptions, including assumptions regarding loan prepayments and behaviour of non-maturity deposits, and frequency of IRRBB measurement

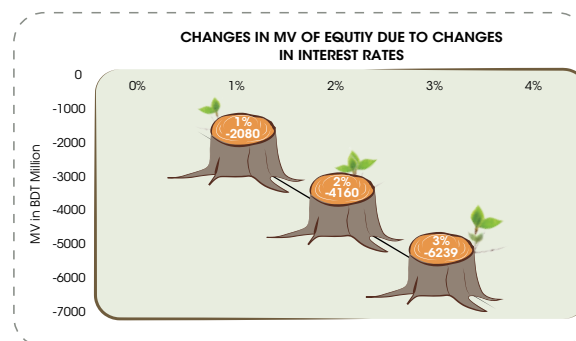
Interest rate risk is the potential impact on a Bank's earnings and net asset values due to changes in market interest rates. It affects the underlying value of the Bank's assets, liabilities and off-balance sheet instruments because the present value of future cash flows (and in some cases, the cash flows themselves) changes when interest rates changes.

The short-term impact of changes in interest rates is on the Bank's Net Interest Income (NII). The longer-term changes in interest rates affect asset cash flows, liabilities, and off-balance sheet items. It poses a risk to the Bank's net worth, arising from all re-pricing mismatches and other rate-sensitive positions. MTB assesses the impact of interest rate changes on the Bank's earnings and economic value through a stress testing module and gap analysis method.

Interest Rate Risk in the Banking Book (IRRBB): Quantitative Disclosure

a) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (as relevant):

Interest Rate Risk in the Banking Book	
Particulars	Amount in BDT Million
Market Value of Assets	266,749
Market Value of Liabilities	254,295
Weighted Average of Duration of Assets (DA)	2.06
Weighted Average of Duration of Liabilities (DL)	1.28
Duration GAP (DA-DL)	0.84
Yield to Maturity (YTM -Assets)	7.94%
Yield to Maturity (YTM -Liability)	4.59%



7. Market Risk: Qualitative Disclosure

a) Views of BOD on trading/ investment activities	Market risk is the risk of potential losses in the on-balance sheet and off-balance sheet positions of a Bank stem from adverse movements in market rates or prices such as interest rates, foreign exchange rates, equity prices, credit spreads or commodity prices. The BOD of the Bank ensures that the Bank has an adequate market risk management process that takes into account risk appetite, risk profile, market and macroeconomic conditions. The BOD also approves prudent policies and processes to identify, measure, evaluate, monitor, report market risks on a timely basis.
b) Methods used to measure Market risk	Fundamentally, MTB applies the Standardized Approach for gauging market risk while calculating the minimum capital requirement. It is done under two separate approaches, i.e., capital charges for "specific risk," which is designed to protect against an adverse movement in the price of an individual security and capital charge on "general market risk," which is aimed at capturing the risk of loss arising from changes in market interest rates. Moreover, the Bank also uses gap analysis, stress testing techniques to assume the impact of interest rate changes in earnings and capital base.
c) Market Risk Management system	To ensure holistic market risk management systems, the Bank diligently adheres to the risk management guidelines for Banks, FX guidelines, and other Bangladesh Bank directives. The Treasury Department of MTB manages market risk covering liquidity, interest rate, and foreign exchange risks, with oversight from Asset Liability Management Committee (ALCO), which comprises the Bank's senior management. Moreover, there are treasury mid-office, market, and liquidity desks under the risk management division to monitor market risk's key parameters.
d) Policies and processes for mitigating market risk	<p>MTB sets limit for various market risk related indicators while preparing business strategies through RAS. The limits are monitored regularly and if needed, revised based on the market dynamism and macroeconomic outlook. The Bank has the following Board approved policies to manage and mitigate market risk:</p> <ul style="list-style-type: none"> • ALM Policy: ALM policy of the Bank sets out the key principles of effective balance sheet management. It incorporates the apt structure, organizational framework, adequate process, and control mechanism to manage liquidity and interest rate risk. The policy is approved by the BOD and is reviewed periodically to ensure the effectiveness of ALM functions. • FX Risk Management Policy: The FX policy manual outlines the general organizational framework, international and domestic customs & practices, monitoring, reporting, and recording day-to-day interBank and corporate foreign exchange transactions.

Market Risk: Quantitative Disclosure

Capital requirement for Market Risk:		
Particulars	Solo	Conso
Interest Rate Related Instruments	79,033,667	79,033,667
Equities	87,333,678	273,060,901
Foreign Exchange Position	198,954,064	199,825,208
Total	365,321,409	551,919,776

Category	Solo	Conso
Foreign Exchange Position	199	200
Equities	87	273
Interest Rate Related Instruments	79	79

8. Operational Risk: Qualitative Disclosure

a) Views of BOD on system to reduce Operational Risk	Operational risk arises from inadequate or failed internal processes, people and systems; or from external causes, whether deliberate or accidental. It is inherent in any business. The policy for operational risks, including internal control and compliance risk, is approved by the Board, taking into account the relevant guidelines of Bangladesh Bank. The Audit Committee of the Board directly oversees the activities of the Internal Control and Compliance Department (ICCD) with the objective of mitigating all operational risks. Moreover, the Bank has a board-approved risk management policy that sets out the organizational framework and sound risk governance culture across the organization.
b) Performance gap of executives and staffs	The Bank's recruitment policy outlines an unprejudiced process that underscores competency-based onboarding. Further to that, MTB's human capital development strategy plays a pivotal role in balancing the cognizance across different levels. The Bank comprehends that continuous learning and development are fundamental to shore up the value creation from its human capital. Moreover, the Bank has an equitable performance management system (PMS) to evaluate its employees' performance. The PMS helps identify the areas of improvement and reduce the performance gaps among a particular group of employees by mapping out development plans. The Bank's policies and perks justify its unwavering commitment to the well-being of its employees.
c) Potential external events	The impact of external adverse events is a part of systemic risk. There would be unavoidable situations such as macroeconomic turmoil, disease outbreak that could affect the performance of the business in general. The Bank's risk management strategies are designed to stave off unforeseen losses erupting from its day to day operation.
d) Policies and processes for mitigating operational risk	<p>MTB has a risk management division for managing and mitigating operational risk in conjunction with other business lines and support functions. Moreover, the Internal Control & Compliance Department (ICCD) conducts risk-based internal audits on the branches periodically. MTB's risk governance structure, which includes the risk management committee at the board level; executive risk management committee at the senior management level, ensures inclusive risk management culture. The Bank has board-approved risk management and internal control & compliance policies to ensure effective processes and adequate systems are in place for operational risk management.</p> <p>MTB has a unique risk forum at the operational level, namely ERAF, which serves as the common platform for the employees to escalate risk issues to the authorities concerned. ERAF plays a significant role in accelerating awareness among the employees on operational risk management.</p>
e) Approach for calculating capital charge for operational risk	MTB applies basic indicator approach as per Basel III guideline to calculate capital charge for operational risk.

Operational Risk: Quantitative Disclosure

	Solo	Conso
Capital Requirement for Operational Risk	1,585,839,687	1,647,793,045

9. Liquidity Risk: Qualitative Disclosure

a) Views of BOD on system to reduce liquidity Risk	Measurement and managing liquidity needs are vital activities of the Bank. By assuring the Bank's ability to meet its liabilities as they become due, liquidity management can reduce the probability of developing an adverse situation. The importance of liquidity transcends individual Banks, as liquidity shortfall in one Bank can have repercussions on the entire Banking system. MTB has a board-approved ALM policy to monitor and manages the liquidity stance of the Bank.
b) Methods used to measure Liquidity risk	MTB applies several regulatory liquidity indicators (RLIs) such as CRR, SLR, LCR, NSFR, MCO, and AD ratio, etc., to measure liquidity risk. The Bank also conducts GAP analysis through structural liquidity profile under different time horizons to measure and manage liquidity risk. Besides, the stress testing module is applied to gauge the propensity of liquidity crunch. The Bank also needs to set aside additional capital if any regulatory liquidity indicators (RLI), stated above, breach regulatory limits.
c) Liquidity risk management system	MTB has a wide-ranging organizational structure to ensure an optimized liquidity risk management system. While the governing functions of liquidity risk management lie with the Asset-Liability Committee (ALCO) of the Bank, there is a treasury department responsible for operational functions for liquidity risk management. MTB's ALCO formulates and reviews strategies and also provides guidance to manage liquidity risk pursuant to the framework laid down in the ALM Policy. The Treasury department coordinates the implementation of the strategies set forth by the ALCO and other guidelines laid down in the Bank's ALM policy manual. Moreover, to manage liquidity risk from another line of defense, there is also a separate liquidity desk under the risk management division to monitor the liquidity measures and limit regularly.
d) Policies and processes for mitigating liquidity risk	MTB has a board-approved ALM policy manual to measure and manage liquidity stance considering market dynamism and economic outlook as a whole. The Bank also set the liquidity risk appetite for the key liquidity indicators in line with its strategic objectives. MTB also framed a Liquidity Contingency Plan (LCP), which serves as a framework for early identification and calibrated action in the liquidity crisis event. The LCP includes various indicators, which are monitored regularly, and lays down the mechanism for escalation, remedial action, and crisis management.

Liquidity Risk: Quantitative Disclosure

Particulars	Amount
Liquidity Coverage Ratio (LCR)	101.78%
Net Stable Funding Ratio (NSFR)	101.08%
Stock of High quality liquid assets	45,554,306,430
Total net cash outflows over the next 30 calendar days	44,757,620,780
Available amount of stable funding	224,026,983,000
Required amount of stable funding	221,641,993,000

10. Leverage Ratio: Qualitative Disclosure

a) Views of BOD on system to reduce excessive leverage	<p>Leverage ratio was introduced in Basel III with an aim to avoid building-up excessive on and off-balance sheet leverage in the Banking system. The leverage ratio is intended to achieve the following objectives:</p> <ul style="list-style-type: none"> constrain the build-up of leverage in the Banking sector which can damage the broader financial system and the economy reinforce the risk based requirements with an easy to understand and a non-risk based measure <p>MTB adopted leverage ratio in line with Basel III guidelines as a credible supplementary measure to the risk based capital requirements.</p>
b) Policies and processes for managing excessive on and off-balance sheet leverage	The Bank adheres to the revised risk based capital adequacy guidelines of Bangladesh Bank while managing excessive on and off-balance sheet leverage.
c) Approach for calculating exposure	<p>MTB computes leverage ratio on a quarterly basis pursuant to the revised RBCA guidelines of Bangladesh Bank, wherein a minimum Tier 1 leverage ratio of 3% is being prescribed both at solo and consolidated level. The calculation methodology of leverage ratio is defined as:</p> <p>Leverage Ratio = Tier 1 Capital (after related deductions)/Total Exposure (after related deductions)</p> <p>The exposure measure for the leverage ratio generally follows the accounting measure of exposure.</p>

Leverage Ratio: Quantitative Disclosure

Particulars	Solo	Conso
Leverage Ratio	4.96%	5.07%
On balance sheet exposure	263,732,149,577	265,088,195,576
Off balance sheet exposure	51,099,567,800	51,099,567,800
Total exposure (after related deductions)	313,667,097,098	315,023,143,097

11. Remuneration: Qualitative Disclosure

a) The bodies that oversee remuneration	<p>MTB aims to attract, retain, and motivate the best people who are committed to maintaining a career with the Bank, and who will perform their roles in the long-term interests of the Bank.</p> <p>A vigorous and effective governance framework ensures that the Bank operates within clear parameters of its compensation strategy. All compensation matters are overseen by MTB Group HR in consultation with the Deputy Managing Directors and Managing Director & CEO. In this process, evaluating market conditions and adjusting cost of living remuneration is set. The remuneration is finally approved by the Board of Directors.</p>										
b) Design and Structure of Remuneration	<p>The Bank has adopted a Board approved promotion policy. All eligible candidates for promotion are evaluated strictly in terms of the provisions of the promotion policy and subsequently recommended by the promotion committee comprising of the following executives:</p> <table border="1"> <thead> <tr> <th>Designation</th> <th>As</th> </tr> </thead> <tbody> <tr> <td>Senior most Additional Managing Director</td> <td>Chairman</td> </tr> <tr> <td>All Deputy Managing Directors</td> <td>Members</td> </tr> <tr> <td>MTB Group Head of HR</td> <td>Member Secretary</td> </tr> <tr> <td>MTB Group Head of Internal Control & Compliance</td> <td>Member</td> </tr> </tbody> </table>	Designation	As	Senior most Additional Managing Director	Chairman	All Deputy Managing Directors	Members	MTB Group Head of HR	Member Secretary	MTB Group Head of Internal Control & Compliance	Member
Designation	As										
Senior most Additional Managing Director	Chairman										
All Deputy Managing Directors	Members										
MTB Group Head of HR	Member Secretary										
MTB Group Head of Internal Control & Compliance	Member										

c) Performance and Pay-nature and type of measures	The Bank uses objective based performance management system. The employees of the Bank set objectives on the basis of the job description /assignment at the beginning of the year. Mid-year review is conducted to ascertain the progress report. Finally, performance of the employees are evaluated at the end of the year. The performance bonus for employees is linked to the overall performance of the Bank.												
d) Variable remuneration	<p>Variable remuneration is related to performance and consists primarily of the annual performance bonus. As a part of variable remuneration, the annual bonus rewards delivery of operational and financial objectives, the individual performance of the employees in achieving those objectives.</p> <p>The cluster heads and divisional/departmental heads recommend Incentive Bonus for employees working under their supervision. All recommendations examined and evaluated by a committee known as Bonus Committee. The structure of the committee is as under:</p> <table border="1" data-bbox="555 620 1496 853"> <thead> <tr> <th data-bbox="555 620 1255 659">Designation</th> <th data-bbox="1262 620 1496 659">As</th> </tr> </thead> <tbody> <tr> <td data-bbox="555 664 1255 702">Senior most Additional Managing Director</td> <td data-bbox="1262 664 1496 702">Chairman</td> </tr> <tr> <td data-bbox="555 707 1255 745">All Deputy Managing Directors</td> <td data-bbox="1262 707 1496 745">Members</td> </tr> <tr> <td data-bbox="555 750 1255 789">MTB Group Head of HR</td> <td data-bbox="1262 750 1496 789">Member Secretary</td> </tr> <tr> <td data-bbox="555 793 1255 832">MTB Group Head of Internal Control & Compliance</td> <td data-bbox="1262 793 1496 832">Member</td> </tr> <tr> <td data-bbox="555 836 1255 875">MTB Group Chief Financial Officer</td> <td data-bbox="1262 836 1496 875">Member</td> </tr> </tbody> </table> <p>The remuneration is a combination of fixed pay and variable pay. The variable pay is higher at senior levels than that of junior levels.</p>	Designation	As	Senior most Additional Managing Director	Chairman	All Deputy Managing Directors	Members	MTB Group Head of HR	Member Secretary	MTB Group Head of Internal Control & Compliance	Member	MTB Group Chief Financial Officer	Member
Designation	As												
Senior most Additional Managing Director	Chairman												
All Deputy Managing Directors	Members												
MTB Group Head of HR	Member Secretary												
MTB Group Head of Internal Control & Compliance	Member												
MTB Group Chief Financial Officer	Member												
Remuneration: Quantitative Disclosure													
a) Number of employees received variable remuneration award	Due to the very nature of the pandemic year & unforeseen events, no variable remuneration award was given out to employees in 2020.												
b) Total amount of severance payment	Total amount of BDT 30.94 million was disbursed to 94 outgoing employees as severance payment for the year 2020 at the time of releasing them from the service of the Bank.												

Allocation of Resources Based on Strategies



Our strategies are built around our purpose: Becoming Bank of choice by providing world class Banking solutions to our customers. We have adopted Think Forward attitude which has provided us the blueprint for achieving our goals. We are reinventing our customer experience at a time when digitization is increasing and mobile devices are rapidly becoming customers' channel of preference. Banking as we know will have to integrate cyber space

based services as the industrial revolution is happening around us. We are setting out our strategies to capitalize on the opportunities on the backdrop of bringing down interest rate to single digit.

Our strategies are built around our customer promise: friendly, availability, flexibility and service excellence.

Strategic Priorities

STRATEGY ON A PAGE				
purpose	Want to be - <ul style="list-style-type: none"> One of the best performing Banks in Bangladesh The Bank of choice A truly world -class Bank 			
Customer promise	 Availability	 Flexibility	 Innovation	 Service Excellence
Strategic Priorities	<ul style="list-style-type: none"> Customer relationship and experience Optimizing financial capital Enhanced service scope & accessibility Investment in digitalization Sustainability Corporate governance 			
Enablers	<ul style="list-style-type: none"> Product revamping Process re-engineering Operational excellence Lending capabilities 			

1. Customer relationship and experience

Our priority is to provide fast and flawless service service that is right first time, every time. Our goal is to take out all the hassle out of Banking. That means we will smoothly tackle the "Pain Points" of a customer- like opening account, or applying for loans. We will have increased focus on "Customer Journey" to better understand the needs of our customers and create a better ecosystem to cater the needs.

Find out more at MTB Products and Services, Sustainability analysis- service quality chapters.

2. Optimizing financial capital

In April 2020, single digit interest rate became effective and in response we lower our cost of fund to keep us spread that ensure our sustainability. The Bank continued to improve the fundamentals, by increasing capital strength, building a healthy liquidity position, and balancing our loan-to-deposit ratio. Our focus will remain in efficient use of our financial capital optimizing our cost to income ratio and attract more deposits from no cost low cost accounts. In obtaining this priority, we will be utilizing our manufactured capital, the customer service touch points.

Find out more at Statement of MD and CEO, Financial Capital chapters.

3. Enhanced service scope & accessibility

We believe SME and Retail will be the key drivers in the future. We will look to invest in the economic thrust sectors and provide convenient financial solutions to retail segments. Thinking beyond traditional Banking is crucial in order to retain and expand our customer base. Starting from cross-selling to ensure encompassing financial solutions to co-creating values by collaborating with outside partners in order to expand our existing customer base. Increasing customer touch points in terms of branches, sub branches, agent Banking centers, ATM booths, POS machine will be our priority to reach for potential segments of our target group and speed up financial inclusion of currently unBanked segments of the community.

Find out more at Manufactured Capital- Service Distribution Network chapters.

4. Investment in digitalization

We have taken a digital-first approach by continuously equipping our IT infrastructure with state of the art technology. We are currently transforming ourselves into a centralized Banking model. We will invest more into building digital platforms and alternative delivery channels. Our resources will go into system security to protect our clients and ensure constant access to services and work closely with regulators to help stamp financial crime.

Find out more at Intellectual Capital- IT chapter

5. Sustainability

Our role is guided by our environmental, economic, social responsibility towards our stakeholders. We firmly believe that responsible actions and economic success go hand in hand. We want to lead by example - taking responsible approach to lending, reducing our own carbon footprint and maintaining ethics and integrity. We have a Sustainable Finance Unit working tirelessly to ensure that we are lending in businesses that are not adversely affecting environment. We have developed products like Green Energy to combat climate change challenges. In our mission to create a future proof Bank we are continuously engaging our stakeholders and investing on our technology and human resources to create alternative business model that ensures sustainability to our business and to our environment.

Find out more at Sustainability Analysis chapter

6. Corporate governance

We have a culture that encourages transparency, accountability and integrity. We take pride in being one of the most compliant financial institutions. In what we do our first principle that we adhere to is Compliance First. We are resolute in maintaining our corporate governance in a manner that will safeguard our corporate interest as well as the interest of our stakeholders.

Find out more at Corporate Governance Report.

Enablers

1. Product revamping

Major portion of our current loan portfolio comes from wholesale businesses, which consists of more than 80% of the risk assets. In case of deposits, our cost of fund is much higher than many other industry players. To facilitate our financial capital optimization goal, we will revamp our product portfolio. Withholding our current position in wholesale Banking, we will strive our full force to attain more share in retail and SME lending. On the other hand, to bring cost of fund to minimum level, emphasis will be provided on acquiring CASA or low to no cost deposits.

Find out more at Statement of MD and CEO

2. Process re-engineering

We aim to become a more effective, cost efficient and agile organization with the flexibility to respond to fast-changing customer needs and low-cost competitors. With this view, we have initiated centralization of processes. The Bank already redesigned its lending procedures and now it is forwarding towards deposit collection procedure centralization. This approach will enhance better control over deposit collection and lending processes, minimizing the costs and enhancing operational efficiency, making the Bank a sustainable organization.

Find out more at Statement of MD and CEO

3. Operational excellence

Operational excellence requires continuous focus. We are committed to ensure that operations provide a seamless and flawless customer experience. Operational excellence is achieved when promises to customers are delivered. To meet changing customer expectations arising from increasing digitalization, MTB aims to converge into a single platform for financial services that will deliver a uniform customer experience. This will be based on simplified and standardized operational processes and systems supported by modular architecture, integrated and scalable IT systems, and shared services. While

pursuing this ambition we are investing in stable IT systems and platforms so that the Bank is available for customers when they are in need and to provide them with the highest standards of data security.

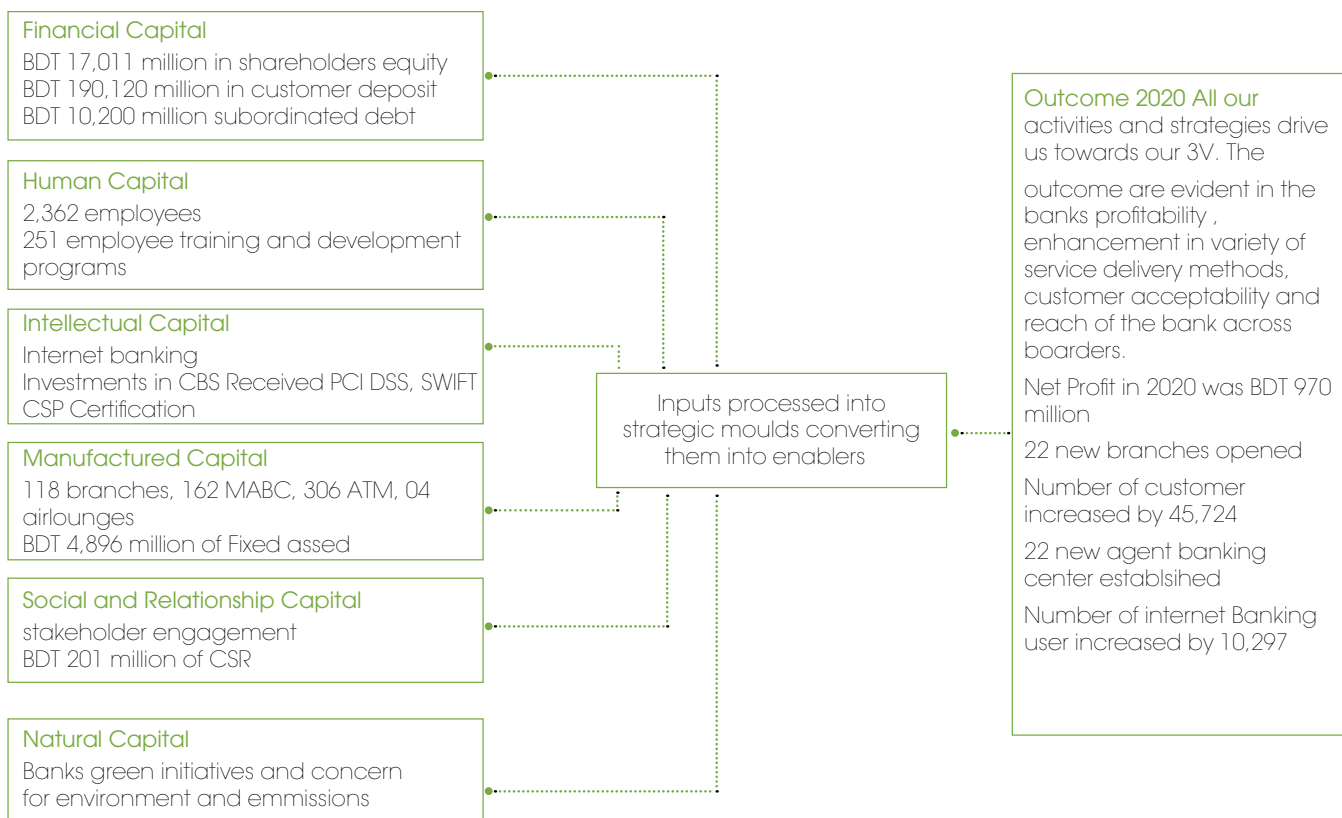
Find out more in Business Model Flexibility for Adapting to Change Forces, Intellectual capital.

4. Lending capabilities

Broadening and diversifying our lending capabilities to continue to grow client base is one of the Banks strategic enablers. To do so, the Bank seeks opportunities in Retail, SME and Wholesale Banking lending growth. MTB has

strong corporate client base including industrial giants such as PHP, Meghna Group of Industries etc. Keeping the constant growth rate in Wholesale Banking, MTB wishes to focus more on Retail and SME Banking to enhance the portfolio share of the later divisions. Expanding market for retail and SME divisions will bring more individual and small business client base into the Bank while increasing the revenue stream with existing capital base.

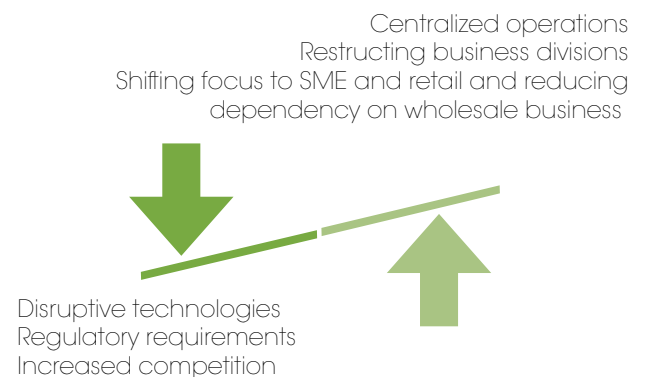
Read more in Business Divisional Overview- Wholesale, SME, Retail



Business Model Flexibility For Adapting To Change Forces

Nature of financial institution business is always upgrading and changing. At macro environment level disruptive changes are taking place due to advances in fitness, while our regulatory environment may change from time to time requiring the Banks to meet new principles. The Banking business sector faces increasing stiff competition as the number of Banks increased, making easier switching options for the Bank. Method of conducting business is changing with changing customer expectations, behaviors and technological advances. MTB has initiated the process of changing parts of business model through centralized operations and restructuring wholesale, retail

and SME divisions by means of developing processes to free up Relationship Managers, Credit Analysts and Collection Officers, while bringing changes to the scope and roles of different departments within each division.



Corporate Governance



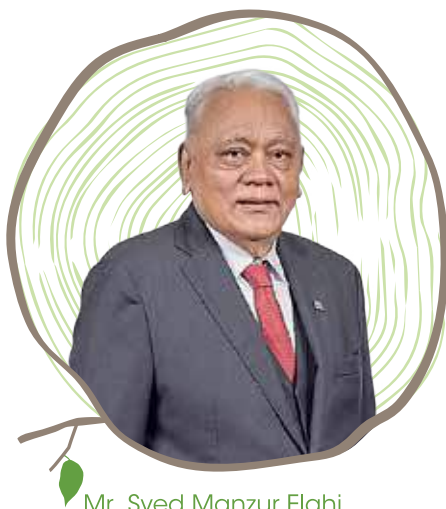
Members of the Executive Committee



Mr. Md. Hedayetullah
Chairman, Executive Committee
Director, Mutual Trust Bank Ltd.



Mr. Md. Abdul Malek
Member, Executive Committee
Vice Chairman, Mutual Trust Bank Ltd.



Mr. Syed Manzur Elahi
Member, Executive Committee
Director, Mutual Trust Bank Ltd.



Dr. Arif Dowla
Member, Executive Committee
Director, Mutual Trust Bank Ltd.

W.e.f. January 01, 2021



Members of the Board Audit Committee



Ms. Nasreen Sattar
Chairman, Audit Committee
Independent Director, Mutual Trust Bank Ltd.



Mr. M. A. Rouf JP
Member, Audit Committee
Director, Mutual Trust Bank Ltd.



Ms. Anika Chowdhury
Member, Audit Committee
Director, Mutual Trust Bank Ltd.



Mr. Faruq Ahmad Siddiqi
Member, Audit Committee
Independent Director, Mutual Trust Bank Ltd.

W.e.f. January 01, 2021

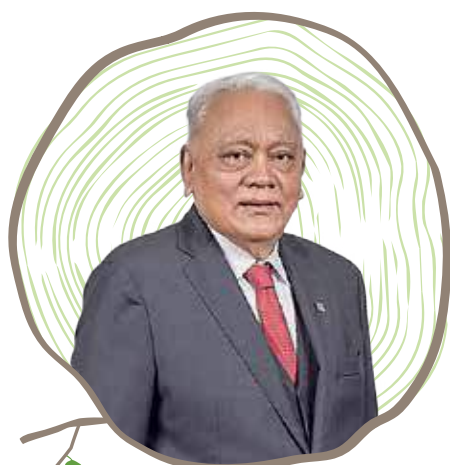
Members of the Board Risk Management Committee



Mr. Rashed Ahmed Chowdhury
Chairman, Risk Management Committee
Director, Mutual Trust Bank Ltd.



Mr. Md. Abdul Malek
Member, Risk Management Committee
Vice Chairman, Mutual Trust Bank Ltd.



Mr. Syed Manzur Elahi
Member, Risk Management Committee
Director, Mutual Trust Bank Ltd.



Mr. Md. Hedayetullah
Member, Risk Management Committee
Director, Mutual Trust Bank Ltd.



Dr. Arif Dowla
Member, Risk Management Committee
Director, Mutual Trust Bank Ltd.

W.e.f. January 01, 2021



Asset Liability Committee (ALCO)

- 01 Mr. Tarek Reaz Khan
Deputy Managing Director & COO
- 02 Mr. Chowdhury Akhtar Asif
Additional Managing Director & GCRO
- 03 Mr. Md. Khalid Mahmood Khan
Deputy Managing Director
Corporate & Commercial Business
- 04 Mr. Md. Bakhteyer Hossain
Head of Transaction Banking
- 05 Mr. Md. Shamsul Islam
Group Head of Treasury

- 06 Mr. Md. Shafquat Hossain
Head of SME & Retail Banking
- 07 Mr. Syed Rafiqul Haq
Additional Managing Director & CBO
- 08 Mr. Syed Mahbubur Rahman
Managing Director & CEO
- 09 Mr. Mohammad Aminul Haque, FCA
Group Chief Financial Officer
- 10 Mr. Md. Afzalul Islam
Head of Islamic Banking Division

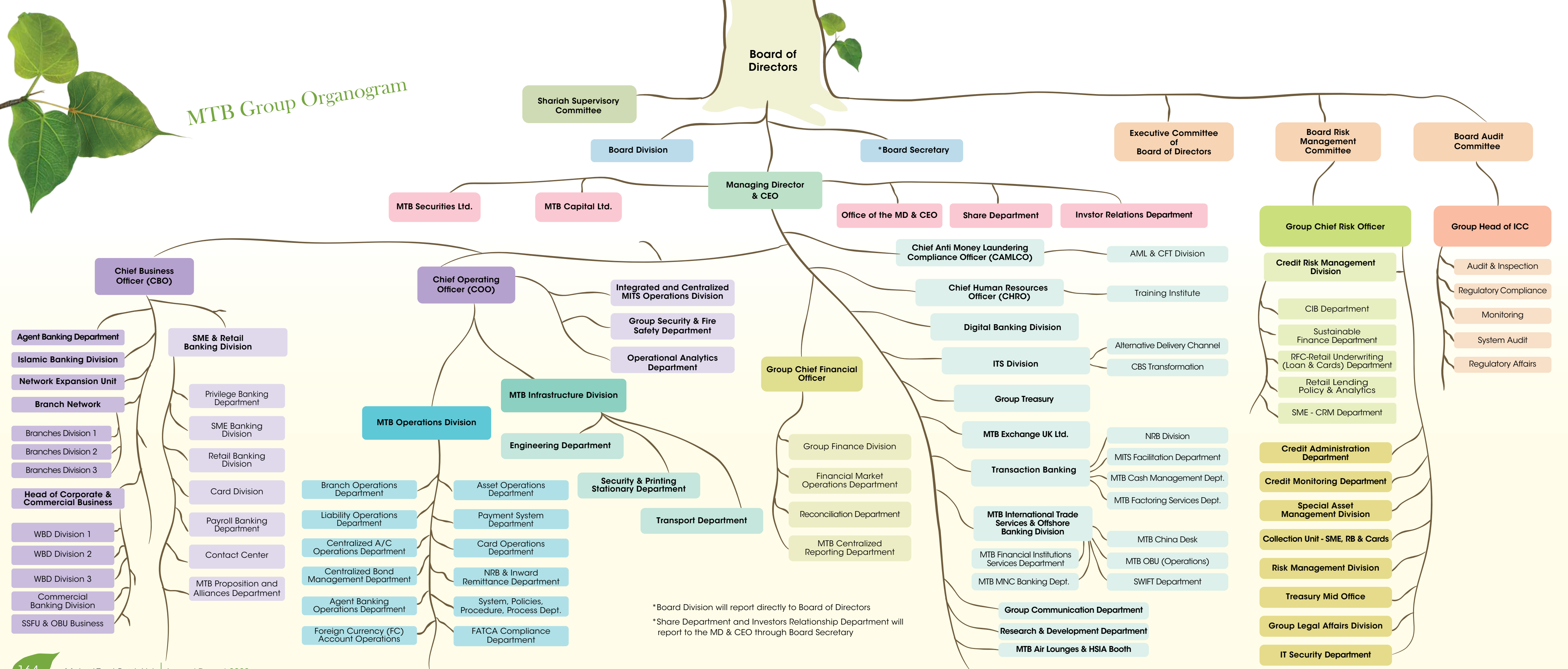


Senior Management

Name	Designation
Mr. Syed Mahbubur Rahman	Managing Director & CEO
Mr. Syed Rafiqul Haq	Additional Managing Director & Chief Business Officer
Mr. Chowdhury Akhtar Asif	Additional Managing Director & Group Chief Risk Officer
Mr. Goutam Prosad Das	Deputy Managing Director & Group Head of ICC
Mr. Tarek Reaz Khan	Deputy Managing Director & COO
Mr. Md. Khalid Mahmood Khan	Deputy Managing Director, Corporate and Commercial Business
Mr. Rais Uddin Ahmad	Deputy Managing Director & CAMLCO
Mr. Abdul Mannan	Head of Branch Banking Division 1
Mr. Azad Shamsi	Head of Branch Banking Division 3
Mr. Md. Bakhteyer Hossain	Head of Transaction Banking
Mr. Md Nazrul Islam Mazumder	CEO, MTB Securities Ltd.
Mr. Khairul Bashar Abu Taher Mohammed	CEO, MTB Capital Ltd.
Mr. Md. Shamsul Islam	Group Head of Treasury
Mr. Malik Muntasir Reza	Company Secretary
Mr. Kamrul Hasan Khan	Head of Wholesale Banking Division-1
Mr. Syed Mahbub Morshed	Head of Branch Banking Division 2
Mr. Shyamol Boran Das	Chief Digital Officer, Digital Banking Division
Mr. Usman Rashed Muyeen	Head of Credit Risk Management
Mr. Md. Shafquat Hossain	Head of SME & Retail
Mr. Mohammed Ishaque	Head of Region, Chattogram
Mr. Syed Mahmud Akhter	Head of Wholesale Banking Division-3
Mr. Md. Amirul Islam	Head of Region, BBD
Mr. K. M. Abdul Wadood	Principal, MTB Training Institute
Mr. Marcus Cornelius Gomes	Vice Principal, MTB Training Institute
Mr. Amitav Kaiser	Head of MTB Infrastructure Division
Mr. Md. Anisur Rahman	Head of Region, BBD
Mr. Mohammad Mamun Faruk	Unit Head of Corporate Business Unit-1, Wholesale Banking Division-1
Mr. Md. Habibur Rahman	Head of Wholesale Banking Division-2
Mr. Galib Hamid Profik	Head of MTB Operations Division
Mr. Shafayat Ullah	Head of Group Legal Affairs Division
Mr. Mir Iqbal Hossain	Head of Special Asset Management Division
Mr. Md. Ifthakhar Hassan	Branch Manager of MTB Babu Bazar Branch
Mr. Md. Humayun Kabir	Unit Head of MTB Internal Control & Compliance
Mr. Md. Shamsul Alam	Head of Liability Operations Department
Mr. Md. Azam Ali Khan	Branch Manager of MTB Faridpur Branch

Name	Designation
Mr. Abu Zafar Md. Saleh	Branch Manager of MTB Progati Sarani Branch
Mr. Md. Tauhidul Alam	Head of Credit Monitoring Department
Mr. Md. Ashraful Islam	Unit Head, Special Asset Management Department
Mr. Suvash Chandra Biswas	Head of Payment Settlement System and Report
Mr. Md. Shoab Khan Chowdhury	Head of MTB Collection Department for SME, Retail and Cards
Mr. Md. Humayun Kabir	Branch Manager of MTB Mirpur Branch
Mr. Mohammad Shaheen Khan	Branch Manager of MTB Principal Branch
Mr. Giash Uddin Ahmed	Head of Region, BBD
Mr. Md. Towfiqul Alam Chowdhury	Head of Business, Retail Banking Division
Mr. Azam Khan	Head of Communications
Mr. Md. Aminul Islam	Head of MTB AML & CFT Division
Mr. Md. Saiful Islam	Branch Manager, MTB Dumni Branch
Mr. Mohammad Zahidul Ahasan	Head of NRB Division
Mr. Md. Moazzam Hossain	Unit Head of MTB Internal Control & Compliance
Mr. Reaz Ahmed	Branch Manager, MTB Kakrail Branch
Mr. Mohammad Ikramul Ghani Khan	Head of Group Security & Fire Safety Department
Mr. Khalid Munir Kanak	Corporate Head Office
Mr. Ashraf Uddin Ahmed	Head of Asset Operations
Mr. Eva Rahman	Unit Head of Corporate Business Unit-5, Wholesale Banking Division-1
Mr. Madan Mahan Karmoker	Head of Agent Banking Department
Mr. Ashraf Ur Rahman Chowdhury	Unit Head of Corporate Business Unit-2, Wholesale Banking Division-1
Mr. Khalid Hossin	Head of Digital Lending & Innovations, MTB Digital Banking Division
Mr. Sanjib Kumar Dey	Head of SME Banking Division
Mr. Mirza Hashibul Halim	Head of Region, BBD
Mr. Tahsin Shahid	Head of Region, BBD
Mr. Masud Mushfiq Zaman	Group Head of Human Resources Division
Mr. Mohammad Kamran Ahmed	Branch Manager, MTB Sylhet Branch
Ms. Sazia Hussain	Branch Manager, MTB Gulshan Branch
Mr. Jhantu Gomes	Head of Card Operations Department
Mr. Mohammad Aminul Haque, FCA	Group Chief Financial Officer

MTB Group Organogram



*Board Division will report directly to Board of Directors
 *Share Department and Investors Relationship Department will report to the MD & CEO through Board Secretary

Directors' Report to the Shareholders



Dear Valued Shareholders,

On behalf of the Board of Directors, I take this opportunity to welcome you all to the 22nd Annual General Meeting (AGM) of Mutual Trust Bank Limited. In line with the requirements of Section 184 of the Companies Act, 1994, stock exchange regulations and Bangladesh Securities and Exchange Commission Order no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, I have the pleasure to place before you the Directors' Report for your consideration. The report briefly presents the overall performance of the Bank in a year of very competitive and eventful Banking industry environment.

Global Economy

The heavy toll on global economy due to COVID 19 seems to fade away slowly at the end of 2020 as recent vaccine approvals have raised hopes of turnaround. However, renewed waves and new variants of the virus pose concerns for the outlook and setbacks in containing the pandemic or other adverse events may derail the recovery. IMF projected that amid exceptional uncertainty, the global economy will grow 5.5 percent in 2021 and 4.2 percent in 2022. On the other hand, World Bank states that global economic output is expected to expand 4 percent in 2021, yet the output remain more than 5 percent below its pre-pandemic trend. Growth in emerging market and developing economies (EMDEs) is envisioned to be 5 percent in 2021, but EMDE output is also expected to remain well below its pre-pandemic projection similar to global economy. The global financial system experienced great pressure due to measures to contain the virus and slow economic activities. Debt level has reached historic highs and the pandemic has exacerbated the risks associated with a decade-long wave of global debt accumulation making global economy particularly vulnerable to financial market stress. The pandemic has

put development prospects backwards, undermining improvements for poverty reduction. Experts stress on the roles of the policy makers in raising the likelihood of better growth outcomes. Regulators around the world must prioritize the challenges which are to be addressed, such as preventing the spread of the virus, establishing policies to aid the vulnerable and suffers, and ensuring fast roll out of the vaccines to the mass. Not all countries can afford the supportive measure with weak fiscal positions, still emphasis on vigorous reforms is required to ensure strong, sustainable and equitable growth around the world. Global cooperation is critical in addressing many of these challenges and international development organizations can play critical roles in distributing resources evenly.

Bangladesh Economy

The economy of Bangladesh was already on focus of the world media as one of the fastest growing economies around the world. However, the momentum slowed down as the economy has been hit hard on arrival of COVID-19, which was first identified in the country during March, 2020. The export industry was being affected by the cancellation or postponement of several billion US dollars in orders from major retailers in importing countries. Government took several measures to contain the spread of virus and due to those measures economy was severely impacted in the year 2020. Eventually, Government relaxed the lockdown, and announced bail-out and stimulus packages for recovery, such as a revised budget for FY20 was issued by the Ministry of Finance allocating additional resources to fund the Ministry of Health's COVID-19 Preparedness and Response Plan and expanding existing transfer Programmes that benefit the poor. On March 31, the Ministry of Finance announced a BDT 50 billion stimulus package for exporting industries for meeting working capital requirements, which channeled through Bangladesh Bank operated refinance scheme. On April

15th, the Prime Minister announced the allocation of BDT 21.3 billion under a housing scheme for the homeless, BDT 7.6 billion for poor people having lost their jobs as a result of the pandemic, BDT 7.5 billion to provide health insurance for government employees most at risk, and a BDT 1 billion bonus payment for government doctors and health workers treating COVID-19 patients. Also, the government would cover BDT 20 billion in interest payments on behalf of 13.8 million loan recipients negatively impacted by the national shutdown.

The responses and initiatives taken by Bangladesh Government kept the economy rolling, though not at the previous pace. While many countries in the world including the developed ones experienced negative growth due to COVID-19 global pandemic, Bangladesh had positive growth of 3.8 percent that becomes a matter of celebration for Bangladesh. The economy is forecasted to pick up to 5 percent in 2021 and 7.5 percent in 2022, according to the updated IMF forecasts. The post-pandemic global economic recovery and the private consumption boosted by strong remittance flows from the Bangladeshi immigrants around the world are expected to be the key drivers of growth in 2021. However, the country's most immediate challenge is related to the economic, social and public health impacts of the COVID-19 pandemic.

Banking Industry

As COVID-19 wrecks the year 2020, Bangladesh experiences worst case of economic whiplash. The already suffering industry from high level of NPL, now faces new challenges. The Central Bank, in March 2020, issued a circular not to change the classification status of the borrowers up to September 2020 and later extended the directive till June 2021. Under such circumstances, the credit worthiness of the existing borrower is likely to deteriorate which, in turn, might block the possibility of repayment of the loan. In addition, the 9% lending cap rolled out from April, 2020, creating stress for the Banks to keep up profit level. The Government declared different stimulus packages for the business entities for the survival of different industries of the country and the entire fund is channeled through the Banking sector. Also to ensure that there is adequate liquidity in the financial system and to support the operations of financial institutions, Bangladesh Bank announced to buy treasury bonds and bills from Banks. The repo rate was lowered from 5.25 percent to 4.75 percent and reverse repo was cut from 4.75 percent to 4 percent at the end of July 2020. In addition, Bank rate also

cut to 4 percent from 5 percent, which was unchanged for previous 17 years. The CRR was initially reduced from 5 percent to 4.5 percent (daily-basis) and from 5.5 percent to 5 percent (bi-weekly basis), with a further reduction to 3.5 percent and 4 percent, respectively, from April 15, 2020. Advance-Deposit Ratio (ADR) for all the conventional Banks was increased from 85 per cent to 87 per cent, effective from April 15, 2020.

Banking sector is the heart of an economy, strong policies and recovery plans for post-pandemic period can ensure sustainability of the industry. However the scope of profitability is shrinking with tightening competition, implementation of single digit rate and reducing yield on government securities. After the economic downturn on account of COVID 19, new investments have decreased and less amount of loans are being disbursed from Banks. With the surplus liquidity, the Banks usually resort to government securities, and yield on the securities has reduced drastically over the year 2020. At December 2020, the yield on 91 days, 182 days and 364 days T-bills was 0.59 percent, 1.23 percent and 1.87 percent, drastic downfall from yield rates at previous year end, i.g 7.50 percent, 7.83 percent and 8.20 percent. On the other hand, yield on 2 years T. Bond, 5 years T. Bond and 10 years T. Bond settled at 3.49 percent, 4.64 percent and 5.77 percent in December 2020. A year ago, the rates were 8.33 percent, 8.97 percent and 9.23 percent.

The NPL of the Banking sector eased slightly to 8.06 percent of the total outstanding loans of BDT 14,485.4 billion at the end of December 2020 mainly due to the moratorium facility. At the end of December 2020, the number of Banks non-compliant with the minimum capital to risk-weighted assets ratio (CRAR) was 10 out of 59. Banking sector's aggregate CRAR at the end of December 2020 was 11.64 percent, which was reported to be 11.57 percent at the end of December 2019.

Total deposit of the scheduled Banks was reported to be BDT 12,904.72 billion at the end of December 2020, increased by BDT 1,534.93 billion or 13.50 percent from BDT 11,369.79 billion of December 2019. Advances by Banks recorded an increase of BDT 1,601.10 billion or 12.43 percent to be BDT 14,485.41 billion at the end of December 2020 compared to BDT 12,884.31 billion of December 2018. The spread between weighted average advances and deposit rates came down to 2.98 percent in December 2020 from 3.98 percent of December 2019 on account of bringing the interest rates to single digit from April 2020 as per directions of Bangladesh Bank (BB).

MTB at a Glance

During 2020, MTB gained 7.46 percent and -0.43 percent growth over 2019 in risk assets and customers liabilities, respectively. Despite a stiff environment, the Bank ended the year with a credit-deposit ratio of 83.90 percent. In 2020, the number of branches across the country reached 118, number of sub branches extended to 27, agent Banking centers expanded to 164, and the reach as well as the number of MTB 24/7 ATM, POS devices, kiosks, Internet Banking and SMS Banking services also increased. In January, 2021 MTB opened its fourth Air Lounge at Cox's Bazar Airport (CXB), Cox's Bazar.

The Bank is moving towards centralization and to execute the process liability and assets is being centralized in the very first phase. The Bank is also opening agent Banking centers as a part of guidelines given by central Bank. Moreover, operation of Islamic Banking wing will be initiated from 2021.

Business Goal

MTB's vision, mission, corporate core values, strategic priorities and outlook for 2020 have been given at the beginning of the report. The Bank has established the highest level of ethical standards in order to achieve MTB3V:

- i) To be One of the Best Performing Banks in Bangladesh
- ii) To be the Bank of Choice, and
- iii) To be a Truly World-Class Bank

Brief History of MTB

MTB was incorporated as a public limited company in 1999, under the Companies Act, 1994, with an authorized share capital of BDT 1,000,000,000 divided into 10,000,000 ordinary shares of BDT 100 each. At present, the Bank's authorized share capital is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10 each.

The company was issued Certificate for Commencement of Business on October 5, 1999, and on the same day, Bangladesh Bank granted it a license under the Banking Companies Act, 1991. MTB started its Banking operation on October 24, 1999. As envisaged in the memorandum of association, and, as licensed by Bangladesh Bank under the provisions of the Banking Companies Act, 1991, the company started its Banking operation to progressively carry out its Banking businesses, such as wholesale, retail, international trade financing, SME Banking, NRB Banking,

off-shore Banking, privilege Banking, agent Banking etc. The Bank operates through its corporate head office located at MTB Centre, Gulshan 1, Dhaka 1212. The Bank carries out international business through a global network of over four hundred foreign correspondent Banks.

Currently, the Bank has a network of 118 branches, which includes SME/Agri branches and 27 sub-branches, 164 agent-Banking centers across the country, and three wholly-owned subsidiary companies - MTB Securities Ltd. (MTBSL), MTB Capital Ltd. (MTBCL) and MTB Exchange (UK) Ltd.

Strategic Priorities

1. Managing financial capital and foresight to enhance shareholders' returns while ensuring sustainable growth
2. Maintenance of Core Banking Software (CBS) and keeping it up-to-date
3. Focusing more on smart Banking through increased digital customer experience
4. Reforming business model considering the current scenario and future outlook
5. Enhancing data analytics proficiencies
6. Focusing on controlling operating cost with a view to improving cost to income ratio
7. Utilizing digital avenues extensively to extend customer reach
8. Launching new and/or improved products and services
9. Improving the funding and liquidity position with the proviso of maintaining a high level of asset quality through portfolio diversification and lower provisioning
10. Ensuring that MTB's high compliance and governance standards are maintained at all times
11. Recruiting and retaining talent as well as motivating the existing human capital
12. Reviewing and improving business processes on a regular basis
13. Enhancing security and authentication system with specific focus on cyber security
14. Partnering with Fintech providers to face the new challenges of the market
15. Contributing to the progress of the economy and the people by continuing to work as a socially responsible organization

16. Ensuring appropriate use of latest technologies to improve the alternative delivery channels to provide access to the unBanked population as part of financial inclusion.

Corporate Governance

MTB has always strived to have good corporate governance practices put in place and to ensure that the highest standards of business integrity are regular part of its activities. The Bank adheres strictly to the regulatory guidelines on corporate governance. The disclosures on corporate governance are provided in the chapter on "Corporate Governance" of this Annual Report.

Risk Management

The prime objective of risk management is to appropriately balance the trade-off between risk and return. MTB carefully ensures optimum return on its assets and equities while streamlining a wide array of risks it faces during its day-to-day operation.

The main concern of the Bank is to manage risks, prudently and efficiently, to ensure profitability, capital adequacy and liquidity in a balanced manner. Strategically, MTB Board of Directors, through the Board Risk Management Committee (BRMC) and the senior management team, sets up risk governance structure and risk philosophy, endorses risk strategies and reviews and approves risk policies as well as the risk threshold in line with the Bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. MTB has put in place a number of risk management policies, some of which are-

- Fraud Risk Management Policy
- MTB Security Policy
- MTB Fire Safety and Firefighting Policy
- Earthquake Emergency Procedure
- MTB Procurement Manual
- Business Continuity Plan
- COVID 19 Risk Management Policy.

Details of the policies and activities are given in the Risk Management chapter of this Annual Report.

Further discussion on internal and external risk factors, threat to sustainability and initiative to reducing negative impacts on environment is included under the section Sustainability Analysis and Management Discussion and

Analysis, also in chapters Operating Framework & Risk Management, Macroeconomic Features Affecting the Industry.

Developing Human Capital

MTB has been working persistently with a view to transforming MTBians into human capital through exposure to appropriate training courses and development Programmes, both at home and abroad. It has created a congenial environment, where employees enjoy coming to work. The MTB Code of Conduct, unveiled in 2010, is being strictly practiced in order to ensure complete transparency and integrity in all its operations.

Even during the pandemic like COVID-19, MTB continued on sharpening its human capital with utmost diligence. Virtual training platform was adopted and regular training was provided using digital amenities throughout the year. A total of 151 training Programmes were held and 1,933 employees were given training in different fields of Banking and management practices in 2020 and most of the trainings were conducted using the virtual platform.

Corporate Social Responsibility (CSR)

In respect of corporate sustainability, MTB has focused on a few key areas like extending support to the community and protection of the environment. The Bank has set up "Mutual Trust Bank Foundation" and contributes, as donation, a part of its profit to the foundation for undertaking various projects, particularly in the health and education sectors.

Apart from the CSR activities carried out by the foundation, the Bank also undertook various CSR activities, particularly focusing COVID 19 affected, during the year 2020, details of which are given in the "Corporate Social Responsibility" part of this Annual Report. A total amount of BDT 201 million was spent on purpose of CSR activities from MTB. Various initiatives were taken to fight the pandemic with immediate effect, In alignment with the government's strategies. The Bank created an emergency fund- MTB COVID-19 DONATION FUND- the total amount of which was BDT 13 million. The MTBians contributed their one-day salary amounting to BDT 10 million and also the distinguished members of the MTB Board also contributed a significant amount of their Honourarium. 40% of the MTB Foundation budget was also added to this special COVID-19 fund. Funds, redirected to COVID purpose, were donated for various noble activities, such as disinfectant

chamber To Kuwait- Moitree Government Hospital and Kurmitola General Hospital, emergency relief amongst the flood-affected people, distribution of iftar and sehri, distribution of staple food items etc.

Adequate Accounting Records

MTB maintains all books of accounts and other records in accordance with the prevailing rules and regulations - Section 181 of the Companies Act, 1994, the Bank Companies Act, 1991, (amended up to date), Tax Ordinance and Rules, VAT Act, BSEC and DSE rules and regulations and Bangladesh Bank guidelines.

Accounting Policy and Implementation of IAS/IFRS

The Board of Directors is responsible for ensuring good governance within the Bank and does supervise Management for the preparation and fair presentation of the Bank's annual financial statements, incorporating its Balance Sheet as at 31 December 2020, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity during the year along with the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1994. IFRS 16: Leases has been incorporated in preparing Financial Statements of 2020 as adopted by ICAB.

The directors' responsibilities also include supervision for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Financial Statement Related Risk Mitigation

Financial statements are prepared to present a depiction of the activities of an organization to its stakeholders. Often the statements are used by both internal and external parties to evaluate the performance and make financial decisions. There are risks that the presented Financial Statement is not accurate and has material errors. Such risk can arise from various sources such as

i) Key processes of an organization are not defined ii) Finance staffs (Financial analysts) do not have clear idea on functions of the organization iii) Financial activities are not well differentiated iv) Unclear & inadequate policies and formal processes v) Database is not unified and use of manual, semi manual systems.

With the view to mitigate the risk of misrepresentation in the financial statements, MTB has clear defined operational and financial policies set to standardize the activities. Also the people working in the finance department are skilled enough and well aware about the operations and they have well defined segregation of responsibilities. The Bank is always concerned about making the system well integrated, customized and automated with monitoring access from the finance department.

Internal Control and Compliance (ICC) System

MTB Board of Directors has the responsibility to make significant policies to ensure compliance at all levels in the Bank's day-to-day activities. The ICC Division ensures internal control structure in the Bank with appropriate assignments, accountability of the personnel and delegation of authorities to functional management to create control and ensure a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors. The Bank Company Act, 1991, (amended 2013), requires some changes in the reporting line and organogram of the ICC Division. Meanwhile, the reporting line has been changed and the organogram revamped, to ensure that internal audit functions are dealt with independently from the ambit of management and its report is submitted to the Board Audit Committee of the Bank.

Money Laundering Risk Management

Money laundering and terrorist financing are global phenomena, apparent in almost every part of the world. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance Programme more rigorous. MTB, as a compliant Bank, is determined not to let money launderers and terrorists or perpetrators to use the Bank as a channel to launder money or finance terrorism in any possible way.

Hence, MTB has its own anti-money laundering (AML) & combating financing of terrorism (CFT) compliance Programme. It has been designed considering the range of activities, complexity of operations and the

nature and degree of money laundering and terrorist financing risks faced by the Bank. Certainly, it is designed as per the prevailing laws i.e., The Money Laundering Prevention Act, 2012 (Amended 2015), The Anti-Terrorism Act, 2009 (Amended 2013), relevant rules i.e., The Money Laundering Prevention Rules, 2013, The Anti-Terrorism Rules, 2013, Bangladesh Financial Intelligence Unit (BFIU) guidelines i.e., Money Laundering and Terrorist Financing Risk Management Guidelines, Money Laundering and Terrorist Financing Risk Assessment Guidelines, circulars and instructions and international standards. MTB applies risk-sensitive Customer Due Diligence (CDD) measures, monitors business relationships and suspicious transactions pursuant to the national regulations and international standards.

Standards of Reporting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Bank Companies Act, 1991, (as amended up to date), applicable provisions of the Companies Act, 1994; Bangladesh Securities and Exchange Commission rules and regulations, and Bangladesh Bank's BRPD Circular No. 14, dated June 25, 2003. The management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that they reflect the financial operations of the Bank in a true and fair manner.

Going Concern

Going concern is one of the fundamental assumptions in accounting, on the basis of which the financial statements are prepared. According to the going concern assumption, a business entity will continue to operate in the foreseeable future, without the need or intention on the part of its management to liquidate the entity or to significantly curtail its operational activities. Therefore, it is assumed that the entity will realize its assets and settle its obligations in the normal course of the business. It is the responsibility of the management of a company to determine whether the going concern assumption is appropriate in the preparation of financial statements. MTB has prepared its financial statements considering the going concern assumption.

Control Environment

Control activities are the policies and procedures, which help ensure that the management directives are carried out, and necessary actions are taken to minimize the risks of failure to meet stated objectives. The policies and procedures are effectively established within the Bank and are continuously reviewed for compliance, adequacy and improvement.

The Board of Directors sets the tone for an effective control environment through regular reviews of the processes for identifying, evaluating, and managing significant risks. The Standard Operating Procedures (SOP) are signed off by the head of each department to provide assurance that these standards are communicated, understood and complied with. An effective control environment is set by top management in all spheres and across all business functions. Every year, the senior team conducts a self-assessment of key controls that affect the business and develops action plans to make the internal control environment more robust.

Supplier Payment Policy

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. As of date, there is no legal case filed by the Bank or filed against it by any supplier.

Core Banking Software (CBS) Transformation

As a part of strategic decision and in pursuit of acquiring a modern CBS, the Bank engaged OPTINOVO Business Consulting Private Limited, India for rendering consultancy services to steer forward the CBS Transformation Project in 2016. Eight (8) groups of officials in certain functional areas and a number of committees engaged to evaluate the features of CBS and the Bank finally selected TCS BaNCS, a product of Tata Consultancy System (TCS), which has had a number of big installations in reputable financial institutions including Bank of China and State Bank of India.

On 5 November, 2020, TCS Go-Live was successfully implemented and the Bank is currently operating on the cutting edge CBS system.

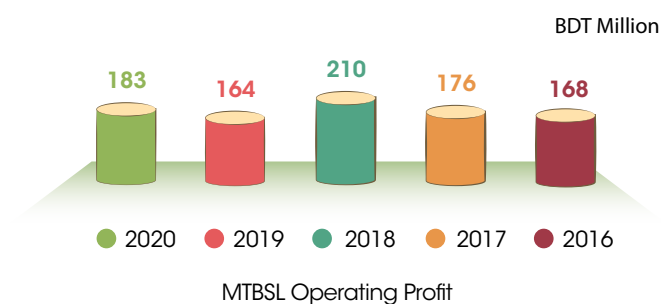
Review Report on MTB Operations, Products and Services

A review on the Bank's operational activities is given in detail in the later part of this Annual Report. Brief review reports of the Bank and its subsidiaries are as follows:

MTB Subsidiaries:

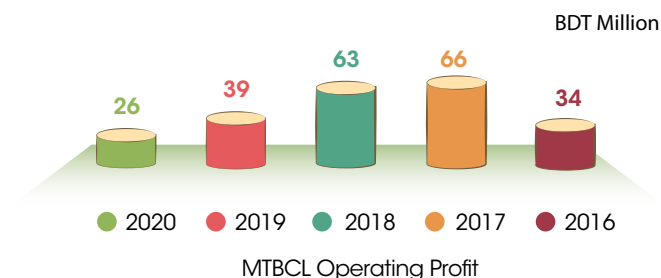
MTB Securities Ltd

Mutual Trust Bank Ltd. started its brokerage functions from June 2006 as a division of the Bank. Subsequently, as per directives of Bangladesh Bank and Bangladesh Securities Exchange Commission, the division emerged as MTB's subsidiary company, MTB Securities Limited (MTBSL). MTBSL is currently operating with 13 strategically located offices spread across the country. During the year 2020, the company made an operating profit of BDT 183.03 million as against BDT 164.07 million in 2019.



MTB Capital Ltd

MTB Capital Limited (MTBCL) is a wholly owned subsidiary of Mutual Trust Bank Limited and a full-fledged merchant Bank, licensed by the Bangladesh Securities and Exchange Commission (BSEC) in December 2010. MTBCL was incorporated to explore new markets and meet the demand for merchant Banking services. The company extends co-operation and value added services to its respected clients. During the year 2020, the company made an operating profit of BDT 26.16 million as against BDT 39.20 million in 2019.

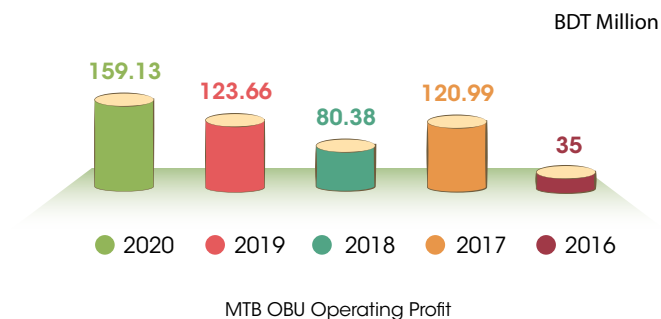


MTB Exchange (UK) Ltd.

MTB Exchange (UK) Limited (MTB UK) is one of the three wholly owned subsidiary companies of Mutual Trust Bank Limited (MTB) and started its operation from February 15, 2011. During the year 2020, the company made an operating loss of BDT 10.77 million as against operating profit of BDT 8.44 million in 2019.

Offshore Banking

MTB was permitted to operate an Offshore Banking Unit (OBU) by Bangladesh Bank in 2009. The total loans and advances of the OBU stood at USD 183.93 million in December 2020 compared to USD 145.43 million in 2019, with a growth of 26.47%. In 2020, the OBU's operating profit stood at USD 1.87 million, equivalent to BDT 159.13 million, as against USD 1.46 million, equivalent to BDT 123.66 million, in 2018.

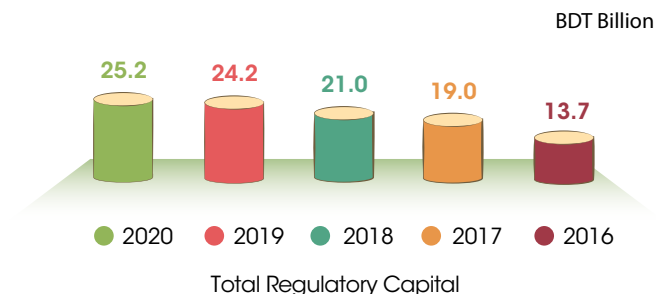


Capital Management

As per Bangladesh Bank's guideline, at the end of 2020, a Bank is required to maintain capital equal to at least 12.50% (Including Capital Conservation Buffer 2.50%) of its risk-weighted assets under the Basel-III guidelines. Bank's capital has two components, Tier-I and Tier-II. Tier-I capital should be minimum 6% of the total capital. Tier-I includes the paid-up capital, share premium, statutory reserve and retained earnings, and Tier-II includes general provision on unclassified loans and advances, revaluation reserves, unsecured subordinated debt and exchange equalization account. MTB's total capital registered an increase of BDT 1.04 billion and stood at BDT 25.23 billion in 2020. Tier-I capital grew by BDT 1.42 billion, and was recorded at BDT 15.96 billion in 2020. Total capital is now equivalent to 12.92% of total risk weighted assets.

To improve the Tier -I and strengthen the capital of the Bank, MTB initiated the process of issuing BDT 4 billion perpetual bond as Additional Tier I capital in 2019, which is in fact, the first time for the Bank issuing this type of financial instrument. In 2020, the Bank completed taking regulatory

permission for the perpetual bond and was able to collect BDT 650 million amid the uncertainties created on account of COVID 19. Rest of the fund is expected to be collected by June 2021. The details of capital adequacy and capital management are given in the "Market Discipline-Disclosures on Risk Based Capital (Base-III)" chapter of this Annual Report.



Financial Analysis

This section depicts performance and position for the year 2020. Explanation is provided, if there is any significant deviations from the last years operating results, which might arise due to any of the internal and external reasons. There has not been any significant change in the financial performance and position from quarterly financial performance.

A comparative analysis of key financial performance and position for current year and preceding four immediate years, with explanations, is available under Shareholder's Information (Pg. 368). Comparison for the performance and position with peer industry, future plan and projection is discussed under Managing Director and CEO's Statement (Pg. 69).

Total Assets

The consolidated assets of the Bank stood at BDT 269.27 billion in 2020 compared to BDT 256.91 billion in 2019. Total assets of MTB stood at BDT 267.91 billion in 2020 compared to BDT 256.06 billion in 2019, with a growth of 4.63%. MTB has been successful in marketing significant amount of loans and advances by launching new and innovative products in the market.

MTB's Consolidated Funds under Management

BDT Billion

Particulars	2020	2019	Growth
Deposits	190.12	190.95	-0.43%
Advances	203.89	189.73	7.46%
Funds Under Management (FUM)	394.01	380.68	3.50%

Cash and Balances with Bangladesh Bank and its Agent Bank(s)

MTB's consolidated cash and balances with Bangladesh Bank and its agents stood at BDT 11.78 billion in 2020 compared to BDT 14.56 billion in 2019 due to increase in balances in terms of both cash-in-hand and local and foreign currency with Bangladesh Bank.

Balances with Other Banks and Financial Institutions

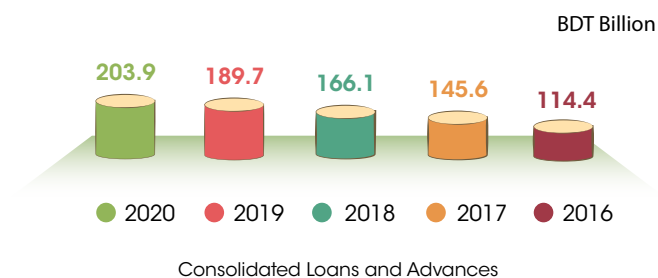
MTB's consolidated balance with other Banks and financial institutions including money at call and short notice stood at BDT 5.03 billion in 2020 compared to BDT 3.39 billion in 2019. This was BDT 4.66 billion in 2020 compared to BDT 3.24 billion in 2019 for MTB only.

Investments

MTB's consolidated investments increased during the year under review by BDT 2.46 billion to BDT 36.66 billion. The Bank purchased government treasury bills and bonds to cover the increased statutory liquidity requirement. MTB, as a primary dealer Bank, had to purchase and participate in government securities auctions set by Bangladesh Bank.

Risk Assets

MTB's consolidated loans and advances stood at BDT 203.89 billion in 2020. Outstanding loans and advances of off-shore Banking units was BDT 15.60 billion in 2020 compared to BDT 11.42 billion in 2019. Yield on loans and advances decreased to 8.13% in 2020 from 10.50% in 2019 due to decrease in lending rates. Details of credit are given in No. 7 of the Notes to the Accounts. The ratio of non-performing loans of MTB stood at 4.60%, which was much below the industry average of 8.06% in 2020.



Liabilities

The consolidated total liabilities of the Bank stood at BDT 252.26 billion in 2020 compared to BDT 240.62 billion in 2019. MTB's total liabilities rose to BDT 251.34 billion in 2019 from BDT 240.14 billion in 2018, with a growth of 4.67%. The increase in liability was mainly due to growth in deposits, other liabilities and borrowings.

Deposits and Other Accounts

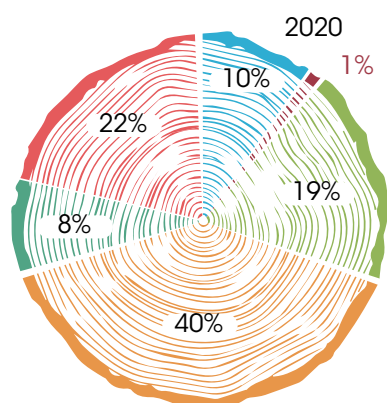
MTB's consolidated deposits decreased by 0.43% to BDT 190.12 billion in 2020. With 118 branches and 315 ATMs, MTB was able to acquire more low cost funds in 2020. Fixed deposits accounted for 40.32% of the total deposits. Cost of deposit decreased to 5.22% in 2020 compared to 6.54% in 2019.

BDT Billion

Deposits and Other Accounts	2020	2019	Growth Over 2019
Current Deposit & Other Accounts	19.21	16.35	17.47%
Bills Payable	1.99	1.64	20.96%
Savings Deposit	36.21	29.88	21.18%
Fixed Deposit	76.66	91.06	-15.81%
Special Notice Deposit (SND)	15.37	12.93	18.84%
Deposit Products	40.68	39.07	4.11%
Total Deposits	190.12	190.95	-0.43%

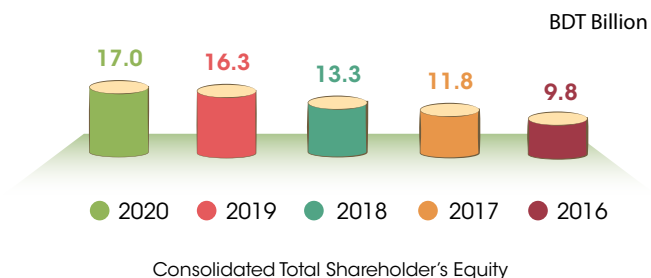
Shareholders' Equity

MTB's consolidated shareholders' equity increased by 4.43% to BDT 17.01 billion in 2020. Paid-up capital of the Bank increased by 5.00% to BDT 7.39 billion in 2020. Statutory reserves increased by 7.37% to BDT 5.04 billion during the year. Total distributable profit stood at BDT 740.22 million in 2020 after retaining of deferred tax assets of BDT 1038.97 million.



- Current Deposit & Other Accounts
- Bills Payable
- Savings Deposit
- Fixed Deposit
- Special Notice Deposit (SND)
- Deposit Products

Deposit Mix



Consolidated Total Shareholder's Equity

Analysis of Consolidated Income Statement of MTB

BDT Million

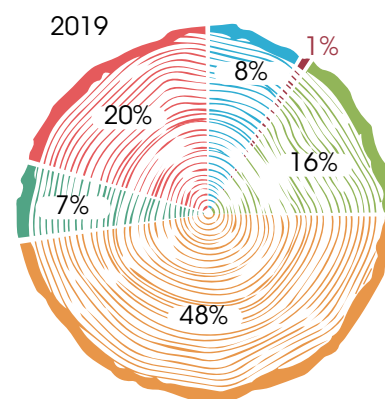
SL	Particulars	2020	2019	Growth over 2019
1	Interest Income	15,565	18,394	-15.38%
2	Interest Expenditure	11,675	12,964	-9.94%
3	Net Interest Margin (NIM)	3,890	5,430	-28.36%
4	Net Interest Margin (NIM) Ratio	2.00%	3.02%	-1.02%
5	Income from Investment, Commission, Brokerage & Others	6,066	5,777	5.00%
6	Total Net Income (Net Interest Income + Non Interest Income)	9,956	11,207	11.16%
7	Operating Expenditure	6,438	5,967	7.89%
8	Profit Before Provision	3,518	5,240	-32.85%
9	Net Profit after Tax	970	1,338	-27.47%

Interest Income

Interest income decreased by 15.38% to BDT 15.56 billion in 2020. The gross yield on advances stood at 8.13% in 2020 compared to 10.50% in 2019.

Interest Expense

Interest expenditure decreased by 9.94% to BDT 11.68 billion in 2020.



Net Interest Margin

Net Interest Margin (NIM) decreased by 28.36% to BDT 3.89 billion in 2020. The decrease in interest income contributed largely to the decrease of net interest margin. The net interest margin ratio stood at 2.00% in 2020 compared to 3.02% in 2019.

Income from Investment, Commission and Brokerage and Other Operating Activities

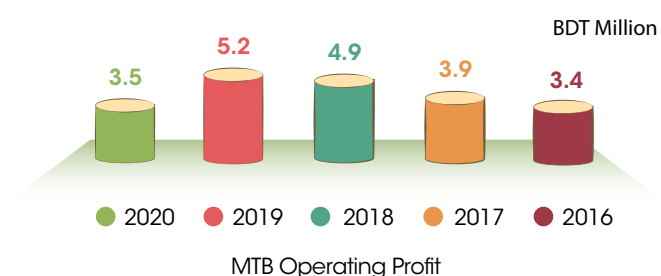
Income from investment, commission, brokerage & others increased to BDT 6.07 billion in 2020 compared to BDT 5.78 billion in 2019.

Total Operating Expense

Total operating expenses increased by 7.89% to BDT 6.44 billion in 2020 compared to BDT 5.97 billion in 2019.

Total Operating Profit

Total operating income decreased by 32.85% to BDT 3.52 billion during the year 2020 compared to BDT 5.24 billion in 2019.



Total provision against classified loans and advances stood at BDT 4.18 billion in 2020 compared to BDT 3.10 billion in 2019. Provision increased against classified loans by BDT 1.08 million in 2020. The non-performing loan ratio during the year is given below:

Year	2020	2019
Consolidated NPL Ratio	4.60%	5.39%

Profit before Tax

Profit before tax stood at BDT 1.83 billion in 2020 with a negative growth of 40.99% as against BDT 3.10 billion in 2019.

Provision for Income Tax

Due to decrease of operating profit provision for income tax stood at BDT 858.53 million in 2019 compared to BDT 1,761.67 million in 2020.

Net Profit after Tax

Net profit after tax registered a negative growth of 27.46% to BDT 0.97 billion in 2020 compared to BDT 1.34 billion in 2019. Basic earnings per share (EPS) decreased to BDT 1.31 in 2020 compared to BDT 1.81 in 2019 (Restated).

Statutory Reserves

As per the Bank Company Act, 1991, (as amended up to date), 20 percent of profit before tax is required to be transferred to statutory reserve. As such, an amount of BDT 345.57 million was transferred to statutory reserve in 2020.

Dividends

Management of Mutual Trust Bank Ltd (MTB) takes initiative to formulate a Dividend Distribution Policy that serves as guiding principal to decide on Bank's dividend while complying with prevailing regulatory requirement, keeping the internal and external matters in consideration. This policy has been adopted and published in compliance with the comprehensive directive issued by Bangladesh Securities and Exchange Commission (BSEC) vide directive no. BSEC/CMRRCD/2021-386/03, dated 14 January 2021. The Dividend Distribution Policy was approved in 260th meeting of the Board of the Directors held on 29 April, 2021 and is published in annual report as well as on official websites of MTB so that shareholders can have avail the policy.

The fund available for distribution is BDT 740.22 million in 2020 after retaining of deferred tax assets of BDT 1,038.97 million. In order to maintain a satisfactory capital adequacy ratio of the Bank, the Board has decided to recommend 10 % stock dividend for the year 2020. Mentionable that, during the year 2020, no interim dividend was declared by the Board.

Management's Discussion and Analysis

Detailed analysis of the company's position and operation can be found in Managing Director & CEO's Statement (Pg. 60), Management Discussion & Analysis (Pg. 248) & Shareholders' Information (Pg. 348)

Remuneration of Directors

As per the BRPD Circular No. 09 dated 19/09/1996, the Chairman of the Bank may be provided a car, telephone, office and private secretary. However, MTB pays only fees to its Directors for attending the meetings of the Board of Directors, Executive Committee, Risk Management Committee and Audit Committee. Managing Director is paid a salary and allowances, as per approval of the Bank's Board of Directors and Bangladesh Bank.

The statement of 'remuneration paid to the directors including independent directors' is available at page 178 under 'Corporate Governance Report'

Shareholding Pattern:

A report on the pattern of shareholding disclosing the aggregate number of shares' is available at page 195 under 'Corporate Governance Report'.

'Details of Directors, Chief Executive Officer, and Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children' are available at page 196 of 'Corporate Governance Report' as well as under the 'Related Party Transaction'. Details of the executives are stated at page 196 under the same Report.

Appointment or Reappointment of a Director

In 2020, Mr. Daniel Donald de Lange was elected as Director Representing NORFUND in place of Mr. Herbert Ludwig Jaeger in the Board of Directors of MTB. Besides, Mr. Md. Manirul Islam, Director, (Representing Pioneer Insurance Company Ltd.) retired from Directorship and Mr. Tarik Ur Rahman appointed as new Director. Mr. M. Mokammel Haque, retired from Independent Director, and Mr. Faruq Ahmad Siddiqi appointed as new Independent Director, in his place. Besides, as per companies act 1994, 1/3 of the directors of the Board of MTB retired by rotation and subsequently reappointed during the year 2020.

Board of Directors' Profile

Brief profile depicting the nature of expertise in specific functional areas of all the directors is available at page 38 under 'Board of Directors' Profile'

A statement detailing 'the name of companies in which the directors of the Bank have interest' is available at page 464 under the segment 'Financial Statements'

Declaration (certification) by the CEO and CFO has been published in the page 379 under corporate governance report.

Contribution to National Exchequer

MTB made significant contribution to the government in boosting its revenue collection which will help in developing the society and the country as a whole. As per the prevailing law of the country, the Bank being a corporate citizen pays tax and VAT on its own income. Besides, the Bank collects tax, VAT and excise duty at source from clients, deposits and suppliers. All the collected amounts are deposited to the national exchequer in due time. During the year 2020, the Bank contributed BDT 4.14 billion to national exchequer as against BDT 3.61 billion in the previous year.

Related Party Transaction

The details of transactions of related parties of the company have been given in Note 47 of the Financial Statements.

Shareholders' Value

MTB remains fully committed to delivering higher shareholder value. The high profitability track record underpins the value the shareholders derived from investing in the shares of the Bank. The Earnings Per Share (EPS) stood at BDT 1.31 and return on average equity stood at 5.83% during 2020. Market capitalization of MTB stood at BDT 17.80 billion as at December 31, 2020.

MTB keeps full caution in terms of maintaining that interest of minority shareholders is protected against any direct and indirect abusive effect arising from actions taken by the Bank. The Bank encourages participation of every shareholders in the AGMs so that they can raise any concern regarding reserving their rights.

Meeting of the Board of Directors of MTB

14 meetings of the Board of Directors of MTB were held in 2019. Total number of meetings attended and the amount of remuneration received by board members are stated at page- 83 & 84 under corporate governance report.

Appointment of Auditors

The Board of Directors' of the Bank in its 21th Annual General Meeting held on August 27, 2020 appointed M.J. Abedin & Co., Chartered Accountants as External Auditor of the Bank for the year 2020.

Annual General Meeting

The Virtual Meeting of Mutual Trust Bank Ltd Annual General Meeting (AGM) will be held on Thursday, June 24, 2021 at 3.00 p.m. using digital platform. The financial statements were approved at 261st meeting of the Board of Directors of MTB, held on May 04, 2021 for presentation to the shareholders.

Compliance of Corporate Governance Checklist:

MTB has complied with corporate governance conditions in line with the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank (BB).

I would like to thank all our shareholders, board members, regulators, depositors, clients and the authorities for helping us in our journey.

Thank you.

On behalf of the Board of Directors



Md. Wakiluddin
Chairman



Directors' Responsibilities for Financial Reporting

The Directors are required to present a report along with the financial statements and place them before the 22nd Annual General Meeting (AGM) as per the Companies Act, 1994.

The Directors are also required to report that, the financial statements of the Bank and its subsidiaries, which are prepared by the management, gives a true and fair view of:

- The state of affairs as at balance sheet date, i.e., December 31, 2020; and
- The profit and loss for the year ended on the balance sheet date.

In preparing these financial statements, the Directors are required to ensure that:

- The appropriate accounting policies have been selected and applied in a consistent manner and material departures, if any, have been disclosed and explained.
- Estimates and judgments have been made, which are reasonable and prudent; and
- All applicable accounting standards, as relevant, have been followed.

The Directors are also required to declare the following matters in their report as per Bangladesh Securities & Exchange Commission (BSEC)'s notification dated June 3, 2018 as applicable for Bank:

- Industry outlook and possible future developments in the industry
- Segment-wise or product-wise performance with relevant risks
- Extraordinary gain or loss
- Related party transactions-a statement of all related party transactions
- Utilization of proceeds from public issues, rights issues and/or through any other instruments
- Significant variance between quarterly financial performance and annual financial statements
- Remuneration to directors including independent directors
- Preparation of the financial statements and any departure thereof, has been adequately disclosed

- The system of internal control is sound in design and has been effectively implemented and monitored
- There are no significant doubts upon the Bank's ability to continue as a going concern
- Significant deviations from the last year's operating results
- Key operating and financial data of a least preceding 5 (five) years
- If no dividend (cash or stock) has been declared for the year, the reasons thereof shall be given
- The number of Board meetings held during the year and attendance by each director
- The pattern of shareholding structure and
- In case of the appointment/re-appointment of a director, the following information to be disclosed to the shareholders:-
 - a) A brief resume of the director;
 - b) Nature of his/her expertise in specific functional areas;
 - c) Names of companies in which the person also holds the directorship and the membership of committees of the board.

The Directors confirm that the Annual Report together with the Directors' Report and Consolidated Financial Statements have been prepared in compliance with the laws, rules and regulatory guidelines and BSEC Notification No. SEC/ CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

The Directors are of the view that they have discharged their responsibilities as set out in the Companies Act, 1994, the Bank Company Act, 1991 (amended up to 2013 and 2018), securities laws, listing regulations, 2015, and other prevailing laws and regulations, as applicable for the MTB.

By order of the Board,

Md. Wakiluddin

Chairman.

Corporate Governance Report



Mutual Trust Bank Limited (MTB) believes that its ongoing commitment and efforts in ensuring a strong corporate governance structure and culture across the organization will help it deliver value to all its stakeholders. Hence, the Bank has strived to have good corporate governance practices put in place and the highest standards of business integrity applied to all its activities.

Corporate Governance Principles

The Bank has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes have been established to ensure efficiency and effectiveness of business operations and controls in all areas including finance and operations, as well as compliance with relevant laws and regulations. The Group Internal Control and Compliance Division have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the Bank's strategic objectives, while complying with applicable laws and regulatory requirements.

A strong focus is placed on educating and increasing awareness among directors, executive officers and employees on the Bank's codes of conduct, the relevant laws and regulatory requirements as well as disciplinary procedures.

The Bank's corporate governance policy, which contains guidelines for directors, executive officers, and employees, has been formulated as per guidelines of regulators. With adherence to this policy in its operations, the Bank aims to build trust and confidence among investors and stakeholders, thereby improve its competitiveness, enhance value and promote stability. The policies are updated time

to time in order to comply with the good governance principles and relevant regulatory requirements.

Corporate Governance

1. Rights of Members/Shareholders

The Bank has acknowledged the rights of all members/shareholders and encouraged them to exercise their basic rights on an equitable basis, as well as proactively communicated with them regularly. Such rights include the rights to sell, purchase or transfer shares within the period as specified in the regulations, access Bank information, ensure fair distribution of profit, attend meetings, if required, express opinions and comments, and decide on important matters, and approval of any special items, etc.

2. Equitable Treatment of Shareholders

The Bank recognizes the importance of fair treatment of all shareholders including its duty to protect shareholders' interests. Measures are in place to prevent the use of internal information for personal gains by the Board members, executives and employees. The Board has set a policy and procedure to prohibit unauthorized disclosure of material and non-public information which may affect the Bank's securities.

3. Role of Stakeholders

The Bank places great importance to the rights of all its stakeholders including directors, executive officers, employees, shareholders, clients, business partners, creditors and the relevant authorities.

4. Codes of Conduct

a. Clients

The Bank takes its commitment seriously to provide clients with high-quality products and services while safeguarding their interests and treating them fairly in all aspects of their dealings with the Bank. To pursue with this objective, the Bank set up Customer Complaint Cells at every branch and the Head Office. A report is prepared and forwarded to the concerned management to resolve any complaints in an effective, fair, coordinated and timely manner. Client confidentiality is strictly maintained and observed at all times.

b. Shareholders

The Bank focuses on creating and delivering sustainable shareholder value, protection of assets and providing all shareholders with fair treatment whilst allowing them to exercise their rights fully and fairly in an informed manner except when they have material interests in the matter considered at the meeting. In such case, the shareholders concerned are required to abstain from voting thereon, but they are eligible to participate.

c. Employees

The Bank believes in fair treatment of all employees, and is fully committed to enhancing the quality of its human capital. In this context, it consistently offers training and support, including providing opportunities for career development.

d. Creditors and Business Partners

The Bank conducts business with its creditors and business partners fairly and in compliance with the relevant laws and regulations.

e. Competitors

The Bank acknowledges the importance of a fair and competitive business environment. It is committed to conducting business in a fair and confidential manner posing no impairment to the reputation of its competitors and upholding ethical practices among its employees.

f. Responsibility towards the Community and the Environment

The Bank always appraises to make positive impacts

on the community and the environment. It is actively involved in a range of charitable activities, including blanket distributions, donation to Prime Minister's Relief Fund, distribution of bicycles among the female students of remote unprivileged areas under a campaign titled "Swapno Sharathi", sponsoring corporate cricket tournament, blood donation, scholarship among underprivileged brilliant students and brilliant children of Bank employees, assistance to construct schools in remote areas etc.

5. Disclosure and Transparency

Information on the Bank's activities is made available to regulatory bodies, investors, shareholders, analysts and the general public through newspapers, and online news portal, including the Bank's website. In addition, in line with regulatory requirement, the Bank discloses relevant information in annual reports.

6. Policy on Training of the Board of Directors

The Board of the Bank is composed of Directors having diversified skills, highly professional approach and are renowned and pioneer in their respective business arenas. They have adequate professional academic knowledge and training (both local and foreign) to play vital role in transforming MTB into the Bank of choice, having global acceptance. As such, whenever they have the opportunity, they utilize the same to keep them up to date. As part of continuous improvement process, some of them attended a workshop titled "Revisiting Corporate Governance Regulations for Banks in Bangladesh" organized by Bangladesh Bank, in association with the International Finance Corporation (IFC).

The Board adopted Code of Conduct as prescribed by Bangladesh Bank, which is to be followed by its members and it is duly abided by them. Besides, all relevant regulations, promulgated/ circulated by the concerned authorities from time to time, are communicated with them at regular intervals.

7. Remuneration of Directors

The Bank does not pay any remuneration to its Directors other than the meeting fees fixed by the Bangladesh Bank. As per the Banking Regulation and Policy Department of Bangladesh Bank (BRPD) circular, the Chairman may be provided with a car, telephone, office and private secretary. The Managing Director is paid a salary and allowances

as per approval of the Bank's Board of Directors and Bangladesh Bank. As per BRPD circular, no Honourarium is given for attending the Board meeting or the meeting of any Committees formed by the Board. As per circular, the maximum remuneration for attending any meeting of the Board and its Committees has been fixed at BDT 8,000 only.

8. Independence of Independent Directors and their adequate Representation

Mutual Trust Bank Limited (MTB) has 2 (Two) Independent Directors in the Board. They are Ms. Nasreen Sattar, a renowned Banker and Mr. Faruq Ahmad Siddiqi, a retired secretary of various ministries of the People's Republic of Bangladesh and former Chairman of Bangladesh Securities and Exchange Commission (BSEC). According to the existing principles and guidelines of Corporate Governance, they do not have any noteworthy relationship, regardless of whether pecuniary or something else, with the Bank, its top administration and the board. The two Independent Directors who concurrently serve on the Audit Committee must satisfy the criteria based on the corporate governance guidelines issued by the BSEC and Bangladesh Bank.

9. Different Positions of the Chairman and the Chief Executive Officer

The Board appoints two of its Directors to be the Chairman and Vice-Chairman. As per corporate governance principles, the Managing Director & CEO and the Chairman are different persons. The functional obligation of the Chairman and Managing Director are kept separate and Independent of one another.

10. Responsibilities of the Board

A) Board Structure

In 2020, there were 14 Board members, including two independent Directors and Managing Director & CEO. The Board of Directors consisted of:

Sl.	Name of Director	Position
1	Mr. Md. Hedayetullah	Chairman
2	Ms. Khwaja Nargis Hossain	Vice-Chairman
3	Mr. Syed Manzur Elahi	Director (Founding Chairman)
4	Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director

Sl.	Name of Director	Position
5	Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director
6	Mr. M. A. Rouf, JP	Director
7	Mr. Md. Abdul Malek	Director
8	Mr. Md. Wakiluddin	Director
9	Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director
10	Mr. Tarik Ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director
11	Mr. Daniel Donald de Lange (Representing NORFUND)	Director
12	Ms. Nasreen Sattar	Independent Director
13	Mr. Faruq Ahmad Siddiqi	Independent Director
14	Mr. Syed Mahbubur Rahman	Managing Director & CEO

The Board of MTB is composed of individuals from diverse professional backgrounds with a broad spectrum of experience and expertise in finance and accounting, economics as well as business ethics. There are Non-Executive Director and Independent Director. Non-Executive Director means a director, who does not hold any position in the Bank other than being a member of the Board and its Committees. Independent director means a director who does not have any related business, hold any managerial position or have any beneficial interest in financial institutions that may affect his/her independent decision.

Election of the Board members follows the resolution of shareholders' meetings and as set out in the Bank's Articles of Association. The structure of the Board of Directors and the setup of Board Committees are as prescribed by the Bangladesh Bank and BSEC. The Board composition is as follows: 1 (one) Executive Director, i.e., the Managing Director, 2 (two) Independent Directors and 11 (eleven) Non-Executive Directors.

Mutual Trust Bank Limited (MTB) has 2 (two) Independent Directors in the Board. They are: Ms. Nasreen Sattar, a renowned Banker and leader and Mr. Faruq Ahmad Siddiqi, a retired veteran of the industry. According to the existing principles and guidelines of corporate governance, they don't have any noteworthy relationship, regardless of whether pecuniary or something else, with the Bank, its top administration and the board. The two

Independent Directors who concurrently serve on the Audit Committee must satisfy the criteria based on the corporate governance guidelines issued by the BSEC and Bangladesh Bank. The Board appoints two of its Directors to be the Chairman and Vice-Chairman. As per guideline, the Managing Director & CEO and the Chairman are different person. The functional obligation of the chairman and the Managing Director are kept separate and independent of one another.

Each director's term of office is prescribed in the Articles of Association, Bank company act as well as in the company act. At every Annual General Meeting, one-third of the directors retire. In any subsequent years, the directors, who have been in office the longest, retire. The retiring director may be re-elected.

B) Selection, Appointment and Removal of Directors

i. Appointment of Directors

The Board of Directors elects/re-elects directors and submits recommendation to the meeting of the shareholders for approval and appointment/re-appointment, subject to compliance of Articles of Association of the Bank and fulfillment of regulatory procedures.

Whenever any person vacates his/her seat as a Board member for any reason other than expiry of term of office, the remaining members, at the next Board meeting appoint another qualified and suitable Director to fill that position for the remainder of the term of office of his/her predecessor.

Election/Re-election of the Directors

As per The Companies Act, each year one-third of the Directors retire from office at the AGM, except Independent Directors, and, if eligible, as per the Bank company act, may offer themselves for re-election by shareholders at the AGM.

In 2021, Mr. M. A. Malek, Vice Chairman, Dr. Arif Dowla, Director, Mr. M. A. Rouf, Director, and Mr. Tarik Ur Rahman, Director will retire and be eligible for re-election. Mr. Faruq Ahmad Siddiqui, Independent Director joined MTB in December, 2020. As per Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), the proposal for appointment of Mr. Siddiqui will be placed at the ensuing AGM for confirmation.

ii. Vacation of Office of Director

The office of director to be vacated according to the instructions specified in section 108 (1) of the Companies Act, 1994. Besides, when a Bank director becomes defaulter and does not repay the loan within two months after getting a notice under section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfill the minimum eligibility criteria, the office of the director to be vacated.

iii. Removal of Directors from Office

According to section 108 (2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a director of any Bank, other than specialized Banks, can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal becomes effective from the date of Bangladesh Bank's approval.

iv. Appointment of Alternate Director

Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director, during his absence for a continuous period of not less than three months from Bangladesh.

C) Board Committees

The Board has established the Board Executive Committee, the Board Audit Committee and the Board Risk Management Committee to assist in screening and scrutinizing specific operations and support the performance of duties of the Board to ensure efficiency and effectiveness and maintain a good corporate governance system.

D) Roles, Duties and Responsibilities of the Board

To ensure good governance in the Bank management, it is essential to have specific demarcation of responsibilities and authorities among the controlling bodies over Bank affairs. In the Bank company act, Section 15 (kha) and (ga) give responsibility to the board of directors for establishing policies for the Bank company, for risk management, internal controls, internal audit and compliance and for ensuring their implementation.

Basic responsibility of the Board is to exercise judgment on the business operations in a manner that they reasonably believe to be in the best interests of the Bank and in compliance with the applicable laws and regulatory rules, the Bank's Articles of Association, and resolutions of the shareholders' meetings, as detailed below:

1. Set vision, targets, policies, strategies, administration, utilization of resources, and business standards and framework of the Bank; and monitor and supervise the Bank's business operations to ensure efficient and effective discharge of functions in accordance with the policies set forth.
2. Select individuals qualified for directorship and make recommendation thereof to the shareholders' meeting for election as directors.
3. Select qualified individuals from diverse professional backgrounds and with a broad spectrum of experience and expertise for appointment of Independent Director.
4. Review and approve budgets proposed by the management.
5. Delegate authority for day-to-day management to executives based on agreed objectives and targets, except when the matter is of high significance and not in the normal course of business of the Bank, and, hence, warrants the Board's attention, such as change in the Bank's capital structure, investment in other business, business merger, disposal of assets and capital expenditure; or in such cases, where the Board's ratification is required, including issues of conflict of interest, and an approval of the shareholders has to be sought.
6. Determine the issues to be brought to its attention by the management.
7. Set measures for the management to communicate and ensure there are communication of operational targets and policies to Bank staff at all levels.
8. Monitor and supervise management's business operations to ensure compliance with relevant laws and regulations as well as contractual terms and conditions.
9. Monitor and ensure that the Bank has existed efficient and effective risk management system.

10. Assume responsibility for the financial statements of the Bank and its subsidiaries, and, in that process, ensure that the notes to the financial statements contain all-important disclosures; and supervise to ensure that processes are in place for implementing a sound accounting system and proper accounting records are kept for future references.
11. Ensure that processes are in place for reporting of operating results in comparison with the targets and the problems arisen so that the Board can monitor, improve and rectify the plans and strategies as appropriate.
12. Ensure that adequate, accurate, reliable information is disclosed in a timely manner.
13. Put in place corporate governance principles and business ethics, Board and Board committees' charters, and human resource management policies.

E) Authorities of the Board of Directors

a) Work-planning and Strategic Management:

- i. The board determines the objectives and goals, and, to this end, chalks out strategies and work-plans on annual basis. It specially engages itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reformation for enhancement of institutional efficiency and other relevant policy matters. It analyzes/monitors, at quarterly rests, the development of implementation of the work-plans.
- ii. The board incorporates analytical review in the Annual Report as regards the success/failure in achieving the business and other targets as set out in its annual work-plan and appraises the shareholders of its opinions/recommendations on plans and strategies. It evaluates the performance of the CEO and officers' immediately two tiers below the CEO based Key Performance Indicators (KPIs) from time to time.

b) Credit and Risk Management

- i. Policies, strategies, procedures, etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off are made with the board's approval under the purview of the existing laws, rules and regulations. The board

specifically distributes/delegates power of sanction of loan/investment among the CEO and his subordinate executives, as part of its governance practice. No director, however, interferes, directly or indirectly, into the process of loan approval.

- ii. The board frames policies for risk management and get them complied with, monitor the compliance regularly, review the concerned report of the risk management team, and compile in the minutes of the board meeting. The board monitors compliance of the guidelines of Bangladesh Bank regarding key risk management.

c) Internal Control Management

The board is vigilant on the internal control system of the Bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board establishes internal control system so that the internal audit process can be conducted independently from the management. It reviews reports submitted by the audit committee regularly regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports. It also monitors and ensures that the Bank has in place adequate, proper and effective internal control system for the benefit of the Bank; formulates and implements a clear procedure to cope with conflict of interest; puts in place policies and processes preventing management and other concerned parties from using confidential inside information for personal gains; and assesses and reviews the adequacy of the Bank's internal controls.

d) Human Resources Management and Development

- i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development, etc. and service rules have been framed and approved by the board. The Chairman and the directors in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No members of the board of directors are included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer and punishment of the officer's immediately two tiers below the CEO rest upon the board. Such recruitment and promotion are carried out complying with the service rules.

- ii. The board focuses its special attention to the development of skills of Bank's staff in different fields of its business activities including prudent appraisal of loan proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board gets these Programmes incorporated in its annual work plan.
- iii. The Bank has formulated code of conduct for every tier, and all have to comply with the same when interacting with the customers, shareholders, employees and business partners or creditors. Emphasis is also placed on responsibilities for the environment, society and competitors, preservation of client confidentiality, honesty, fairness, professional integrity, business capacities, strict compliance with laws and regulations, as well as cooperation with regulatory agencies. In performing their duties, employees are required to keep uppermost in their mind the principles, use good judgment, and act in compliance with rules and regulations.

e) Financial Management

- i. The annual budget and the statutory financial statements are finalized with the approval of the board. It reviews/monitors the positions in respect of Bank's income, expenditure, liquidity, non-performing asset, capital adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures, at monthly rests.
- ii. The board frames policies and procedures for Bank's purchase and procurement activities and accordingly approves the distribution of power for making such expenditures. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business are adopted with the approval of the board.

f) Appointment of Chief Executive Officer (CEO)

The Bank has conducted annual evaluation of Managing Director & CEO's performance, taking into consideration the key performance indicators, determined based on the Bank's strategies and targets each year.

The issue of good governance is very important in Bank management. In order to strengthen the financial base of the Bank and obtain confidence of the depositors,

appointing honest, efficient, experienced and suitable chief executive is one of the responsibilities of the Board of Directors. In order to ensure good governance, the Bank follows the guidelines of Bangladesh Bank enumerated below while appointing the CEO and in devising the role and responsibilities as well as authorities of the CEO:

A. Rules and Regulations for Appointing CEO:

1. Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that,-

- a) He has not been convicted by any Criminal Court of Law;
- b) He has not been punished for violating any rules, regulations or procedures/norms set by any controlling authority;
- c) He was not associated with any such company/ organization, registration or licence of which has been cancelled.

2. Experience and Suitability:

- a) For appointment as Chief Executive, the concerned person must have experience in Banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years experience in a post immediately below the Chief Executive of a Bank.
- b) He must at least have a master's degree from any recognized university. Higher academic education in the field of economics, Banking and finance or business administration will be treated as additional qualification for the concerned person.
- c) In respect of service, the concerned person should have excellent record of performance.
- d) Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company.
- e) Any director of any Bank or financial institution or any person, who has business interest in the Bank concerned will not be eligible for appointment to the post of chief executive.

3. Transparency and Financial Integrity: Before appointment as chief executive, satisfaction should be ensured to the effects that:

- a) The concerned person was not involved in any illegal activity while performing duties in his own or Banking profession;
- b) He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;
- c) He is not a tax defaulter;
- d) He has never been adjudicated insolvent.

4. Age limit: No person crossing the age of 65 years shall hold the post of CEO of a Bank.

5. Tenure: The tenure of the chief executive shall be for at least 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for that period.

6. Guidelines in fixing the salary and allowances: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting proposal to Bangladesh Bank.

- a) In fixing the salary and allowances of the chief executive, financial condition, scope of operation, business-volume and earning capacity of the Bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer Banks shall have to be taken into consideration.
- b) Total salary shall be comprised of direct salary covering 'basic pay', 'house rent' and allowances as 'others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver, etc.), monetized as far as possible to determine monthly total salary, shall have to be mentioned in the proposal to be submitted to Bangladesh Bank.
- c) Without improving the Bank's major economic indicator like CAMELS, annual salary increment will not be payable.
- d) Terms of salary, allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the incumbent chief executive.

- e) The Chief Executive Officer so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expense, etc.) other than the salary, allowances and other facilities as enumerated in clause (b) above.
- f) The Bank shall not pay any income tax for the chief executive, i.e., the chief executive so appointed shall have to pay it.

7. Incentive Bonus: Subject to the payment of incentive bonuses to all staff/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross BDT 10 (ten) lacs per year.

8. Honourarium for attending Board Meeting: As CEO is a salaried official of the Bank, he will not get any Honourarium for attending the Board meeting or the meeting of any Committee formed by the Board.

9. Evaluation Report: While reappointing CEO, an evaluation report approved by the board of directors should be submitted to Bangladesh Bank by the chairman of the Board.

10. Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act, 1991 (Amended up to 2013). For processing such approval, along with the proposal signed by the chairman of the board, the selected person's complete resume, offer letter (mentioning the direct and indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations to Bangladesh Bank in prescribed formats.

11. Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released or removed from his office without prior approval from Bangladesh Bank. However-

- a) In case the CEO desires to terminate the contract before expiry or resigns from his office voluntarily, he shall serve at least one-month notice upon the Chairman of the Board stating the actual reason for such resignation, and, at the same time, forward a copy of such notice to Bangladesh Bank.
- b) In case the Board of the Bank desires to terminate the contract before expiry or asks the CEO to tender resignation from his post, the Board shall serve at least

one-month notice stating the reasons for such action; at the same time forward a copy of such notice to Bangladesh Bank and obtain approval of Bangladesh Bank for such removal.

- c) When the position of the CEO falls vacant due to resignation, expiry of contract, or any other reason, the Bank shall immediately appoint a 'CEO In-charge' (for maximum 3 months) from among the officials next to the CEO and notify Bangladesh Bank with details of such Officer In-charge.

B. Duties and Responsibilities of CEO:

The CEO of the Bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:

- a) In terms of the financial, business and administrative authorities vested upon him by the board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.
- b) The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the Bank.
- c) At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations.
- d) The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.
- e) The recruitment and promotion of all staff of the Bank, except those two tiers below him, shall rest on the CEO. He shall act in such cases in accordance with the approved service rules, on the basis of the human resources policy and sanctioned strength of employees as approved by the board.

Evaluation of the CEO by the Board

There is a five-year Strategic Priorities & Action Plan for the evaluation of the CEO/Management on an annual basis and it is revisited and revised from time to time, depending on the scope and opportunity of Banking business, local and global economic condition, etc. The CEO's performance is evaluated on regular basis, taking into consideration the trends of financial indicators, Bank's image/reputation, non-performing loans and advances, regulatory guidelines, etc.

f) Other Responsibilities of the Board

The board follows and complies with the responsibilities assigned by Bangladesh Bank.

i. Meeting of the Board

Board meetings are scheduled in advance, with at least one held every month. In addition to the scheduled Board meetings, further Board meetings can also be held as and when required.

ii. Chairman of the Board of Directors

The Chairman of the Board of Directors or Chairman of any Committee is formed by the Board of Directors independently.

iii. Formation of Committees

The Bank only forms Executive Committee, Audit Committee and Risk Management Committee with the directors, as per Bangladesh Bank and BSEC guidelines.

I) Executive Committee

Executive Committee, formed with the members of the board, performs according to its terms of reference determined by the Board of Directors.

a) Organizational Structure

- i. Members of the Committee are nominated by the board of directors from themselves;
- ii. The Committee consists of 7 (Seven) members, i.e., within the limit set by the regulator;
- iii. Company Secretary of the Bank is the secretary of the Committee.

b) Qualifications of the Members

- i. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;
- ii. All the members are capable of making valuable and effective contributions in the functioning of the Committee;
- iii. All Committee members have adequate understanding of the detailed responsibilities of the Committee as well as the Bank's business, operations and its risks.

c) Roles and Responsibilities

- i. The Committee takes all necessary decisions and approves cases within the power delegated by the board.
- ii. All decisions taken in the Board Executive Committee are ratified in the board meeting.

II) Board Audit Committee

The board approves the objectives, strategies and overall business plans of the Bank and the Audit Committee assists the board in fulfilling its oversight responsibilities. The committee reviews the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.

a) Organizational Structure

- i. Members of the Committee are nominated by the board from the directors;
- ii. The Committee consists of 4 (four) members, with 2 (two) independent directors;
- iii. The Committee consists of directors, who are not executive committee members;
- iv. Company Secretary of the Bank is the secretary of the Audit Committee.

b) Qualifications of the Members

- i. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;

- ii. Each member is capable of making valuable and effective contributions in the functioning of the Committee;
- iii. Members have adequate understanding of the detailed responsibilities of the Committee as well as the Bank's business, operations and its risks.
- iv. Professionally experienced persons in Banking/ financial institutions, specially having educational qualification in finance, Banking, management, economics, accounting get preference in forming the Committee.

c) Roles and Responsibilities

(i) Internal Control

1. The Board Audit Committee reviews the effectiveness of internal controls, risk management processes and governance practices, taking into account the requirements of relevant guidelines issued by Bangladesh Bank, BSEC and listing regulations of the stock exchanges.
2. Establish organizational structure, policies and work procedures that ensure effective risk management and internal control systems, enabling stable business growth and compliance with good corporate governance principles.
3. Evaluate setting of appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities.
4. Structure organization taking into account proper segregation of duties that contributes to effective risk management and internal control as well as monitoring and audit systems.
5. Review actions taken by management in connection with computerization of the Bank and its applications and Bank's Management Information System (MIS).
6. Review the findings and compliance issues identified by regulators and to ensure that appropriate and prompt remedial actions are taken by the management.
7. Consider internal control strategies recommended by

internal and external auditors and implement such strategies.

8. Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place before the board after reviewing whether the management has taken necessary corrective measures.
9. Ensure there are relevant and effective operational controls, monitoring and guidelines available in all work units across the organization.
10. Review the scope of authority and responsibilities conferred on or delegated to the executives at different levels. A clear division of responsibilities between various management positions provides a mechanism for checks and balances between senior executives.
11. Establish Compliance Department to provide oversight and support to ensure that the Bank conducts its business in compliance with all applicable laws and regulatory requirements.
12. Put in place processes for monitoring and reviewing the implementation of activities against the Bank's strategic objectives, policies, procedures, relevant laws, regulations, and internal control systems. Review annual business plan to ensure its effectiveness in the rapidly changing environment.

(ii) Financial Reporting

The Committee checks whether the financial statements are prepared according to existing rules, regulations and standards enforced in the country i.e., accounting policies and procedures in line with international accounting standards that support the Bank's business requirements.

(iii) Internal Audit

1. Monitor whether or not the internal audit acts independently from the management.
2. Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process.
3. Review the efficiency and effectiveness of the internal

audit function, i.e., compliance function and monitor compliance department work to ensure compliance with relevant regulations.

4. Examine whether the management duly considers the findings and recommendations made by the internal auditors or not.

(iv) External Audit

1. Review the performance of the external auditors and their audit reports.
2. Examine whether the management duly considers the findings and recommendations made by the external auditors or not.
3. Make recommendations to the Board regarding the appointment of the external auditors and fix their remuneration.
4. Review the correctness and adequacy of financial statements for submission to the Board.
5. Reports of the External Auditors

The Committee requires external auditor to report to it on all relevant matters, including the following, to enable the audit committee to carry out its oversight responsibilities, if any:

- a) Significant difficulties encountered during the audit;
- b) Key areas of significant risk of material misstatement in the financial statements;
- c) Judgments about events or conditions identified that may cast significant doubt on the Bank's ability to continue as a going concern (including consideration of liquidity/funding issues of the Bank);
- d) Use of external experts to assist with the external audit;
- e) The auditor's approach to internal control;
- f) The extent to which the auditor uses the work of internal audit;
- g) Significant internal control deficiencies identified in the course of statutory audit;
- h) Significant qualitative aspects of financial statement disclosures;
- i) Any other significant matters discussed with or considered by the engaged quality control reviewer.

(v) Meetings with Bangladesh Bank

Before finalizing the Audited Financial Statements, a tripartite meeting is held among Bangladesh Bank, the Bank concerned and the external auditor(s).

(vi) Submission of Audit Report to Bangladesh Bank

The Bank submits Audited Financial Reports to the Bangladesh Bank according to Section 40 of the Banking Companies Act, 1991 within the stipulated time.

(vii) Compliance with Existing Laws and Regulations

Review whether the laws and regulations framed by the regulatory authorities (central Bank and other bodies) and internal regulations approved by the board are being complied with.

(viii) Other Responsibilities

1. Submit compliance report to the board on regular interval for regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities (if any);
2. Perform other oversight functions as desired by the Board of Directors.

(ix) Internal Control and Compliance Division's Access to Audit Committee

The Head of Internal Control and Compliance Division have direct access to the Audit Committee and can raise his interest at whatever point required.

d) Meetings

1. The Committee met 4 times in 2020;
2. Detailed memoranda are distributed to the members well in advance before each meeting;
3. All decisions/observations of the Committee are noted in the minutes.

III) Board Risk Management Committee (BRMC)

The Bank realizes the significance of risk management covering both internal and external risk factors. Risk Management Committee of MTB is appointed by the Board of Directors with relevant and clearly defined roles, duties and responsibilities and performance of which is assessed to ensure conformity with the risk management plan in place.

To play an effective role in mitigating impending risks arising out of strategies and policies formulated by the Board and to carry out the responsibilities efficiently, the Board Risk Management Committee of MTB, being in charge, formulates risk management policy and procedures of the Bank as well as sets up the risk control and monitoring mechanisms with a view to continuously strengthening risk governance. After risk factors are identified and assessed for credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks, etc.; the Committee scrutinizes whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified.

a) Organizational Structure

1. Members of the Committee are nominated by the board from themselves;
2. The Committee consists of 5 (Five) members;
3. Company Secretary of the Bank is the secretary of the Board Risk Management Committee.

b) Qualifications of the Members

1. Integrity, dedication, and opportunity to spare time in the functions of the Committee are considered while nominating a director to the Committee;
2. Each member is capable of making valuable and effective contributions in the functioning of the Committee;
3. Each Committee member has adequate understanding of the detailed responsibilities as well as the Bank's business, operations and its risks.

c) Roles and Responsibilities of BRMC

i) Risk Identification and Control Policy

Developing well formulated strategy and ensuring implementation of the same for risk assessment and control are responsibilities of the BRMC. The BRMC monitors risk management policies and methods and, from time to time, amend those. The Committee reviews the risk management process to ensure effective prevention and control measures.

ii) Construction of Organizational Structure

The responsibility of the BRMC is to ensure an adequate organizational structure for managing risks within the Bank. The Committee supervises formation of separate management level committees and monitor their activities with a view to ensuring that those committees are in compliance with the instructions of lending risk, foreign exchange transaction risk, internal control and compliance risk, money laundering risk, information and communication risk and other risk related guidelines.

iii) Analysis and Approval of Risk Management Policy

Risk management policies and guidelines of the Bank are reviewed annually by the Committee. The Committee proposes amendments, if necessary, and sends those to the Board of Directors for approval. Besides, other limits, including lending limit, are reviewed at least once annually and, amended.

iv) Storage of Data and Reporting System

Adequate record keeping system, developed by the Bank management, is approved by the Committee. The Committee ensures proper use of the system. The Committee minutes its proposal, suggestions and summary in a specific format and informs the Board of Directors.

v) Monitoring the Implementation of Overall Risk Management Policy

The BRMC monitors proper implementation of overall risk management policies. The Committee monitors whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk.

vi) Other Responsibilities

1. Ensuring that the Committee's decision and suggestions are submitted to the Board regularly;
2. Complying with instructions issued by the controlling authority from time to time.

d) Meetings

1. The BRMC met 4 (four) times in 2020;
2. To ensure active participation and contribution by the members, detailed memoranda are distributed to Committee members well in advance before each meeting;
3. All decisions/observations of the Committee are noted in minutes.

11. Transactions with the Bank Related Persons

As of 31 December 2020, the Bank recorded business transactions with its subsidiary and affiliated companies (related by way of having common shareholders), including related persons. These transactions were concluded on commercial terms and based on mutually agreed upon criteria in the ordinary course of business between the Bank and its subsidiary, associated and affiliated companies. Details are as given in the Notes to the Financial Statements as disclosure and placed separately, as per guideline of Bangladesh Bank, for approval by the members of the Bank, at its ensuing annual general meeting.

Procedures for approving related party transactions and safeguarding shareholders' interest according to the regulatory guidelines are in place, and all related party transactions are subject to a formal approval process, including the analysis and approval of the relevant authorities. Directors with material interest in any transaction are not allowed to take part in the decision-making process.

Related party transactions include those related to the Bank's business functions, and, are subject to formal approval process in place and criteria of the relevant regulatory bodies. There is a strong probability that related party transactions will continue to be an integral part of the Bank's business, and will be governed by clearly defined review and approval procedures and practices.

12. Organization and Personnel

As of 31 December 2020, the total manpower of the Bank was 2,362 of whom 1,202 work at Bank branches, 1,097 at the Corporate Head Office, 56 at MTB Securities Ltd. (a subsidiary of the Bank), 7 at MTB Capital Ltd. (a subsidiary of the Bank).

(i) Staff Development Programme and Human Resource Management Plan

In 2020, the Bank focused on developing its existing employees with competency-based learning to become future-leaders and successors to various key positions in the organization.

The Bank has established procedures for evaluating the performance of senior executives to determine the

appropriate levels of remuneration, taking into account the risks and responsibilities involved as well as added value to shareholders in the long run.

Training roadmap was in place for branch staff at all levels to ensure increased skills in serving as a professional financial advisor. The Bank also emphasized on providing all staff levels with leadership Programme, and implemented Learning Management System (LMS) via MNet for key mandatory training Programmes for all staff.

In 2020, the Bank organized 151 training courses, comprising 78 in-house, 70 local/out-sourced and 3 overseas courses. The details are mentioned in the training part of the report.

(ii) Employee Benefits

The Bank provides employee benefits such as provident fund, social security fund, medical treatment, medical assistance fund, welfare fund, death benefit plan, annual health check-up, housing loan, car/motorcycle loan, and general purpose loan that are competitive against other leading Banks to attract and retain talented and competent staff. The Bank has an appointed physician, whom the employees can consult with for their health related issues. Employees at the head office can make appointment electronically, via MNet, with the doctor, who spends two work-days every week at the MTB Corporate Head Office.

To be an employer of choice, the Bank continues to improve its staff benefits to attract and retain quality staff. In this regard, the Bank introduced Key Performance Indicator (KPI) for all level of employees.

(iii) Anti-Harassment Policy

The Bank has established Anti-Harassment Policy. The MTB Group has grown large and is now a family of four separate companies in Bangladesh and the United Kingdom. As the MTB network and the number of MTBians grow, it is important, that we go about our everyday working lives in a safe, secure, responsible, dignified and happy manner. It is the desire of the Bank's Board and Management to make MTB a happy place to work in, where people feel a sense of belongingness and loyalty, and contribute to taking the Group towards MTB3V. It is the policy of MTB to prohibit racial, gender, sexual and other forms of unlawful harassment.

13. Dividend

In order to maintain a satisfactory capital adequacy ratio of the Bank, the MTB Board, at its 261st meeting held on May 04, 2021 has approved 10% (Ten percent) Stock Dividend (Bonus Share) for the year 2020 and recommended for shareholders' approval at the AGM. The shareholders, whose names appeared as members of the Bank on record date are eligible to receive such dividend.

14. Appointment of Auditor

M.J. Abedin, Chartered Accountants, is the statutory auditor of the Bank. They were appointed as the Auditor at the 21st Annual General Meeting (AGM), held on Thursday, August 27 until completion of the 22nd Annual General Meeting.

15. Fuel and Maintenance Cost of MTB Transport

As per circular letter no. 2, dated January 16, 2014, issued by the Banking Regulation & Policy Department (BRPD) of Bangladesh Bank, information of expenses incurred, in respect of fuel and maintenance cost of Bank's transport is placed before the Board, semi-annually.

As per clause 2 of Corporate Governance Guideline No. SEC/CMRRCD/2006-158/134/Admin/44, following positions of the management are defined clearly. The details of those positions are given below:

Mr. Syed Mahbubur Rahman Managing Director & CEO

Syed Mahbubur Rahman joined Mutual Trust Bank Limited as Managing Director & CEO on December 01, 2019. He is one of the most prominent and senior-most Bankers of our country. He has 32 years of experience in Banking Services and credit related arena. Prior to Joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited and BRAC Bank Limited. Mr. Rahman worked in various renowned financial institution of Bangladesh such as Prime Bank limited, CitiBank NA, Standard Chartered Bank, ANZ Grindlays Bank, IDLC Finance Limited etc. He holds his Masters in Business Administration (MBA) from Institution of Business Administration (IBA), University of Dhaka. During his career, he attended numerous training, seminars and workshop on different aspect of Banking held in the country and abroad.

Mr. Goutam Prosad Das Deputy Managing Director & Group Head of Internal Control & Compliance

Bangladesh Bank, vide its BRPD Circular No.03, dated March 08, 2016, circulated the revised 'Guidelines on Internal Control and Compliance in Banks' to all scheduled Banks, with advice to implement the directives of the guidelines. In line with the new directives of Bangladesh Bank, as well as to comply with the applicable laws and regulations and corporate governance notification of Bangladesh Securities and Exchange Commission, Mutual Trust Bank has restructured its Internal Control and Compliance Division, and appointed Mr. Goutam Prosad Das, Deputy Managing Director, as the Head of Group Internal Control and Compliance (GICC). He supervises all the three divisions that are under ICC Department. The divisions have been revamped in light of the revised guidelines. The Bank has an Internal Control and Compliance Policy and a Compliance Manual, duly approved by the Board of Directors. As the Head of GICC, Mr. Goutam reviews and monitors Bank's Internal Control and Compliance Risk.

Mr. Shyamol Boran Das, Head of Digital Banking Division

The Bank has appointed Mr. Shyamol Boran Das as Senior Executive Vice President & Chief Digital Officer. He has experience of 22 years in the field of Information Technology. Prior to joining MTB, he served many organizations including Banks as Chief Information/Digital Officer. He completed BSc Engineering in Computer Science & Engineering from MBS College of Engineering, Bangalore University of India. Later on he completed his MSc in Information Management & Security from Royal Holloway University of London. Besides, he did certificate Courses on IT Strategy and Planning by National University of Singapore, Digital Business Strategy Management Executive Programme from MIT Sloan School of Management, USA, Oxford FinTech Programme & Digital Innovations from Said Business School, University of Oxford, UK and Harvard VPAL FinTech Strategy Course from Harvard University, USA. He is a Certified International IT User by BCS-British Computer Society. As per BRPD Circular letter no 03 dated March 25, 2018, he is responsible for the Bank's technology.

Mr. Malik Muntasir Reza
Group Company Secretary

Mr. Malik Muntasir Reza is a Fellow Member of the Institute of Chartered Secretaries of Bangladesh (ICSB).

The Board has appointed him as Senior Executive Vice President & Group Company Secretary and Secretary to the Board of Directors and its Committees to assist the Board in fulfilling its tasks. Duties of the Secretary include providing advice and ensuring compliance with the applicable laws and regulations, which is consistent with the Corporate Governance Notification.

Mohammad Aminul Haque, FCA
Group Chief Finance Officer

Mohammad Aminul Haque has been appointed as the Group Chief Financial Officer (GCFO) of Mutual Trust Bank Limited (MTB). Prior to joining MTB, he was the CFO of Trust Bank Limited. He also served as CFO of Southeast Bank Limited. He is a Fellow Chartered Accountant (FCA) from Rahman Rahman Huq KPMG, Chartered Accounts & Co., under the Institute of Chartered Accountants of Bangladesh (ICAB). He is also qualified as an Associate Chartered Management Accountant (ACMA) from the Chartered Institute of Management Accountant (CIMA), UK and Chartered Global Management Accountant (CGMA). Aminul is also a Guest Faculty of ICAB and a member of different committees of ICAB. Aminul completed his BBA and MBA in Accounting and Information Systems (AIS) from the University of Dhaka.

To perform the day-to-day tasks smoothly, provide support in decision-making process, and to comply regulatory requirements, the management forms different committees, subcommittees and units/cells comprising executives/staff of different levels. These are re-constituted from time to time, as per updated guidelines and requirement of the Bank.

The committees are:

- i) Senior Management Team (SMT)
- ii) Management Committee (MANCOM)
- iii) Executive Risk Management Committee (ERMC)
- iv) Asset Liability Committee (ALCO)
- v) Credit Risk Management Committee (CRMC)
- vi) Supervisory Review Process (SRP) Team
- vii) Group Integrity Committee
- viii) Central BCP (Business Continuity Plan)
- ix) Document Preparation Committee
- x) IT Steering Committee
- xi) IT Security Committee etc.



Meeting Attendance of the Directors:

In 2020, meeting attendance of the members of the Board and Board Committees is as follows:

Meetings of the Board of Directors

Sl.	Name of Director	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
01.	Mr. Md. Hedayetullah Chairman	11	11	88,000	
02.	Ms. Khwaja Nargis Hossain Vice- Chairman	11	05	40,000	leave of absence was granted
03.	Mr. Syed Manzur Elahi Director & Founding Chairman	11	10	80,000	*
04.	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	11	08	64,000	*
05.	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corporation Ltd.)	11	10	80,000	*
06.	Mr. M. A. Rouf, JP Director	11	09	72,000	*
07.	Mr. Md. Abdul Malek Director	11	11	88,000	*
08.	Mr. Md. Wakiluddin Director	11	08	64,000	*
09.	Ms. Anika Chowdhury Director (Representing ASTRAS Ltd.)	11	10	80,000	*
10.	Mr. Md. Manirul Islam Director (Representing Pioneer Insurance Company Ltd.)	05	02	16,000	Retired on July 27, 2020
11.	Mr. Tarik Ur Rahman Director (Representing Pioneer Insurance Company Ltd.)	02	02	16,000	Appointed on November 19,2020
12.	Mr. Herbert Ludwig Jaeger (Representing NORFUND)	07	07	56,000	Retired on September 20, 2020
13.	Mr. Daniel Donald de Lange (Representing NORFUND)	04	04	32,000	Appointed on September 21, 2020
14.	Ms. Nasreen Sattar Independent Director	11	11	88,000	-
15.	Mr. M. Mokammel Haque Independent Director	11	10	80,000	Retired on December 08, 2020

Sl.	Name of Director	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
16.	Mr. Faruq Ahmad Siddiqi Independent Director	-	-		Appointed on December 08, 2020 in place Mr.Mokammel Haque
TOTAL		11		9,44,000	

Executive Committee Meetings

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
01.	Mr. Syed Manzur Elahi Director & Founding Chairman	Chairman	6	6	48,000.00	
02.	Mr. Md. Hedayetullah Chairman, MTB	Member	6	4	32,000.00	leave of absence was granted
03.	Mr. M. A. Rouf JP	Member	6	4	32,000.00	*
04.	Mr. Md. Abdul Malek	Member	6	6	48,000.00	-
05.	Mr. Md. Wakiluddin	Member	6	5	40,000.00	*
06.	Ms. Anika Chowdhury	Member	6	6	48,000.00	-
07.	Mr. Syed Mahbubur Rahman Managing Director & CEO	Ex-Officio Director	6	6	-	-
TOTAL			6		2,48,000.00	

MTB Board Audit Committee Meetings

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
01.	Ms. Nasreen Sattar Independent Director	Chairman	4	4	32,000.00	
02.	Ms. Khwaja Nargis Hossain Vice Chairman, MTB	Member	4	-	0.00	leave of absence was granted
03.	Mr. Rashed Ahmed Chowdhury	Member	4	4	32,000.00	
04.	Mr. Herbert Ludwig Jaeger	Member	4	2	16,000.00	Retired on September, 2020
05.	Mr. M. Mokammel Haque	Member	4	3	24,000.00	*Retired on December 8, 2020
06.	Mr. Faruq Ahmad Siddiqi Independent Director	-	-	-	-	Appointed on December 08, 2020
TOTAL			4		1,04,000.00	

MTB Board Risk Management Committee Meetings

Sl.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
01.	Dr. Arif Dowla	Chairman	4	4	32,000.00	
02.	Mr. Md. Hedayetullah Chairman, MTB	Member	4	-	-	leave of absence was granted
03.	Mr. Syed Manzur Elahi Director & Founding Chairman	Member	2	2	16,000.00	Joined as a Member w.e.f. September 29, 2020
04.	Mr. M. A. Rouf JP	Member	4	2	16,000.00	*
05.	Mr. Md. Abdul Malek	Member	4	4	32,000.00	
06.	Mr. Md. Manirul Islam	Member	4	1	8,000.00	Retired on July 27, 2020
	TOTAL		4		1,04,000.00	

The Authorized Capital of Mutual Trust Bank Limited (MTB) is BDT 10,000,000,000.00 divided into 1,000,000,000 ordinary shares of BDT 10.00 each. The Paid-up Capital of the Bank is BDT 7,386,324,180.00 divided into 738,632,418 ordinary shares. The pattern of shareholding is given below:

- i) Parent/Subsidiary/Associated companies and other related parties: N/A
- ii) Shares held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children are as follows:

a) Shares held by the Directors and their spouses as on 31 December 2020:

Name of Director	Status	Nos. of Shares	Name of Spouse	Nos. of Shares	Remarks
Mr. Md. Hedayetullah	Chairman	15,004,469	Mrs. Afia Hedayetullah	—	—
Ms. Khwaja Nargis Hossain	Vice-Chairman	15,130,642	Al-haj Syed Abul Hossain	17,949,224	—
Mr. Syed Manzur Elahi (Founding Chairman)	Director	24,641,450	Mrs. Niloufer Manzur	556	—
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	37,748	Mrs. Rumana Rashid Dowla	—	22,275,105 Shares held by ACI Ltd.
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	4,564,060	Mrs. Yasmin Chowdhury	—	33,412,696 shares held by ABC Ltd.
Mr. M. A. Rouf JP	Director	14,881,603	Mrs. Evelyn Rouf	—	—
Mr. Md. Abdul Malek	Director	14,838,793		—	—
Mr. Md. Wakiluddin	Director	14,892,436	Mrs. Rozina Afroze	24,772	—

Name of Director	Status	Nos. of Shares	Name of Spouse	Nos. of Shares	Remarks
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	—	Mr. Nabeel Essay	—	16,706,293 shares held by Astras Ltd.
Mr. Tarik Ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director	—	Mrs. Samina Islam	—	46,959,493 Shares held by Pioneer In. Co. Ltd.
Mr. Daniel Donald de Lange (Representing NORFUND)	Director	—	Mrs. Sandra Collins-de Lange	—	70,377,797 Shares held by NORFUND
Ms. Nasreen Sattar	Independent Director	—	Mr. Kazi Habib Us Sattar	—	—
Mr. Faruq Ahmad Siddiqi	Independent Director	—	Mrs. Begum Shamsun Nahar	—	—

Ownership Composition:

As on December 31, 2020, the Sponsors and Directors of MTB held 43.97% of the total paid up shares, whereas Institutions and General Public held 24.54% and 31.49%, respectively:

Sl.	Type of Owners	No. of Shares	Values of Shares in BDT	(%) of Holding
1	Sponsor, Directors	324,791,505	3,247,915,050	43.972%
2	Institutions	181,270,714	1,812,707,140	24.541%
3	General Public	232,570,199	2,325,701,990	31.487%
Grand Total		738,632,418	7,386,324,180	100%

Classification of Shareholders by holdings as at 31 December 2020

Holdings	No. of Shareholders	No. of Shares	Value of Shares in BDT	Total Holdings %
Less than 499 shares	2,296	351,718	3,517,180	0.048%
500 to 5,000 shares	2,740	5,166,432	51,664,320	0.699%
5,001 to 10,000 shares	509	3,504,441	35,044,410	0.474%
10,001 to 20,000 shares	311	4,495,194	44,951,940	0.609%
20,001 to 30,000 shares	106	2,626,908	26,269,080	0.356%
30,001 to 40,000 shares	71	2,465,288	24,652,880	0.334%
40,001 to 50,000 shares	53	2,432,068	24,320,680	0.329%
50,001 to 100,000 shares	96	6,762,953	67,629,530	0.916%
100,001 to 1,000,000 shares	114	32,866,357	328,663,570	4.450%
Over 1,000,000 shares	72	677,961,059	6,779,610,590	91.786%
Total	6,368	738,632,418	7,386,324,180	100%

- a) Shares held by the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Finance Officer and their spouses and minor children as on 31 December 2020 :

Name of Executive	Status	Number of Shares	Remarks
Mr. Syed Mahbubur Rahman	Managing Director & CEO	—	—
	Mrs. Syeda Firdaus Haseen	—	Spouse of MD & CEO
Mr. Goutam Prosad Das	Deputy Managing Director & Group Head of ICC	—	No shares held by spouse and minor children
Mr. Malik Muntasir Reza	Group Company Secretary	—	

- b) Shares held by top five salaried employees other than the Chief Executive Officer, Company Secretary, Head of ICCD and Chief Financial Officer as on 31 December 2020:

Name of Executive	Status	Number of Shares
Mr. Syed Rafiqul Haq	Additional Managing Director & Chief Business Officer	—
Mr. Chowdhury Akhtar Asif	Additional Managing Director & Group Chief Risk Officer	—
Mr. Usman Rashed Muyeen	Head of Credit Risk Management	—
Mr. Kamrul Hasan Khan	Head of Wholesale Banking Division-1	—
Mr. Md. Shafquat Hossain	Head of SME & Retail	—

- c) Share holdings 10% or more voting interest in the Company: N/A

MTB Dividend Distribution Policy

1. Preface

Mutual Trust Bank Ltd (MTB) always believes in optimizing shareholders wealth while considering the regulatory directives, Capital to Risk-weighted Asset Ratio (CRAR) requirements and other subsequent effects. This policy is designed to lay down guidelines on dividend distribution that serves multiple objectives of appropriately rewarding shareholders through dividends, minimizing tax burden effects and retaining healthy capital adequacy ratio to support future growth within regulatory framework.

MTB Dividend Distribution Policy will provide guidelines in the matter while Board of Directors (BOD) may consider following internal and external factors while recommending the dividend -

- i) Current & prospective financial performance
- ii) Past dividend payouts
- iii) Growth & investment opportunities
- iv) Asset quality considering Bank's non-performing loans (NPL) ratio
- v) Current and prospective Capital ratios including future regulatory as well as growth requirements.
- vi) Other macro & micro economic factors
- vii) Regulatory requirements
- viii) Cost of raising capital
- ix) Tax implications including dividend distribution tax
- x) Such other factors/ events that the Bank's Board of Directors may consider

2. Regulatory Framework

Though the dividend decision would be guided by current and prospective financial performance, it needs to be within the regulatory framework defined by underlying regulators and also ensure compliance with following laws and regulatory bodies-

- i) Bank Company Act, 1991 and amended thereon,
- ii) Companies Act, 1994,
- iii) Bangladesh Bank circulars,
- iv) Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Act 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015, and other orders,
- v) The Income Tax Ordinance, 1984 and amendment thereon

Shareholders' approval to be sought on dividend proposal at Annual General Meeting. The ratio to be computed without considering tax payable on dividend payouts. Few guiding financial parameters in dividend recommendation will be as follows:

- i) Cash dividend is preferred at least once in consecutive 2 years to avoid the Bank to be shifted or transferred to the "Z-category" as per BSEC Order vide letter no SEC/CMRRCD/ 2009-193/08, dated September 01, 2020.
- ii) Cash dividend ratio will be higher or equal to the stock dividend ratio to avoid excess tax expenditure as per section 16(F) of ITO 1984.
- iii) Maximum dividend payout ratio will be 30% to avoid excess tax expenditure as per section 16(G) of ITO 1984.
- iv) The dividend payout ratio and process will be followed by the guideline given by Bangladesh Bank time to time

In the event of a conflict between the policy and the regulatory guidelines, the guidelines of the primary regulator, Bangladesh Bank, will be enforced. However, the Board of Directors of the Bank will have the discretion to declare dividend considering the Bank's need of capital, future growth plan and sustainability.

3. Internal Policy of MTB

Dividend Distribution Policy of Mutual Trust Bank Ltd is developed considering the long, medium and short term impacts on shareholders' value, stock price, and local legislation and so on. The primary focus areas are as follows-

- i) **Capital Adequacy:** Stock dividend enhances the Capital Base and strengthens Bank's capacity. MTB pursues a policy of continued enhancements of its Capital Base.
- ii) **Retained Earnings:** The reserve will help to increase the capital adequacy ratio and to ensure the Bank's balance sheet growth or such other purposes the Board of Directors may deem fit in the interest of the Bank and its stakeholders.
- iii) **Liquidity:** Stock dividend is a good source of fund and as such one of the most potential sources of liquidity.
- iv) **Dilution of EPS:** The Bank will prioritize the balance between issuance of stock and cash dividends to maintain a steady growth of EPS. Stock dividend enhances number of shares which results in dilution of EPS, thus barring the growth of EPS. Such factors will be considered while determining dividend declaration.
- v) **Shareholder Expectations:** Shareholders often prefer cash payout than stock dividends. Cash dividends generate higher return on investment than stock dividends if the market value and face value of the shares are similar or close. Although, the dividend will be declared considering other factors like Bank's capital need and regulatory requirements.

4. Dividend Distribution:

Decisions regarding dividend distribution of the Bank will be guided by regulatory rules and directives. Dividend is approved by the shareholders at an Annual General Meeting (AGM) on the basis of recommendation of the board. MTB shall pay of the dividend to its shareholders within thirty days of approval subject to the clearance of the regulatory requirement, if any.

5. Unpaid/Unclaimed dividend

The Bank will maintain detailed information of unpaid or unclaimed dividend and rationale thereof. Unpaid or unclaimed or unsettled dividends, cash or stock, shall be settled as per procedure set by the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authority from time to time.

6. Disclosure of the Policy

This policy shall be disclosed in the annual report and official website.

Undelivered /Unclaimed/Unsettled Cash Dividend
As on December 31, 2020

SL.NO.	Name of Year	Amount in BDT	Remarks
1	MTBL Dividend -2019	1,957,306.22	With Interest
2	MTBL Dividend -2011	1,899,298.84	
3	MTBL Dividend -2006	3,318,688.26	
4	MTBL Dividend -2005	1,763,286.82	
Total		8,938,580.14	-

Undelivered /Unclaimed/Unsettled Stock Dividend
As on December 31, 2020

SL.NO.	Name of Year	No. of Shares	Remark	
1	MTB Bonus Shares-2019	56,834		
2	MTB Bonus Shares-2018	112,675		
3	MTB Bonus Shares-2017	113,962		
4	MTB Bonus Shares-2016	118,959		
5	MTB Bonus Shares-2015	132,718		
6	MTB Bonus Shares-2014	51,594		
7	MTB Bonus Shares-2013	23,475		
8	MTBL Bonus Shares-2012	21,388		
9	MTBL Bonus Shares-2010	33,270		-
10	MTBL Bonus Shares-2009	29,740		
11	MTBL Bonus Shares-2008	20,050		
12	MTBL Rights Shares-2008	1,540		
13	MTBL Bonus Shares-2007	30,260		
14	MTBL Bonus Shares-2006	5,290		
15	MTBL Bonus Shares-2005	22,650		
16	MTBL Bonus Shares-2004	38,680		
17	Bonus-2003	1,500	Paper Shares	
Total		814,585	-	

Dividend Distribution Compliance Report

Under Clause (6) of the Directive No. BSEC/CMRRCD/2021-386/03, dated: 14/01/2021

Annexure-A

1	Name of the Issuer/Securities/Mutual Fund	Mutual Trust Bank Ltd. (MTB)		
2	Particulars of Issuer DP	112		
3	Type of Dividend (Annual /Interim) (Put tick mark (√) on the recommended option)	a) Annual <input checked="" type="checkbox"/>	b) Interim	
	Whether audited or not for interim Dividend (Put tick mark (√) on the recommended option)	a) Audited <input checked="" type="checkbox"/>	b) Unaudited	
5	Date of recommendation of Dividend by the Board of Directors: (Enclosed copy of PSI)	Enclosed copy of PSI		
6	Whether Dividend recommended other than directors or sponsors or any other classes (Put tick mark (√) on the recommended option)	a) Yes <input checked="" type="checkbox"/>	b) No	
	Record date for entitlement	21/07/2020		
8	Rate of Dividend recommended the Board of Directors/Trustee	10% Dividend 5% in the form of Cash and 5% Stock (year ended on December 31, 2019)		
9	Dividend recommended -Type (Put tick mark (√) on the recommended option)	a) Cash <input checked="" type="checkbox"/>	b) Stock <input checked="" type="checkbox"/>	
	Securities traded under which categories (Put tick mark (√) on the recommended option)	(a) A <input checked="" type="checkbox"/>	(b) B	(c) G (d) N (e) Z
11	Date of transfer to a separate Bank account (pls. mention Bank details) or provisional credit of shares/units by CDBL	Copy enclosed		
12	Date of approval of Dividend at AGM	August 27, 2020, at the 21st Annual General Meeting (AGM) (Virtual-using digital platform)		
13	Rate of Dividend approved at AGM- details at Annexure	10% Dividend 5% in the form of Cash and 5% Stock		
14	Date of commencement of disbursement of Cash and Stock Dividend	Cash-BEFTN on 17-09-2020 and Bonus-10-09, 2020		
15	Mode of disbursement of Cash Dividend (Put tick mark (√) on the recommended option)	a) Bank Transfer <input checked="" type="checkbox"/>	b) BEFTN <input checked="" type="checkbox"/>	c) MFS
		d) Dividend Warrant <input checked="" type="checkbox"/>	e) Any other mode	
16	Date of completion of disbursement of Cash and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]	Copy enclosed		
17	Paid-up-capital of the issuer-before corporate action/ entitlement	TK-7,034,594,460.00		
18	Number of securities/shares outstanding- before corporate action/entitlement:	703,459,446 shares		

19	Total cash in taka or stock (nos. shares) dividend as per corporation declaration	(a) Cash dividend after tax (Tk.306,009,372.33+FSP.61,000.00)= 306,070,372.33 (b) Bonus/ Stock dividend 35,172,972 shares		
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock (nos.)	Annexure
	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO	166,278,922.27	35,116,138	
	b) through Banks Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer	26,135,493.92		
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)		37,710	
g) through issuance of Dividend warrant or issue of share to Suspense Account for non-dematerialized securities	113,655,956.11	19,124		
21	Total Dividend paid/credited for the concerned year	304,342,624.89	35,116,138	
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)	1,727,747.44	56,834	
23	Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year (as per Audited Accounts)	3,166,299.08	757,751	
24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year	536,753,209.72	522,501,581	
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend warrant or issue of share to Suspense Account for non-dematerialized securities/shares/ units			
g) transfer of cash or stick to the Fund as prescribed or directed by commission after 3years or forfeit of share to Suspense Account for non -dematerialized securities				
25	Total Dividend paid/forwarded for previous years:	536,753,209.72	522,501,581	
26	Total unpaid/undistributed Dividend for previous year (23+24-25) Taka/Nos	3,166,299.08	757,751	
27	Grand Total of unpaid/undistributed Dividend (22+26)	4,894,046.52	814,585	

28	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance (2003 to 2005)	738,304.4	62,830	
	More than 4 years; balance (2006 to 2010)	1,096,545.92	120,150	
	More than 5 years & above; balance (2011 to 2018)	1,331,448.76	574,771	
	Total of unpaid/undistributed Dividend for previous years	3,166,299.08	757,751	
	(Supported Bank statements and balances of securities with the Depository)			
Note: Issuer shall maintain BO when detailed information for all transfer/credit to suspended Accounts with reasons and submit along with Bank statements and other supporting documents. The issuer shall fill up all the applicable field.				





শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHATTOGRAM OFFICE:

National House (1st Floor),
109, Agrabad Commercial Area,
Chattogram -4100, Bangladesh.
Phone : 880-31-711561
Pho/Fax : 880-31-723680
Web: www.shafiqbasak.com
E-mail: basak_sbc@yahoo.com
basak@shafiqbasak.com

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

DHAKA OFFICE - (1) :

Shatabdi Centre (4th & 6th Floor)
292, Inner Circular Road.
Fakirapool, Motijheel, Dhaka.
Phone/Fax: 880 -2-7192098,
Cell : +88 01730-080666
E-mail: skzislam86@gmail.com
skz4sbc@gmail.com
Web: www.shafiqbasak.com

(Certificate as per condition No. 1(5) (xxvii))

**REPORT TO THE SHAREHOLDERS OF MUTUAL TRUST BANK LIMITED ON
COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

(As per required under the Bangladesh Securities Exchange Commission (BSEC) Guideline)

We have examined the compliance status of the Corporate Governance Code by Mutual Trust Bank Limited for the year ended 31st December 2020. This Code relates to Notification No. BSEC/CMRRC/2006-158/207/ad-min/80 Dated on 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the MUTUAL TRUST BANK LIMITED. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Company required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is highly satisfactory.

Dated: May 5th 2021
Place: Dhaka



Shafiq Basak

Shafiq Basak & Co.
Chartered Accountants



INDEPENDENT MEMBER OF
A B C U S
W O R L D W I D E

DHAKA OFFICE - (2) : House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.
Phone : 88-02-99859602-3, 01819-285196, E-mail: mahmoods.bd@gmail.com

In Practice Since 1993

Corporate Governance Compliance Checklist in line with Bangladesh Securities and Exchange Commission (BSEC) Regulation

For the year ended 31st December 2020

Status of compliance with the conditions imposed by the Commission's Notification No.BSEC/CMRRCD/ 2006-158/207/ Admin/80, dated 03 June, 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969

(Report under Condition No. 9.00)

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	Board of Directors:			
1(1)	Board's size: Should not be less than 5 (five) and more than 20 (twenty)	√		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board	√		It is as per the Bank Companies Act, 1991. However, the changes brought in the draft of Bank Company Act is in line with the Corporate Governance Code (CGC) of BSEC, which is under process of enactment. Necessary change(s) to be taken place, upon receiving gazette notification.
1(2)(b)(i)	Holds less than one percent (1%) shares of the total paid-up shares of the company	√		
1(2)(b)(ii)	Not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1(2)(b)(v)	Is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1(2)(b)(vi)	Is not a shareholder, director excepting independent director or officer of any member or TREC (Trading Right Entitlement Certificate) holder of stock exchange or an intermediary of the capital market	✓		
1(2)(b)(vii)	Is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	✓		
1(2)(b)(viii)	Shall not be an independent director in more than 5(five) listed companies	✓		
1(2)(b)(ix)	Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a Bank or a Non-Bank Financial Institution (NBFI)	✓		
1(2)(b)(x)	Has not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			No such event occurred
1(2)(e)	The office tenure shall be for a period of 3 years which may be extended for 1 tenure only. Reappointment for independent director after completion of six years after a gap of 3 years. It is to be noted that any partial term of tenure shall be deemed to be a full tenure.	✓		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		
1(3)(b)	Independent Director shall have the following qualifications-			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or	√		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Former official of govt. or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification			Not applicable

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)(c)	The independent director shall have at least 10 (ten) years of corporate management / professional experiences	✓		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			No such event occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
1(5)	The Directors' Report to Shareholders: shall include the following additional statements: -			
1(5)(i)	Industry outlook and possible future developments in the industry	✓		
1(5)(ii)	Segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns	✓		
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin	✓		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss			No such event occurred

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		
1(5)(vi)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			Not applicable
1(5)(vii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1(5)(x)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not applicable
1(5)(x)	A statement of remuneration paid to the directors including independent directors	√		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	√		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not applicable
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director)	√		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	√		
1(5)(xxiii)(c)	Executives	√		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			Not applicable
1(5)(xiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders	√		
1(5)(xiv)(a)	A brief resume of the director;	√		
1(5)(xiv)(b)	Nature of his/her expertise in specific functional areas;	√		
1(5)(xiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5)(xv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on	√		
1(5)(xv)(a)	Accounting policies and estimation for preparation of financial statements	√		
1(5)(xv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√		
1(5)(xv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		
1(5)(xv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		
1(5)(xv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions shall be disclosed	✓		
1(6)	Meetings of the Board of Directors- The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			The Code of Conduct will be laid down upon formation of Committee
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			The Code of Conduct will be posted on the website upon formation of Committee
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	✓		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)			No such event occurred
3(2)	Requirement to attend Board of Directors' Meetings- The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board unless the agenda are not related to their personal matters	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee			Not applicable

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board	√		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	√		
5(2)(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	√		
5(2)(d)	The Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(3)(b)	In the absence of the chairperson, the remaining members may elect one of themselves as chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles	✓		
5(5)(c)	Monitor internal audit & compliance process, including internal audit, review of internal audit & compliance report	✓		
5(5)(d)	Oversee hiring and performance of external auditors	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
5(5)(h)	Review the adequacy of internal audit function	✓		

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Review statement of all related party transactions submitted by the management	√		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	√		
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO, management shall disclose to the audit committee about the uses or application of the proceeds by major category i.e. (Capital expenditure, sales & marketing) on a quarterly basis. Also on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.			Not applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Audit Committee shall report on its activities to the Board of Directors	√		
5(6)(a)(ii)	Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	√		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(6)(b)	<p>Reporting to the Authorities</p> <p>If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.</p>			No such event occurred
5(7)	<p>Reporting to the Shareholders and General Investors</p> <p>Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company</p>	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)			<p>As per BRPD Circular No. 11 dated 27-10-2013, each Bank Company can form one executive committee, one audit committee and one risk management committee with the directors. The Board can't form any other permanent, temporary or sub-committee except the above mentioned three committees.</p> <p>We have already written letters to the General Manager, BRPD, Bangladesh Bank, twice, with copies to the Chairman, BSEC and the Governor, Bangladesh Bank, in this regard, to allow us to form NRC, in accordance with the provision of CGC issued by the BSEC, reply of which is yet to be received and under review. After getting clearance from Bangladesh Bank, we will form the Committee. It may be mentionable that, formation of NRC has been incorporated in the draft of Bank Company Act, which is under process of enactment.</p>

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			Do
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive			Do
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5) (b)			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director			Do
6(2)(b)	All members of the Committee shall be non-executive directors			Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board			Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			Do
6(2)(e)	In case of vacancy in the committee, the board shall fill the vacancy within 180 days of occurring such vacancy			Do
6(2)(f)	The Chairperson may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			Do

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(g)	The company secretary shall act as the secretary of the Committee			Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			Do
6(2)(i)	No member shall receive any remuneration for any advisory or consultancy role other than director's fees or Honourarium from the company			Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM)			Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Do
6(4)(c)	The quorum of the meeting shall be constituted in presence of either two members or two third of the members of the committee, whichever is higher, where presence of an independent director is a must			Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			Do
6(5)	Role of the NRC			Do

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			Do
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board			Do
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following			Do
6(5)(b)(i)(a)	Remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks			Do
6(5)(b)(i)(c)	Remuneration to Directors and top executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives			Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position			Do

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			Do
6(5)(c)	Disclose the nomination and remuneration policy and evaluation criteria and activities of NRC in the annual report			Do
7	EXTERNAL/STATUTORY AUDITORS:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely	√		
7(1)(i)	Appraisal or valuation services or fairness opinions	√		
7(1)(ii)	Financial information systems design and implementation	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
7(1)(iv)	Broker-dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal audit services or special audit services	√		
7(1)(vii)	Any other service that the Audit Committee determines	√		
7(1)(viii)	Audit /certification service on compliance of corporate governance	√		
7(1)(ix)	Any other service that creates conflict of interest			No such event occurred

Condition No.	Title	Compliance status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(2)	No partner or employees or family members of the external audit firm shall process any share of the company they audit at least during the tenure of their audit engagement of the company	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	√		Web address is:www.mutualtrustBank.com
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	The company shall make available the detailed disclosures on its website	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	√		

Compliance Status of Bangladesh Bank Guidelines on Corporate Governance

Circular no. 11 dated 27.10.2013

PARTICULARS		COMPLIANCE STATUS
1.	<p>Formation of Board of Directors</p> <p>The newly amended Section 15 of the Bank Company Act, 1991 (Amended up to 2013) includes provisions for prior approval of Bangladesh Bank before the appointment of new Bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc</p>	Complied
1.1	<p>Appointment of New Directors:</p> <p>Under section 15(4) of the Bank Company Act, 1991 (amended up to 2013), every Banking company, other than specialized Banks, at the time of taking prior approval from Bangladesh Bank for appointing/ reappointing directors should furnish the following documents along with the application:</p>	Complied
a.	Personal information of the nominated person (Appendix-ka);	
b.	Nominated person's declaration(Appendix-kha);	
c.	'Declaration for confidentiality' by the nominated person(Appendix-ga);	
d.	In case of Independent director, the approval letter from Security and Exchange commission;	
e.	In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga);	
f.	CIB report of the nominated person; g) Updated list of the directors.	
g.	Updated list of the directors	
1.2	<p>Vacation of Office of Director:</p>	N/A
a.	The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a Bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated.	
b.	If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the Bank or any other Bank or any financial institution for one year from the date of repayment of the total amount due to the Bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that Bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that Bank until he/she repays all the liabilities of the noticed Bank or financial institution.	
c.	Besides, Bangladesh Bank can remove a director or chairman of a Bank, except state owned Banks, for conducting any kind of activities that is detrimental to the interest of the Banks depositors or against the public interest under Section 46 and can supersede the board of a Banking company under Section 47 of BCA, 1991 .	

PARTICULARS		COMPLIANCE STATUS
1.3	<p>Removal of Directors From Office: According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a Bank director other than specialized Banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	N/A
1.4	<p>Appointment of Alternate Director Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p>	N/A
a.	Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	
b.	The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	
c.	Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	
d.	As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	
e.	While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his Bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	
2	<p>Depositor Director As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2013) Bank can consider the tenure of existing depositor director or may appoint them as independent director.</p>	N/A
3	<p>Information Regarding Directors Banks are advised to take the following steps regarding director information: Every Bank should keep an updated list of Bank directors</p>	Complied
a)	Banks should send a directors' list to other Banks or financial institutions immediately after the appointment or release of director.	
b)	Banks should display a list of directors in the website and update it on a regular basis.	
4	<p>Responsibilities of The Board of Directors</p>	
4.1	Responsibilities and authorities of the board of directors:	
a.	Work-Planning and Strategic Management	

PARTICULARS			COMPLIANCE STATUS
	i.	Shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.	Complied
	ii.	The board shall have its analytical review incorporated in the Annual Report as regard the success/ failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/ recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times.	
	b).	Credit and Risk Management	
	i.	The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval	Complied
	ii.	The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management	
	(c).	Internal Control Management The board shall be vigilant on the internal control system of the Bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports	Complied

PARTICULARS		COMPLIANCE STATUS
(d).	Human Resources Management and Development	Complied
i.	Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion	
ii.	The board shall focus its special attention to the development of skill of Bank's staff in different fields of its business activities including prudent appraisal of loan/ investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these Programmes incorporated in its annual work plan.	
iii.	The board will compose Code of Ethics for every tier and they will follow it properly.	
e)	Financial Management	Complied
i.	The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of Bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures	
ii.	The board shall frame the policies and procedures for Bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of Bank's business shall, however, be adopted with the approval of the board.	
iii.	The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
(f).	Appointment of Chief Executive Officer (CEO) In order to strengthen the financial base of the Bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank	Complied
(g).	Other Responsibilities of The Board The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied

PARTICULARS		COMPLIANCE STATUS
4.2	<p>Meeting of Board Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.</p>	Complied
4.3	<p>Responsibilities of the Chairman of the Board Of Directors</p>	Complied
a.	As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/ she shall not participate in or interfere into the administrative or operational and routine affairs of the Bank.	
b.	The chairman may conduct on-site inspection of any Bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to Bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	
c.	The chairman may be offered an office-room, a personal secretary/ assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interest of the Bank subject to the approval of the board	
5	<p>Formation of Committees From the Board of Directors The adviser, whatever name called, shall advise the board of directors or the CEO on such issues only for which he is engaged in terms of the conditions of his appointment. He shall neither have access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the Bank including financial, administrative or operational affairs.</p>	Complied
5.1	<p>Executive Committee Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.</p>	Complied
a.	Organizational Structure:	Complied
i.	Members of the committee will be nominated by the board of directors from themselves;	
ii.	The executive committee will comprise of maximum 07 (seven) members	
iii.	Members may be appointed for a 03 (three)-year term of office;	
iv.	Chairman of the Board of Directors can be the chairman of executive committee;	
v.	Company secretary of the Bank will be the secretary of the executive committee	
b.	Qualifications of the Members	Complied
i.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	

PARTICULARS		COMPLIANCE STATUS
ii.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
iii.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the Bank's business, operations and its risks.	
c.	Roles and Responsibilities of the Executive Committee:	
i.	The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	
ii.	The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	
iii.	All decisions taken in the executive committee should be ratified in the next board meeting.	Complied
d.	Meetings	
i.	The executive committee can sit any time as it may deem fit.	
ii.	The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
iii.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
5.2	Audit Committee The board will approve the objectives, strategies and overall business plans of the Bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
a.	Organizational Structure:	
i.	Members of the committee will be nominated by the board of directors from the directors;	
ii.	The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director;	
iii.	Audit committee will comprise with directors who are not executive committee members;	
iv.	Members may be appointed for a 03 (three) year term of office;	
v.	Company secretary of the Bank will be the secretary of the audit committee.	Complied

PARTICULARS		COMPLIANCE STATUS
b.	Qualifications of the Members	Complied
i.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
ii.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
iii.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the Bank's business, operations and its risks	
iv.	Professionally Experienced persons in Banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee	
c.	Roles And Responsibilities of the Audit Committee	Complied
i.	Internal Control:	
1.	Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	
2.	Review management's actions in building computerization of the Bank and its applications and Bank's Management Information System (MIS);	
3.	Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
4.	Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management	Complied
ii.	Financial Reporting:	
1.	Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.	Complied
2.	Discuss with management and the external auditors to review the financial statements before its finalization.	
iii.	Internal Audit:	Complied
1.	Audit committee will monitor whether internal audit working independently from the management	
2.	Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process	
3.	Examine the efficiency and effectiveness of internal audit function	
4.	Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not	

PARTICULARS			COMPLIANCE STATUS
	iv.	External Audit:	Complied
	1.	Review the performance of the external auditors and their audit reports	
	2.	Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not	
	3.	Make recommendations to the board regarding the appointment of the external auditors	
	v.	Compliance with existing laws and Regulations:	Complied
		Review whether the laws and regulations framed by the regulatory authorities (central Bank and other bodies) and internal regulations approved by the board are being complied with.	
	vi.	Other Responsibilities:	Complied
	1.	Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	
	2.	External and internal auditors will submit their related assessment report, if the committee solicit;	
	3.	Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis	
	d.	Meetings	Complied
	1.	The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	
	2.	The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
	3.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
	4.	All decisions/observations of the committee should be noted in minutes	
	5.3	Risk Management Committee	Complied
		To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified	

PARTICULARS		COMPLIANCE STATUS
a.	Organizational Structure:	Complied
1.	Members of the committee will be nominated by the board of directors from themselves	
2.	The Risk Management Committee will comprise of maximum 05 (five) members	
3.	Members may be appointed for a 03 (three) year term of office;	
4.	Company secretary of the Bank will be the secretary of the Risk Management Committee	
b.	Qualifications of the Members	Complied
1.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
2.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
3.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the Bank's business, operations and its risks.	
c.	Roles And Responsibilities of the Risk Management Committee	Complied
1.	Risk identification & control policy: Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures	
ii.	Construction of organizational structure:	Complied
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the Bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines	
iii.	Analysis and approval of Risk Management policy:	Complied
	Risk management policies & guidelines of the Bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	
iv.	Storage of data & Reporting system:	Complied
	Adequate record keeping & reporting system developed by the Bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	

PARTICULARS		COMPLIANCE STATUS
v.	Monitoring the implementation of overall Risk Management Policy:	Complied
	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk	
vi.	Other responsibilities	Complied
1.	Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;	
2.	Comply instructions issued time to time by the controlling body;	
3.	Internal & external auditor will submit respective evaluation report whenever required by the committee	
d.	Meetings	Complied
1.	The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	
2.	The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	
3.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
4.	All decisions/observations of the committee should be noted in minutes.	
6	Training For the Directors	Complied
	The directors shall make themselves fully aware of the Banking laws and other related rules and regulations for performing his duties properly	
Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 18 dated 27.10.2013)		
A	Rules and regulations for appointing CEO	
1.	Moral Integrity:	Complied
	In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that-	
a.	He has not been convicted by any Criminal Court of Law;	
b.	He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;	
c.	He was not associated with any such company/organization, registration or license of which has been cancelled	

PARTICULARS			COMPLIANCE STATUS
	2.	Experience and Suitability:	Complied
	a.	For appointment as chief executive, the concerned person must have experience in Banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the chief executive of a Bank.	
	b.	He must at least have a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	
	c.	In respect of service, the concerned person should have excellent record of performance.	
	d.	Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/ official of any company;	
	e.	Any director of any Bank or financial institution or any person who has business interest in the Bank concerned will not be eligible for appointment to the post of chief executive	
	3.	Transparency and financial integrity:	Complied
		Before appointment as a CEO, satisfaction should be ensured to the effects that	
	a.	The concerned person was not involved in any illegal activity while performing duties in his own or Banking profession;	
	b.	He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;	
	c.	He is not a tax defaulter;	
	d.	He has never been adjudicated an insolvent;	
	4	Age Limit:	Complied
		No person crossing the age of 65 years shall hold the post of CEO of a Bank	
	5.	Tenure:	Complied
		The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for the shorter period	

PARTICULARS		COMPLIANCE STATUS
6.	Guidelines in fixing the salary and allowance:	Complied
	Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposals to Bangladesh Bank.	
a.	In fixing the salary and allowances of the CEO, financial condition, scope of operation, business volume and earning capacity of the Bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer Banks shall have to be taken into consideration	
b.	Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	
c.	Without improving the Bank's major financial indicator like-CAMELS, annual salary increment will not be payable.	
d.	Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the current Chief Executive	
e.	The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expenses, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above	
f.	The Bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it.	
7.	Incentive Bonus:	Complied
	Subject to the payment of incentive bonus to all stuffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year	
8.	Honourarium for Board Meeting:	Complied
	As CEO is a salaried official of the Bank, he will not get any Honourarium for attending the Board meeting or the meeting of any committee formed by the Board.	
9.	Evaluation Report:	Complied
	While reappointing CEO, and evaluation report approved the Board of Directors should be submitted to Bangladesh Bank by the chairman of the Board.	

PARTICULARS		COMPLIANCE STATUS
10.	Prior approval from Bangladesh Bank:	Complied
	Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank	
11.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank	Complied
B.	Responsibilities and authorities of the CEO	Complied
	The CEO of the Bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:	
a.	In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management	
b.	The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the Bank.	
c.	At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act 1991 and other relevant laws and regulations.	
d.	The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.	
e.	The recruitment and promotion of all staffs of the Bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.	
f.	The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc. Complied	
1.	BRPD Circular No.18 of 27th October 2013 and BRPD Circular Letter No. 20 dated 23rd December, 2014 and subsequent amendment regarding appointment and responsibilities of Chief Executive Officer (CEO)	
A.	Rules and Regulations for Appointing CEO	

PARTICULARS			COMPLIANCE STATUS
1.	Moral Integrity:		Complied
	In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:		
a.	He has not been convicted by any Criminal Court of Law;		
b.	He has not been punished for violating any rules, regulations or procedures / norms set by any regulatory authority;		
c.	He was not associated with any such company/organization registration or license of which has been cancelled.		
2.	Experience and Suitability:		Complied
a.	For appointment as a CEO, the concerned person must have experience in Banking profession for at least 15 (fifteen) years as an active officer and at least 2 (two) years experience in a post immediate below the CEO of a Bank;		
b.	He must at least have a Masters Degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;		
c.	In respect of service, the concerned person should have excellent record of performance;		
d.	Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/ofcial of any company;		
e.	Any director of any Bank or financial institution or any person who has business interest in the concerned Bank will not be eligible for appointment to the post of CEO		
3.	Transparency and financial integrity:		Complied
	Before appointment as a CEO, satisfaction should be ensured to the effects that:		
	Before appointment as a CEO, satisfaction should be ensured to the effects that		
a.	The concerned person was not involved in any illegal activity while performing duties in his own or Banking profession;		
b.	He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;		
c.	He is not a tax defaulter;		
d.	He has never been adjudicated an insolvent;		
4	Age Limit:		Complied
	No person crossing the age of 65 years shall hold the post of CEO of a Bank		

PARTICULARS			COMPLIANCE STATUS
5.	Tenure:		Complied
		The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for the shorter period.	
6.	Guidelines in fixing the salary and allowance:		Complied
		Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposals to Bangladesh Bank.	
a.		In fixing the salary and allowances of the CEO, financial condition, scope of operation, business volume and earning capacity of the Bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer Banks shall have to be taken into consideration	
b.		Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	
c.		Without improving the Bank's major financial indicator like-CAMELS, annual salary increment will not be payable.	
d.		Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO	
e.		The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expenses, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above	
f.		The Bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it.	
7.	Incentive Bonus:		Complied
		The CEO will get incentive bonus subject to the paying incentive bonus to all executive/officers/workers of the Bank and said bonus amount will not exceed BDT 1,000,000 in a year	
8.	Honourarium for Board Meeting:		Complied
		Being a salaried executive, CEO will not get any Honourarium for attending the Board meeting or the meeting of any committee formed by the Board.	
9.	Evaluation Report:		Complied
		For reappointing of the CEO, the Chairman of the Bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	

PARTICULARS			COMPLIANCE STATUS
	10.	Prior approval from Bangladesh Bank:	Complied
		Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (amended up to 2018). For processing such approval, along with the proposal signed by the Chairman of the BOD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure-A & Annexure-B to Bangladesh Bank.	
	11.	Decision of Bangladesh Bank is final:	No such event
		The decision of BB for appointment of the CEO will be treated as final and the CEO so appointed cannot be terminated, released or removed from his/her office without prior approval from BB.	
	a.	In case the CEO desires to terminate the contract before expiry or resign from his office voluntarily, he shall serve at least one-month notice upon the Chairman of the Board stating the actual reason for such resignation, and, at the same time forward a copy of such notice to Bangladesh Bank	
	b.	In case the Board of the Bank desires to terminate the contract before expiry or asks the CEO to tender resignation from his post, the Board shall serve at least one-month notice stating the reasons for such action; at the same time forward a copy of such notice to Bangladesh Bank and obtain approval of Bangladesh Bank for such removal.	
	c.	When the position of the CEO falls vacant due to resignation, expiry of contract, or any other reason, the Bank shall immediately appoint a 'CEO In-charge' (for maximum 3 months) among the officials next to the CEO and notify Bangladesh Bank with details of such Officer-In-charge.	

PARTICULARS		COMPLIANCE STATUS
B.	Duties And Responsibilities of CEO:	Complied
	The CEO of the Bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:	
a.	In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	
b.	The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the Bank.	
c.	At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws/regulations.	
d.	The CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations. The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.	
e.	The recruitment and promotion of all staffs of the Bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.	
	BRPD Circular No.19 of 27th October 2013 and BRPD Circular Letter No.19 dated 23rd December, 2014 on contractual appointment of Advisor and Consultant	
A.	Appointment of Advisor	
1.	Experience and Suitability:	N/A
	For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications	
a.	Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;	
b.	Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;	
c.	Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;	
d.	A person who is working in any Bank or financial institution or who has business interest in that Bank will not be considered eligible for appointment to the post of advisor;	
e.	Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court	

PARTICULARS		COMPLIANCE STATUS
2.	Responsibilities:	N/A
	The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the Bank.	
3.	Prior approval from Bangladesh Bank:	N/A
	Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	
4.	Remuneration and other facilities:	N/A
	The post of advisor is not a fixed or substantive post in the Bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	
5.	Tenure:	N/A
	The tenure of the advisor shall be maximum 1 (one) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	
6.	Appointment of Ex-officials:	N/A
	For good governance any former director, chief executive or any official will not be eligible to become an advisor in the same Bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.	
A.	Appointment of Consultant	
1.	Terms of Reference:	Complied
	Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the Bank.	
2.	Responsibilities:	Complied
	The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in Bank operation or cannot participate in the decision making process.	

PARTICULARS			COMPLIANCE STATUS
3.	Tenure:		Complied
		The tenure of consultant should be consistent with the terms of reference, but would not exceed 2(two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.	
4.	Remuneration/Honourarium:		Complied
		The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	
5.	Appointment of Ex-officials:		Complied
		For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same Bank immediately after his/ her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.	



Report on Internal Control and Compliance

Statement of Board of Directors on the Responsibilities to Establish Appropriate System of Internal Control and the Adequacy of the System

Internal Control and Compliance is the process, effected by a company's Board of Directors, Management and other personnel designed to provide reasonable assurance regarding the achievement of organizational objectives in terms of effectiveness and efficiency of operations, the reliability of financial reporting and compliance with applicable laws, regulations and internal policies. It plays a pivotal role in bringing operational efficiency, preventing and detecting frauds, forgeries and protecting the organization's resources.

Bangladesh Bank, vide its Banking Regulation and Policy Department (BRPD) Circular No. 03 dated March 08, 2016 circulated the revised 'Guidelines on Internal Control and Compliance in Banks' to all schedule Banks, with advice to implement the directives of the guidelines. The Bank Company Act, 1991 as amended up to 2018 requires some changes in the reporting line and the Organogram of the Internal Control and Compliance Department. The revised 'Guidelines on Internal Control and Compliance in Banks' have been prepared to implement Rule 15 (Kha) and exclusively section 15 (Ga) of Bank Company Act, 1991 as amended up to 2018 and as such the MTB Board has been discharging the following responsibilities:

- The Board acts as observant on the internal control system of the Bank in order to ensure a satisfactory standard of the Bank's control processes and procedures. The Board has formed an Audit Committee with such directors, who are not the members of the Executive Committee of the Board of Directors (BOD) and Risk Management Committee of the Board.
- The Board has also established internal control system in such a way that the whole internal audit process works independently from the management, and report directly to the Audit Committee.

- The Board reviews the reports submitted by its audit committee on quarterly basis regarding compliance of recommendations made in internal and external audit reports and as well as Bangladesh Bank's inspection reports.

In addition to the above the Board of Directors also discharges the following responsibilities:


- The Board has set up an organizational structure of Internal Control and Compliance Department in such a way that, it has no conflict of interest with the regular management of the Bank and fulfill the requirements as directed in the Rule 15 (Ga) (1) of Bank Company Act, 1991 (as amended up to 2018) for establishing and maintaining effective internal control and risk management having regard to the complexity of the activities of the Bank, its size, scope of operations and risk profile. To this effect the Bank has lastly revised its Internal Control (ICC) Policy duly approved by the Board of Directors in its 242nd meeting held on October 22, 2019 (Memo No. 7666). In line with the revised directives of Bangladesh Bank, the Bank has also restructured its Internal Control and Compliance (ICC) Department, which is headed by a Senior Executive in the position of Deputy Managing Director. The three divisions of ICC Department, namely-Audit and Inspection Division, Compliance Division and Monitoring Division have also been revamped in light of the revised guidelines. The Bank also has Fraud Management Policy, Audit & Inspection Manual and Compliance Manual duly approved by the Board of Directors.

- As a tool of Internal Control, the Audit and Inspection Division undertakes periodic and special audits and inspections on the branches and departments/divisions of the Head Office in order to find out the weaknesses and defects in the control processes, and it also reports to the Audit Committee the corrective measures taken to protect the interest of the Bank. The management enriches audit teams with adequate skilled manpower and proper IT support as per requisition of the Audit Committee of the Board (ACB) for purposeful and effective audit. The management ensures compliance of all laws and regulations that are circulated by various regulatory authorities, such as, Bangladesh Bank, Ministry of Finance, Bangladesh Securities and Exchange Commission, etc.
- The Compliance and Monitoring Divisions of the Internal Control and Compliance Department ensure timely and proper compliance with the relevant laws, regulatory instructions, and internal policies and procedures in the day-to-day operations of the Bank by way of using various control tools. The concerned divisions assess the operational risks and take appropriate measures after reviewing the Quarterly Operation Reports (QORs) and Departmental Control Function Checklist (DCFCLs), to mitigate the same for smooth operation of the Bank.
- Overall, the Internal Control and Compliance Department reports on the serious non-compliances detected by internal and external auditors and Bangladesh Bank's inspection teams with up-to-date compliance position, large financial risk exposures, weaknesses in control mechanism and other risk areas, to the Audit Committee of the Board, for review and taking appropriate remedial measures. The department ensures internal control structure in the Bank with appropriate assignment, accountability of the personnel and delegation of authorities to

functional management to exercise control and create a compliance culture within the organization under the active guidance and supervision of the Senior Management Team and the Board of Directors.

- The Board of Directors has formed a Senior Management Team (SMT). The Senior Management Team (SMT) reviews the overall effectiveness of the control system of the organization and provides certification on yearly basis to the Board of Directors on the effectiveness of Internal Control policies, practices and procedures.
- The Board of Directors holds meetings at suitable intervals with interested parties, such as the senior management, internal auditors, external auditors and the audit committee in the evaluation of the effectiveness of the internal control system.
- The internal auditors have direct access to the Board's Audit Committee as and when required and if needed, the Board collects internal audit reports without management filtering.
- The Board obtains feedback from the senior management, where timely and corrective measures need to be taken to address serious audit issues.

During the year 2020, the overall Internal Control and Compliance position of the Bank was at satisfactory level.



Md. Wakiluddin

Chairman



Report of the Board Audit Committee

Report of the Board Audit Committee

MTB formed an Audit Committee on January 18, 2003 comprising 03 (three) members of the Board in compliance of BRPD Circular no. 12 dated December 23, 2002 of Bangladesh Bank as well as the Notification (SEC/CMRRC/2006-158/Admin/02-08 dated February 20, 2006) of the Securities and Exchange Commission. The MTB Board Audit Committee was lastly reconstituted by the MTB Board of Directors in its 245th meeting held on Sunday, December 17, 2019 comprising 05 (five) members of the Board as per BRPD Circular No. 11 dated October 27, 2013 and in line with the SEC's Notification No. SEC/CMRRC/2006-158/129/Admin/43 dated July 03, 2012.

Role of the Committee

The Audit Committee is a Committee of the Board of Directors responsible for oversight of the financial reporting processes, selection of the independent auditors, and receipt of audit reports, both internal and external. The Committee assists the Board of Directors to fulfill its corporate governance and oversees the responsibilities in relation to an entity's financial reporting, internal control system, internal and external audit functions and compliance with applicable laws, rules and regulations. Its role is to provide advice and recommendations to the Board within the scope of its terms of reference/charter. In order to fulfill the same, MTB Board Audit Committee performs, among others, the following functions:

a) Internal Control:

- Evaluates whether the management has set the appropriate compliance culture by communicating the importance of internal control and clearly defining the duties and responsibilities of the Bank officials, and whether the management has full control over their activities.

- Reviews the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications.
- Considers whether the internal control strategies/structures recommended by internal and external auditors from time-to-time have been implemented by the management.
- Reviews the corrective measures taken by the management as regards the incidents relating to frauds-forgeries, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities and inform the Board on regular basis.
- With the governance and guidance from the Board of Directors, the Audit Committee puts in place policies and procedures to identify, measure, monitor and control risks.

b) Financial Reporting:

- Reviews the annual financial statements and verifies whether full and fair disclosures of information have been made therein, and whether statements have been prepared in accordance with the existing rules and regulations in the country and accounting standards, including the standards set by Bangladesh Bank.
- Discusses with the management and the external auditors to review the financial statements before its finalization.

c) Internal Audit:

- Ensures that the internal audit functions are dealt with independently and submitted to the Audit Committee of the Bank.

- Reviews the internal audit functions and organizational structure in order to ensure that unjustified restrictions or limitations do not create a hindrance to audit functions.
- Examines the efficiency and effectiveness of internal audit functions.
- Examines whether the findings and recommendations made by the internal auditors for removing the irregularities are duly acted upon by the management in running the affairs of the Bank.

d. External Audit:

- Reviews the audit performance of the external auditors and their audit reports.
- Examines whether the findings and recommendations made by the external auditors for removing the irregularities are duly acted upon by the management in running the affairs of the Bank.
- Makes recommendations to the Board regarding the appointment of the external auditors for conducting the audit work of the Bank.

e) Compliance with Existing Laws, Rules & Regulations:

Reviews whether the rules and regulations framed by the regulatory authorities (Bangladesh Bank and other agencies) and internal policies approved by the Board of MTB are being complied with.

f) Other Responsibilities:

- Places compliance report before the Board on quarterly basis regarding regularization of the errors, omissions, frauds, forgeries and other irregularities detected by the internal and external auditors and inspection teams of Bangladesh Bank.
- Ensures that the internal and external auditors submit evaluation reports to the Committee on a particular issue.
- Performs other oversight functions as requested by the Board, and its own performance is evaluated on a regular basis by the Board of Directors.

Composition of the Committee:

The members of the Audit Committee are:

1. Ms. Nasreen Sattar, Independent Director : Chairman
2. Mrs. Khwaja Nargis Hossain, Vice Chairman : Member
3. Mr. Rashed Ahmed Chowdhury, Director : Member
4. Mr. Herbert Ludwig Jaeger, Director : Member
5. Mr. M. Mokammel Haque, Independent Director : Member

The Company Secretary of the Bank functions as the Secretary of the Committee as per regulatory guidelines. The Managing Director & CEO, other members of Corporate Management, representatives of the External Auditors, Group Head of Internal Control and Compliance, Head of Credit Risk Management, Head of Group Finance, Head of Internal Audit, Head of Special Assets Management and other officials are invited to attend the meetings as and when the Committee requires their presence.

Meetings:

The Committee regularly meets the Heads of Internal Control and Compliance, Credit Risk Management, Group Finance, Head of Internal Audit, Special Assets Management, other Bank Officials and also the External Auditors to discuss the Bank's Financial Reporting.

During the year 2020, four meetings of the MTB Board Audit Committee were held.

Activities:

During the year under review, the Committee, inter alia, focused on the following activities:

- Reviewed the internal audit plan for the year 2019 and followed up on its implementation status.
- Reviewed the draft financial statements and recommended the same to the Board for consideration after the meeting with the representatives of the external auditors.
- Reviewed the Management Letter issued by the external auditors, management response thereto and corrective measures taken by the Bank to avoid recurrence of the lapses mentioned therein.
- Reviewed the quarterly financials of the Bank prepared to evaluate the performance for onward submission to the shareholders as a statutory requirements.

- Reviewed the major internal audit findings (Branches and Divisions/Departments of Corporate Head Office) with a view to taking corrective action on time.
- Reviewed the major findings/observations of Bangladesh Bank's Inspection Reports and advised the management of the Bank to take steps for rectification of lapses/irregularities toward fulfilling the compliance requirements of the regulator.
- Reviewed the Self-Assessment reports of Anti-Fraud Internal Controls of the Bank.
- Reviewed the Integrated Annual Health Report of the Bank as a regulatory requirement and advised the management of the Bank to take steps for further improvement of the financial health of the Bank.
- Reviewed the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications.
- Examined whether the findings and recommendations made by the internal auditors for removing the irregularities are duly acted upon by the management in running the affairs of the Bank.
- Placed compliance reports/minutes before the Board detailing the decisions taken/recommendations made by the Committee in its various meetings for information/concurrence of the Board.

Approval of Financial Statements:

The Audit Committee reviewed and examined the Annual Financial Statements, 2020 prepared by the Management and audited by the External Auditors M. J. Abedin & Co. Chartered Accountants and recommended to place the same before the Board for consideration.

The Board approved the same in its 261st meeting held on May 04, 2021.

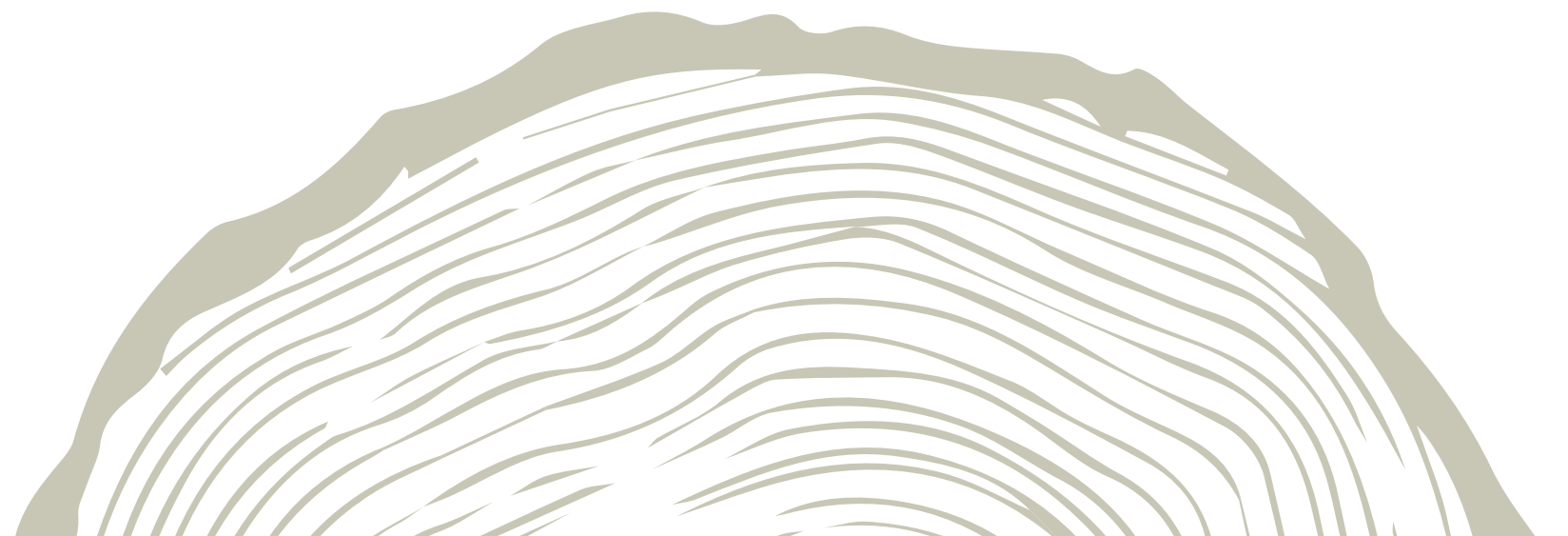
Acknowledgement:

The MTB Board Audit Committee expresses its sincere thanks and gratitude to the Board of Directors, Management and the Auditors for their support in smooth operation of the Bank.



Nasreen Sattar

Chairman Of The MTB Board Audit Committee



Management Discussion & Analysis



Performance Analysis with the Management

Accounting for changes in reporting standards

Wherever it is applicable, we adhere to the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) for our reporting framework, except the circumstances where the local regulations differ and supersede the standards. In addition to this, the Bank also complies with the requirements of laws and regulations from various government bodies and relevant circulars and instructions issued by Bangladesh Bank (BB). These are listed in details in note 2.23 and 2.24 of the notes to the consolidated and separate financial statements as presented in this Annual Report. One new financial reporting standards IFRS 16 Leases has come into effect from January 01, 2019. We have incorporated them as and where they are applicable for us and any departure from IFRS due to BB regulation has been adequately disclosed in the notes to the Financial Statement.

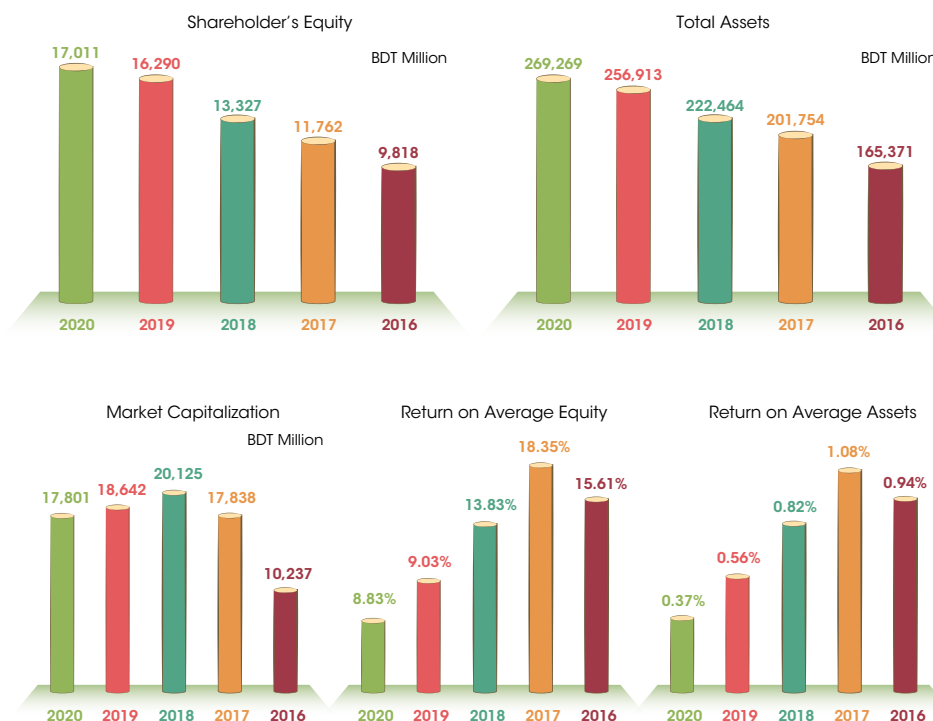
The fundamentals of our business strategy

COVID-19 has imposed forced restrictions on worldwide social distancing and travel which crippled businesses adversely. While battling to protect lives, governments have instituted pro-livelihood fiscal and monetary policies, including lowered policy rates, to keep economies afloat. Despite pressure on the net interest margin, loan repayment moratorium facility and slower business activity amidst economic compression led by the coronavirus pandemic, MTB has maintained consistency in delivering

considerable yield to its shareholders during the year 2020.

This is reflective in the moderate growth trends of our balance sheet registered 4.81% growth while net profit and market capitalization experienced 27.46% and 4.51% of reduction over the last year. Over the years, MTB's experienced and diversified management team has demonstrated keen foresight into industry trends and have taken timely decisions regarding key strategic maneuvers. This has enabled us to gain foothold across a well-diversified range of businesses in the financial sector. Moving forward to current times, COVID-19 crisis will continue to be on top of the list of challenges of the Banking business strategy for 2021 and beyond. Keeping that in mind, we will focus on technology maneuvers concerning revenue-generation to minimize customer foot-prints at Branches and prioritizing cybersecurity at the same time since experts say we are still few more years away from going back to normal life from this on-going pandemic. Our endeavour to achieve inter-organization process improvement by using Robotic Process Automation (RPA), Application Programmable Interfaces (API), and accelerating the trend from manual to process automation will also continue.

Thus, we will continue in 2021 to focus on competitive growth. This will be a key part of our overall agenda of delivering consistent, profitable, competitive and responsible performance. A further important priority will be to ensure that we retain the speed and agility of responses that embodied our performance in 2020.



Manufactured Capital

Manufactured Capital- Service Distribution Network

This form of capital entails valuable resources, business processes and technologies used in providing effective, efficient and innovative services to our customers. Our manufactured capital is compiled with all the physical objects ranging from branches, sub-branches, ATMs and agent Banking points along with IT, equipment, SMS, internet and digital Banking platforms that we use to serve our customers with.

Overview

MTB has been an icon of innovation in the Bangladeshi Banking industry from the very beginning of its existence. The Bank has been a corporate focused business, currently expanding into SME and retail business. The Bank has created one of the first truly Internet-based Banks in the country focused around a modern, easily accessible and convenient online Banking platform. Our strategy by 2021 puts an emphasis on mobile Banking challenges and prospects. Being a digital Bank is not only about innovative product distribution tools. The organizational structure, internal processes, approach to risk management, infrastructure, including IT systems and network of retail branches, developed in accordance with a uniform philosophy are equally important. We know that our clients notice and appreciate our organizational efficiency. Hence, efficient operational processes are just as important as innovative products and contact channels.

Highlights



Creating Values

The investments and the efforts that we put into manufacturing capital, is creating value by increasing our operational capacity with optimum efficiency. MTBs current network contains 118 branches country-wide, 27 sub-branches with more than 300 ATMs and being operated through a separate team. To add more, all these touch points are being operated through industry leading technological structure with the help of professionals. All of these factors contribute to serve our one core purpose to cater every financial need of our clients and to be able to deliver on the demand at any given moment while providing worldwide accessibility and convenience.

118 Branches
27 Sub-branches
315 ATMs

Capital
Expenditure of BDT
348 Million and rent
expenditure of BDT
218 Million

State of art 4
international and
domestic airport
lounges

164 Agent Banking
Centre opened to
reach the unbanked
population

How We Manage Our Manufacturing Capital



Challenges

- Ensuring infrastructure sufficiency to support growth ambitions.
- Balancing cost and benefits of investments.
- Rapid changes in technology & the timing of investment.

Further Analysis

The following chapters provide detailed analysis of manufactured capital-

- Business Divisional Overview
- Other Division Overview- Service Distribution and Facilitation

Responses

- Made strategic investments in network enhancements. Opening Sub-branches and MTB Agent Banking Centres are results of such strategic moves.
- Regularly conduct proper analysis of the trade-offs by qualified personnel.
- Ensure quality investment in technology infrastructures and stay updated with best practices.

Business Divisional Overview



Wholesale Banking Division

'2020' – A year to be remembered for its uniqueness and impact on the Human Race. A year that has changed the thought process of each and every individuals living on earth. It has simultaneously changed and modified the financial industry and its associates to think and review their stand from a different viewpoints. Financial institutions were ought to go out of their conventional thought process for ensuring sustainability of their business. The changes that the pandemic brought in to every single individual and industry were immensely reflected in the way they acted over that period. The positivity that has been encrypted in the Business DNA has proven that nothing is bigger than the sustainability of the Human Race which eventually ensures breathing of all other parameters where Business is just one.

Mutual Trust Bank Limited strives for excellence in business keeping the tagline in mind "You can Bank on us". Over last few years, MTB was in the process of centralizing its business and operations. It was an enormous task to accomplish; however the year 2020 became remarkable for the Bank which converted the Wholesale Banking Division business into full centralization. Finally, the Wholesale Banking Division (WBD) is Centralized; constituted with Corporate Banking and Commercial Banking. The challenge was more on changing the mind set as MTB had carried the legacy of Branch Banking since its inception.

Synchronizing the Centralization of Business with the Operations had been a bigger challenge starting from Account Opening to CAD Operations and adopting the process flow to support the Business front line. By June 2020, all Corporate and Commercial customers fall under the internal set definition by the Bank Management were taken over from the branches by WBD; while SME and Retail

Business remained at the branches. MTB now serves the Wholesale Banking customers from a single relationship point. Keeping the convenience of the customers located in another most important business location of the country, the portfolio of Chattogram has been kept under the WBD Chattogram Team where customers are served from that geographical location reporting to the Center.

The biggest challenge to a financial institution has always been coping up with the new traditions, technologies and expertise where change is inevitable and intrinsic to every organization. In line with that, MTB had yet another memorable year 2020, where more focus on the digitalization was given which helped WBD Customers to grow its book over 2019.

Connecting the Government facilitation to big Corporate Houses and to ensure end usage of the fund was in the forefront of WBD Relationship Team while in the process MTB executed salary payment of almost 80,000 garments workers for continuous four months. Apart from the workers' salary, WBD has extended other stimulus packages to its customers as per the guidelines of Bangladesh Bank and successfully accomplished the disbursement.

Wholesale Banking Division offering a wide array of generic products through its Credit, Cash Management, Trade and Treasury while the Retail and SME support the supply and distribution channels of the WBD customers. Based on the requirement of customer, WBD provides tailor-made and sophisticated solutions to our clients using its Off-Shore Banking Unit, Structured Finance Unit (SFU) and Financial Institute Capabilities. Our key value proposition comprises our deep local presence, strong reputation in innovative financing and a wide range of platforms and solutions all over the globe.

The financial sector of Bangladesh took a boost at the beginning of 2020 showing moderate credit growth, however Interest Rate Cap and spreading out of COVID-19 made the wheel stagnant for next two quarters. To a greater extent our economy is dependent on the global economy where the concentration is mostly in Europe was worse impacted by the pandemic made our internal economy more vulnerable. However, Wholesale Banking could make creditable growth in the context of slower overall growth. Since the beginning of 2020, the money market quite dry however, due to low credit appetite, less payment obligation settlement at home and abroad and payment pause it became quite liquid.

The excitement around the rescheduling of classification persisted throughout the year with an emphasis to reduce cost of doing business. Payment Pause and Unchanged Classification Status of the customer made it easier for the business houses to continue their endeavors however it similarly pose the economy to a greater risk in the upcoming days which needs a proper policy coverage and direction.

In 2020, WBD thrives to build strong ties with our corporate and commercial customers through its channels and serving them with excellence while keeping the pricing aligned with the market. In 2020, we gained confidence and mindshare of the customers by rendering quality services and meeting customers' expectations by offering tailored made products and services which was reflected into the growth of WBD Portfolio. Throughout the year, WBD continued to cater to a diverse range of industries such as RMG, Textile, Manufacturing, FMCG, Power, Poultry, Steel and Others to meet their Banking service requirements in both domestic and international arena.

Asset portfolio of WBD grew by almost 7% amid this pandemic situation which largely contributed to overall asset growth of the Bank. The growth has been on account of financing provided to high-rated corporates with strong group financials and new relationship additions to the corporate portfolio. We kept our focus on the industry top players in different sectors and on-boarded good number of clients. WBD tried to optimize wallet share of the customers to maximize the outcome while keeping risk level at minimal.

Managing stressed portfolio has been the greatest concern of WBD and monitoring the overall health of the customers has been at the center of all priorities. A monthly meeting with the internal stakeholders helped the team

to sketch the way forward and reviewing the set direction on an interval made the process furtherer firm to achieve. An Early Alert Forum has been proposed comprising of Business, Credit and Special Asset Management which is meet on a regular interval to ensure the decision been taken considering every possible view point.

Trade business of WBD has abridged in 2020 and reduced by approximately 13% from last year where export reduced by 10% and import by 14% which in terms reflects better position compared to country's overall Trade. The non-funded business in the trade space is one of our key priorities to blend the revenue mix and also towards self-liquidating product mix in the coming days.

Optimization of Portfolio Yield was the key concern for WBD, however due to the overall reduction of Country's Trade the desired level of Trade could not be achieved. Reducing the Balance Sheet dependencies by creating new avenues of refinance from local and international channels was always been the priority.

Despite the impact of COVID-19, sheer competition, margin compression were evident across the industry, especially in the larger segment, Team WBD could maintain its book substantively. The portfolio health will continue to be considered as highest priority, and zero loan impairment cost is the target in the coming years.

WBD is aimed to serve the top-tier customers with tailored products in line with the objective of making secured funding and moving the Bank towards being a truly world class, the unit works to ensure growth with substantial profitability. Infusion of new set of good names from the market which are currently not Banking with MTB is the primary objective of the unit and also to recycle inferior assets for ensuring health of book.

Key features of the unit are -

- Ensuring one-stop relationship Banking
- Acquisition of new business
- Providing service ensuring excellence
- Monitoring of portfolio and raising early alert on the stressed account
- Ensuring cross-selling and trade business
- Enhancing non-funded income generation

WBD contributes around 73% of the total MTB's business portfolio. The portfolio constitutes with major large and diversified players from RMG, Textile, Steel, FMCG, Manufacturing, Power and Poultry.

Structured Finance Unit (SFU)

At present, MTB Structured Finance Unit (SFU) is one of the leading financial solution provider in the market with range of offerings. The services offered by SFU comprised of -

- Advising and assisting in developing acceptable investment structure, documenting and closing the financing deal
- Preparing Financial Model & Information Memorandum and floating business proposals in the market to raise required fund
- Managing special projects like Securitization, Preference Share, Subordinated Debt Instruments, Bonds and Commercial Papers
- Assisting in process of necessary approvals from the regulators, as and when necessary
- Innovating and materializing new business propositions
- Providing R & D and advisory Services

MTB is actively involved in the syndication market and is one of the few Banks in the industry who can offer flexible long term USD financing for its customers. With immense potential to provide synthetic products, the Structured Finance Unit had initiated and executed some admirable deals:

Lead Arranger & Agent:

- MTB emerged as Lead Arranger for arranging alternative source of financing for its customers – United Jamalpur Power Ltd. by issuance of Preference Share of BDT 1,500 M and BDT 950 M for Star Ceramics Ltd.
- MTB arranged Long Term Loan facility of USD 36M from IFC & FMO to finance the first ever Swissotel in Bangladesh, a project of Bengal Hotels and Resorts Limited (a concern of Bengal Group).
- MTB acted as the Lead Arranger & Agent to raise Syndicated Facility of BDT 3,802M for setting up LPG Bottling Plant, Cylinder, Auto Tank, Valve and Bung Manufacturing Project of JMI Group.
- MTB acted as the Lead Arranger & Agent to organize Syndicated Loan of BDT 1,333 M for Agami Apparels Limited (A concern of Dekko Group).
- MTB emerged as one of the Leading Players in the Syndication Market as Lead Arranger. MTB arranged 5 Commercial papers for clients such as PRAN, BENGAL Group, Envoy Textiles etc. for total BDT 1,720M.
- MTB is acting as Lead Arranger & Agent to Syndicated Facility of BDT 5,800 M favoring Comilla Economic Zone Limited (Under process).

Multilateral Relationship:

- Norfund: MTB has established bilateral relationship with Norfund and also secured 10% equity investment for its own balance sheet.
- ADB: The Asian Development Bank has extended Trade Finance Programme (TFP) facility to MTB as non-funded guarantee and funded revolving credit line.
- DEG: MTB is one of the few Bangladeshi Banks to secure a US\$ funded credit line from DEG.
- IFC & FMO: MTB arranged Long Term Loan facility of USD 36 million from IFC & FMO to finance the first ever Swissotel in Bangladesh, a project of Bengal Hotels and Resorts Limited (a concern of Bengal Group).

Access to Special funds both in USD and BDT from Bangladesh Bank:

MTB is one of active Participatory Financial Institutes (PFIs) of the refinance/pre-finance schemes provided by Bangladesh Bank:

- Financial Sector Support Project (FSSP)
- Investment Promotion and Financing Facility (IPFF-2)
- Green Transformation Fund (GTF)
- Urban Building Safety Project (UBSP)
- Foreign Direct Investment Promotion Project (FDIPP)
- Safety, Retrofits & Environmental Up-gradation Programme (SREUP)

Special Project:

MTB German Desk- A MTB and DEG Joint Initiative to establish the first German Desk in Bangladesh to-

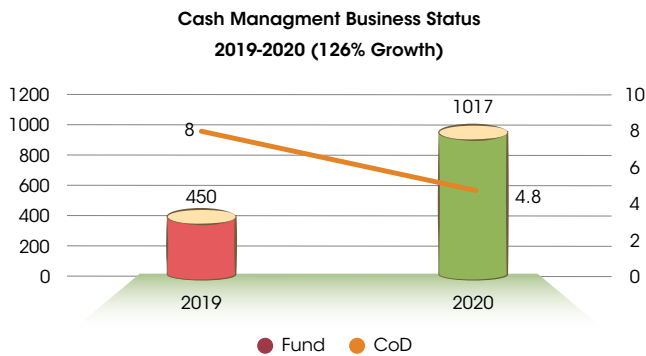
- Create close relationships between Bangladeshi importers and German Business Community.
- Offer trade finance and long term investment solutions for Bangladeshi buyers of German equipment or capital machinery.
- Provide a platform for strengthening business relationship between these two countries.
- Support German Companies willing to invest in Bangladesh.

Cash Management Department

Amidst the great Covid-19 pandemic, it became too challenging for the banking industry to grow. However, as MTB took the challenge to float its head above the speedy turmoil of the last year, Cash Management also took many initiatives to perform significantly in terms of its business growth and to increase cash flow in year 2020.

Business Performance:

MTB Cash Management has successfully achieved a target of BDT. 1017 Crore in the year 2020. At the beginning of the year, Cash Management Department had started with BDT 450 Crore under its cash portfolio. Hence, at the end of 2020, the department showed a steep growth of 126%.



Business Position Compared to the industry:

The bright side about last year's performance was, the department grew at 126% while the whole industry had seen a negative growth. Besides, the department has brought down its total cost of Deposit from 8.0% at the beginning of the year to 4.8% by the end of the year 2020.

Key Initiatives/activities round the year, i.e. products, financial and non-financial services, campaigns:

In order to better serve the clients under the cash management services, cash management took many initiatives to strengthen its cash management platforms and also built partnerships with service providers outside the Bank. Some of the initiatives taken in 2020 were:

- Development of modern and automated cash management solution
- Partnership with bKash, Nagad, Rocket, Upay and other fund transfer service providing organizations to build a strong eco system for the clients to better manage their cash management operations
- Enhanced and automated collection service and their monitoring by the clients at their own office premise
- Reaching out the maximum number of government, semi government, limited companies, autonomous bodies, institutions to provide them the payment and collection services

Future outlook:

MTB aims at becoming the most modern cash management service providing Banks in the industry. Cash Management team is aiming at designing its solutions and services for the clients that will make their cash operations comfortable, time efficient, secured.

Plan for 2021 & beyond:

As already stated above, the key strategies and plans for 2021 and beyond are:

- Focusing on service based rather than interest based cash management services
- Development of enhanced and automated solutions for payments and collections
- Building partnership with the other business division and branches as a team to cater to the needs of the clients jointly and proactively
- Keep looking for the scope where MTB can act as the solutions giver for the organizations' internal cash management system/ enterprise solution
- Building partnerships with MFS and other transaction services providing organizations to better manage clients' cash management operations
- Gradual centralization of cash management services that are being provided for all the corporate clients of the bank
- Bringing in as many utility service providing entities as possible by providing booth based or online Over the Counter (OTC) collection services
- Focusing heavily on fund based organizations, i.e. NBFIs, Educational Institutions, Utility Service Providing Organizations, Insurance companies, etc. and providing them the required services and solutions as and whenever required

Conclusion:

While inflating its fund base, MTB Cash Management department is also aware of the rate of deposit. To make sure a continuous flow of fund while keeping the interest rate healthy, there is no other way for the bank than to modernize its cash management services. And while updating the services, keeping a focus on the most popular requirements of the clients and being able to solve them by providing those updated solutions are the key strategies to ensure high satisfaction level. Only high satisfaction can ensure low cost fund by developing a strong bond with the clients. MTB Cash Management will be working in strengthening that bond with the clients by its services.

SME Banking Division

Introduction:

Cottage, micro, small and medium enterprises are playing a pivotal role in growing economies like Bangladesh. Their role is crucial for the economy in terms of employment generation, value addition, financial inclusion as well as creation of internal demand for goods and services. Quite relevantly, the regulators and financial institutions like Banks and NBFIs have been keen enough to channelize adequate financing in the CMSME sector. In the coming years, CMSME's are being considered as the growth drivers for Bangladesh economy.

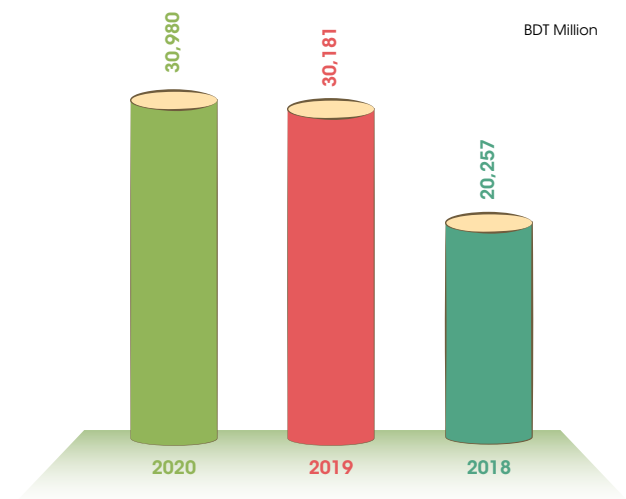
With an extensive network of 118 branches, 27 sub branches and 162 agent outlets, MTB is properly staged to cater the diversified Banking needs of the CMSME sector. With a wide range of tailor made product offering and dedicated relationship management at the branch level, MTB has already accelerated its CMSME financing activities and expects to launch ambitious and challenging endeavors in the coming years. With a view to creating sustainable impact in CMSME landscape of the country, MTB SME Banking division is staunchly working for reengineering process and practice to provide better Banking services.

With the fourth industrial revolution knocking at the door, MTB is ready to embrace the technological advancements in its CMSME loan origination and regular operations. With cutting edge technology in place, MTB expects that CMSME clients shall have delightful and convenient experience. The magical touch of technology shall make it robust and easier for CMSME clients as far as account opening, loan origination, loan approval, documentation, disbursement and loan monitoring is concerned.

The onslaught of COVID-19 pandemic has taken a heavy toll on CMSME sector in the year 2020. To overcome the negative economic impact, Government has declared stimulus package for an enormous amount of BDT 120,000 crore out of which BDT 20,000 crore has been allocated for CMSME sector. MTB has participated in three refinance schemes with Bangladesh Bank & now providing low cost financing to the clients who need it the most. Also being one of the participating Banks in disbursing stimulus loans provided by Government of Bangladesh to fight the impact of novel coronavirus breakout, MTB is playing a vital role in resilient recovery of Bangladesh economy.

Financial inclusion is a major agenda of SME Banking Division for the coming years. Study reveals, there are enormous opportunities to expand Banking services to the doorsteps of the unbanked population through agent Banking. SME Banking Division is eyeing on expanding its financing and other Banking facilities to the CMSME clients through agent Banking in the year 2021.

SME Outstanding Highlights:



Success Stories:



Support for Business Expansion and Diversification

Sonargaon- one of the old capitals of the historic region of Bengal has always been a prominent area for trading since centuries. Mr. Jakir Hossain (52) is a well-known wholesaler in the locality. He has been availing SME Revolving facility from MTB Sonargaon Branch since 2016.

He needs to procure goods from different areas which causes him extra transportation cost. Being a wise businessman, Md. Jakir Hossain thought of this opportunity to purchase a bulkhead for reducing transportation cost. As such, he planned to acquire a new Bulk head water vessel. To turn his new dream into a reality, he got financing from MTB Sonargaon branch for BDT 65 lac. It was further refinanced under SME DP II fund of Bangladesh Bank which enabled him to enjoy the loan at a lower interest rate. With the help of this bulkhead, now he can easily carry goods that saves his cost and it allows him to earn more profit. Mr. Jakir Hossain's Bulkhead has created employment opportunities for local people, including women in loading & unloading of goods as well as ensured his business growth. MTB takes pride for being a part of his successful journey.

New initiatives taken by SME Banking Division in 2020:

Value Chain/Dealer financing/Distributor Financing: In 2020 MTB has tied up with a number of companies under supply chain financing.

Quality Feeds Limited (QFL): Quality Feed is one of the leading national poultry feed (For fish, broiler, layer, dairy, shrimp etc.) sellers in the market. MTB offers collateral free Agriculture & SME Loan facilities for the dealers of Quality Feeds Limited.



Agreement Signing Ceremony with Quality Feeds Ltd

Energypac Engineering Ltd: Energypac Engineering Ltd is a national leading power engineering company. Under this agreement, Ceiling fan dealers of Energypac Engineering Ltd get financing from MTB to meet the seasonal demand.



Agreement Signing Ceremony with Energypac Engineering Ltd

Power Vision Limited (PVL): Power Vision Limited (PVL) is a leading business entity which is a seller and distributor of world famous branded machinery. Customers of Power Vision Ltd get easy financing facility from MTB to purchase SANY brand construction equipment.

sheba.xyz: sheba.xyz is an online service marketplace in Bangladesh which connects household with various verified service providers. Under this agreement, MTB and sheba.xyz will jointly venture to provide a cutting-edge, advanced and hassle free digital Banking experience with an ultimate view to promoting Micro, Small & Medium Enterprises across the country.



Agreement Signing Ceremony with Sheba Platform Ltd.

ShopUp: ShopUp is the leading full stack B2B commerce platform for small business. MTB has partnered with ShopUp to provide collateral free retailer finance facility to the customers of ShopUp.



Agreement Signing Ceremony with Shop Up

Robi: Robi has partnered with MTB to provide working capital financing support to the Robi Distributors, enabling them to get recharge lifting using Bank financing at any time of the day or night.

Product Launching

In 2020, two new SME Products were launched MTB Uddog, MTB CMSME Stimulus Loan along with few business policies to increase and facilitate business generation activities.

MTB Uddog is a revolving Short term loan which helps clients to meet their different occasional business needs.

MTB CMSME Stimulus Loan is a special loan product devised to ensure proper disbursement of COVID 19 Stimulus loan.

Participating in SME Fair:



MTB participates in Banker-SME Nari Uddokta Somabesh o Ponna Prodorshoni Mela 2020

Simplifying Loan Application Form:

MTB SME Banking Division has simplified the Loan Application Form, to make loan origination process easier and make it convenient for CMSME clients.

Future Journey 2021 and beyond:

Exploring Cluster Financing: MTB aims to take a synergistic approach to address the financial needs of business clusters around the country. In 2021, MTB will take an area based approach to finance in business cluster. MTB SME plans to explore agri business cluster in greater North Bengal. Also MTB will do cluster financing to 10 Taka account holder in greater Noakhali area to support their business needs.

Going Digital: With cutting edge and smart digital Banking experience MTB SME Business is going to bring more unbanked people under the formal financing system as well as to provide faster Banking service to its clients.

Developing new products and solution: MTB SME Banking Division will bring out exciting new products & Banking solution for SME customers in 2021 which are tailored to cater to the prevalent market needs.

Developing faster loan processing service: By streamlining process and simplifying the credit module MTB aims to provide loan processing system at the quickest possible time.

SME Incubator: MTB SME Banking Division will launch SME Incubator to extend telephonic/voice/internet based non-financial services to potential and existing entrepreneurs.

Widening Access to Finance: In 2021 MTB will sincerely try to take financial service to the marginalized population especially to women & new entrepreneurs and serving their financial needs through refinance scheme.

Championing Women Entrepreneur Financing :

MTB SME have special focus on Women entrepreneurs since the inception of the division. Moreover MTB as a Bank takes a holistic approach for improving overall Banking experience for Women through dedicated Women Banking service, which will be strengthened by CMSME one stop loan solution for Women in 2021.

MTB finances women entrepreneurs at lower rate under refinance scheme of BB Women Fund. MTB obtained BDT 17.7 Million as refinance under this scheme in 2020.

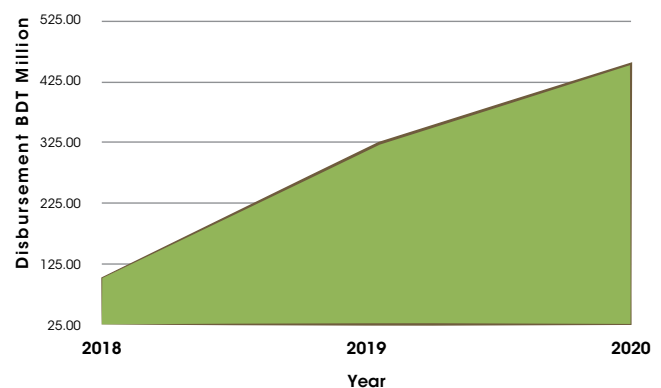
MTB has partnership with SME Foundation for convenient Pre Finance Scheme for Women Entrepreneurs and there is dedicated loan product MTB Gunabati for facilitating the women entrepreneur under this Programme.

Agricultural credit:

Agriculture is considered to be the backbone of Bangladesh economy. Channeling finance to this sector is of utmost importance. During the ongoing pandemic agricultural sector also suffered a lot, but the sector fought back with resilience, overcoming the challenges so that there is no food crisis across the country.

There is growth in Agricultural loan disbursement over the year. Both own channel capability and MFIs are being used for the disbursement of the agricultural loan.

Agricultural loan disbursement trend of MTB:



COVID 19 Stimulus:

Government of Bangladesh launched different stimulus schemes through Bangladesh Bank for offsetting the impact of COVID-19. MTB actively participated in the schemes to revive the economy of the country.

Disbursement of Stimulus loans by MTB

BDT	BDT	BDT
1,482	773	83
Million	Million	Million
COVID 19 Stimulus loan for CMSME	COVID 19 Stimulus loan for low income professional disbursed through MFI	COVID 19 Stimulus loan for Agricultural sector (non crop)

Participation in Refinance Scheme:

Central Bank uses the refinance schemes as tools for development of different business segments which are more rewarding to national economy through income generation and poverty reduction. MTB is actively participating all major schemes for the development of CMSME sector, women entrepreneur, new entrepreneur etc.

In the post pandemic situation, MTB concentrates more on stimulus as a result there is significant growth on refinance from Bangladesh Bank.

Credit Monitoring Department (CMD)

Paradigm Shift In Mtb Credit Monitoring System

With a view to ensuring focused and effective monitoring of loan assets, the whole system of credit monitoring till then prevailed in MTB was reengineered and separate procedures of monitoring for each business segments (Corporate, SME and Retail) were introduced in the Bank in the year 2020.

In accordance with the new structures and procedures, Credit Monitoring Department (CMD) was entrusted with the responsibility of ensuring seamless monitoring of SME loan accounts across MTB branch networks spreading all over the country under a two tier monitoring system. Under that very system, the primary responsibility was

vested upon the branch Relationship Managers (RMs)/ and Branch Managers (BMs), and the supervisory and secondary responsibility rested upon the Credit Monitoring Department (CMD) of the Corporate Head Office. With respect to corporate loan monitoring, RMs of Wholesale Banking Division were responsible and as regards retail loan monitoring, Collection Unit (CU) of Corporate Head Office was dedicated. At all stages, both offsite as well as onsite monitoring techniques were applied.

Previously, CMD was mainly focused on corporate loan monitoring and as a result, SME loans remained almost out of supervision and control, although those loans were more vulnerable to loss which required close and seamless monitoring and supervision in accordance with global best practices.

In view of the above scenario, separate monitoring and supervision models with suitable tools and techniques for each business segment were devised and applied. As a part of all those changes and despite the effects of COVID-19, CMD undertook the following initiatives during 2020 for SME loan monitoring:

- Prepared a comprehensive Standard Operating Procedure (SOP) for SME loan monitoring;
- Developed various formats required for monitoring, documenting and reporting;
- Restructured CMD through creation of 3 units and allocated branches and their clients amongst the unit officials aligning with regional segmentation of branches for smooth and dedicated operation of credit monitoring function;
- Established the practice of client visit by branches on regular intervals, preserving the visit reports in files and reporting to CMD, and other concerned departments of Corporate Head Office (CHO);
- Established the practice of daily basis account by account monitoring (standard, SMA and SS loan accounts), on rotation basis, by CMD officials through contact with Relationship Managers (RMs)/ Branch Managers (BMs) and also through client visits, and suggesting suitable solutions to the concerned officials/branches;
- Established the practice of client visit by CMD officials especially for slow moving accounts and suggesting suitable solutions to the respective officials/branches;

- Arranged credit monitoring related knowledge quiz amongst all MTBians through MNet with a view to enhancing their capability with respect to credit monitoring and recovery from delinquent accounts;
- Initiated coordination amongst different divisions/ departments of CHO and branches for solving identified problems.

Monitoring of corporate loans under Wholesale Banking RMs and retail loans under Collection Unit (CU) got a dedicated and focused attention in the year 2020 with new techniques and initiatives.

It is worth mentioning that due to the effects of Novel Corona Virus, monitoring activities hampered to a considerable extent. However, efforts continued especially from the time when new normal life started in the country.

The Bank believes in continuous improvement in its loan assets management and with this view in mind, in addition to the initiatives taken in 2020, more effective tools and techniques will be applied in the year 2021 to keep the Bank's loan portfolio healthy. The following major initiatives

have been planned for implementation in the year 2021:

- Introduction of credit monitoring dashboard in MNet;
- Introduction of transaction analysis system for continuous loan accounts through CBS;
- Introduction of early alert system through transaction/ repayment analysis and analysis of the information from monitoring dashboard etc.;
- Introduction of SMS/ e-mail alert system for clients/ as well as RMs/BMs;
- Introduction of auto reminder letter issue system;
- Conducting training sessions on credit monitoring for the branch as well as CHO officials;
- Introduction of structured database management system for credit monitoring;
- Ensuring frequent client visits, etc.



Retail Banking Division

The year 2020 was an unprecedented year, something the entire world have not witnessed before due to the impact of COVID-19 pandemic. Every sphere of our Banking industry had to adopt to this change and Retail Business was also not insulated from this adverse impact.

With the new business environment on the horizon, Retail Banking Division at MTB adopted their strategy accordingly so that they can continue to contribute to Bank's lending and deposit portfolio. The division made sustainable growth in all business segments, including push towards technological innovation, motivating business frontliners to ensure optimum business and ensuring low-cost deposit mobilization to strengthen the Bank's core deposit base. Thus, today MTB's Retail Banking Division is being able to offer more vibrant customer value proposition with a view to improving customer experience.

Key Highlights from 2020

- Launching Digital Onboarding Platform to self-onboard Customer called M-Easy
- Country's First Ever Virtual Platform based "MTB Digital Lifestyle Fair"
- Country's First Ever Insurance Backed Deposit Product for COVID 19- MTB Shield and MTB Extreme
- Revamping Student Banking Product Suite with Opt-in based Insurance Coverage
- Various Customer and Stakeholder Engagement Programme on Social Media Platform During Pandemic

Analyzing Different Business Segments under Retail Banking Division

Retail Loan

The year 2020 was challenging for asset business due to the unprecedented impact across the economic and financial sphere that was caused by COVID-19 pandemic. Wide array of retail lending product portfolio, dedicated relationship managers and robust infrastructure paved the way for MTB Retail Lending Unit to support a larger spectrum of targeted customer segments in last year.

Retail Banking Segment is a primary resource mobilizing unit which helps in balancing asset and liability portfolio

mix. MTB Retail Lending business played a significant role in growth of Bank's total portfolio along with diversifying the overall portfolio mix that ultimately resulted in maximization of revenue in last year. In 2020, assets grew substantially in both mortgage loan and auto loan which managed to change the asset mix of retail asset portfolio. The ratio of unsecured and secured retail loan portfolio stood at 46% : 54% in 2020 end. Retail proposition team arranged multiple customer events and on boarded many discount alliances and partners that ensured distinctive branding of MTB Retail Lending Unit.

Retail Deposits

Despite extraneous adversities caused by COVID-19 pandemic, MTB Retail Banking Division delivered a highly commendable performance in 2020 by keeping its deposit flow stable.

MTB Retail Banking Division managed to achieve substantial CASA acquisition to enhance deposit portfolio in return changing deposit mix, which ultimately helped Bank to reduce Cost of Deposit. Various online campaigns, promotional activities and webinars were specially arranged for targeted customer segments in order to expand low-cost retail deposit base throughout last year. By driving deposit acquisition through product and service innovation, customer service excellence and compliance; MTB excelled in all parameters in terms of retail deposit portfolio with CASA and TD (FD & RD) ratio of 33% : 67% in 2020 end.

In 2020, with a view to inspiring customers to set aside a portion of their liquid assets while earning a monetary return amidst this economic fallout, MTB introduced two new deposits products named "MTB Shield" and "MTB Extreme Account" where retail customers can avail free Life Insurance Coverage including COVID -19 death coverage. With this dynamic and relevant product, MTB managed to create new revenue streams when the whole world was suffering from great socioeconomic loss due to the ongoing pandemic.

Privilege Banking

MTB Privilege Banking played an important role in ensuring the deposit growth of the year 2020, with significant

contribution to the overall retail deposit portfolio of the Bank and in the process, Privilege deposit portfolio also increased by around 11%. Well-trained and dedicated industry leading relationship manager and 7 state-of-the-art Privilege centres accelerated the acceptance of MTB Privilege Banking amongst the clientele resulting in a tremendous 16% growth of the Bank's privilege customer base.

This unique value added proposition helped us immensely in maintaining a larger portfolio of both asset and liability with minimal headcount and lower operational cost. MTB Privilege Banking Unit contributed significantly in achieving cross selling and cross-referencing for expanding the customer's overall engagement which ensured the maximum level of efficiency for the Bank in 2020.

MTB Privilege Banking organized a special webinar session on May, 2020 to create mental health awareness during COVID-19 among all privilege customers. MTB arranged several customer engagement events throughout last year for its privilege customers which were immensely appreciated by the customers.

Payroll Banking

In 2020, MTB Payroll Banking Unit has secured consistent growth in almost every component of the portfolio through diversified products and propositions to its dedicated payroll based secured customers. During this COVID-19 pandemic era, MTB successfully managed a promising portfolio to support corporate to mid-range businesses efficiently for employee salary and benefits throughout last year.

Our customized Banking facility ensures the continuous progress of the Bank, while on-boarding renowned local large corporates, MNCs, health care facilities, RMGs, leading institutions and organizations. MTB Payroll Banking Unit opened total 58,000+ payroll accounts till 2020 and managed to achieve a monthly salary disbursement of BDT 1020 million in 2020 end.

The customer segment of this unit can be offered customized retail financial services as it ensures a secured form of lending. Thus MTB Payroll Banking Unit focused on exploring cross-selling opportunities and managed to make the best use of the sound income generation potential through targeted marketing in the year 2020.

Student Banking

MTB Student Banking Unit provides wide variety of tailor-made products and service propositions in order to serve this specific segment of customers. The product shelf offers all possible Banking solutions for students and helps them to grow a savings habit for secured future from the early stage of their lives.

In 2020, MTB arranged successfully "School Banking Conference 2020" at Cox's Bazar to build awareness among the students about the importance of savings and its contribution in the country's economy. Multiple online based promotional campaigns were arranged last year to spread financial inclusion across the spectrum. With the help of wide branch network, MTB Student Banking increased its number of student accounts significantly in 2020.

MTB Student File Services catered to the students going abroad for higher studies through specially designated student Banking desk of 4 dedicated student centers located at Gulshan, Panthapath, Banani and Motijheel. This unit has seen significant growth in generating revenues by opening 2,339 student files under student file services till 2020. MTB achieved 20% increase in opening of student Banking accounts with a healthy 7% growth in deposit acquisition in 2020 end.

Strong Footfall in Digital Transformation

The year 2020 has been a different year for the customers. With the pandemic, most of the brick and mortar channel was not vastly accessible to customer. Hence, Bank had to show its innovation in digital hemisphere so that the regular business activities could continue. Accordingly customers adapted themselves with the digital channels and transformed their way of enjoying Banking services.

M-Easy

With the pandemic situation, regular Banking hours and activities were heavily hampered which resulted in customers failing to apply for new Bank account with ease. To address such situation, MTB introduced state of the art customer self-onboarding platform called M-Easy. Here, customers could apply from the comfort of being within his home or working place and just simply filling in some information along with some documents. Once customer applies for the account, one of Bank official will contact

him and will complete the account opening process. Such an innovation helped the customers to be within their comfort zone while applying for account opening and at the same time, kept the customer acquisition flow steady for Bank.

MTB Digital Lifestyle Fair

The consumer industry felt a big shock with the advent of COVID-19 pandemic and subsequently retail business related to consumer finance (loan or cards) also had a big impact. People were restricted to their home and their morale was all time low. In that particular scenario, MTB came up with the idea of launching of MTB Digital Lifestyle Fair planning to create an experience to shop like never before by adapting to the new normal. All the most sought consumer brands were bundled under one platform with 7 renowned home builders, 9 world-class automobile dealers, 12 home appliance partners and 8 famous furniture partners. All auto partners, real estate partners, home appliance partners were showcased through Social media LIVE, Webinar and other communication method. This fair exposed a wide new segment of retail customers to the Bank, and as a result MTB Retail Loans were offered according to the generated business leads from the campaign. With innovative offers, such digital fair was organized by a commercial Bank for the first time ever. Bank received tremendous response from the customers and showed the way of doing business in the changed environment.

M-Bot and MTB Smart App

MTB launched M-Bot, a social media Banking chatbot, which helped Bank divert significant customers from Contact Centers to alternative chat based channel. Given the high rise on pandemic situation, M-Bot played an important role for imparting different product and service related queries on behalf of Bank. Also, MTB introduced a new version of MTB Smart App with newer UI and UX design along with various service offers bundled and offered digitally.

Challenges Faced and Our Strategy to Handle It

Challenges	Strategy for Bank
Unprecedented COVID-19 situation entangling in day to day lives of customers and Bank officials	<ul style="list-style-type: none"> Increasing focus on digital channels to ensure top-notch service delivery Tailoring products and processes to provide best possible customer service
Impact on the annual budget with changed business environment	<ul style="list-style-type: none"> Focusing more on low cost deposit base to book higher net interest income Adopting different cost minimization projects without impacting targeted business growth
Low morale among employees and business stakeholders having pandemic situation around	<ul style="list-style-type: none"> Continuously motivating employees with regular strategic interactions Organizing various web based Programme to continue a sustainable business relationship with business stakeholders

Way Forward

- Dedicated focus on pursuing low and no cost deposit to change the overall retail deposit mix of the Bank
- Adapting to changing consumer needs and norms and designing business models accordingly
- Ensuring sustainable retail asset growth with more focus on secured lending products
- Advocating cost efficient business processes to maintain a good cost efficient ratio per product, service and channels
- Capitalizing on various intra and inter industry business relationship for mutual growth
- Strong follow up and robust monitoring to maintain lowest possible non-performing loans
- Finally, creating a customer centric consumer brands in Banking industry and retail customer royalty

Picture Gallery



EDM of MTB Digital Lifestyle Fair

Art Competition Organized by MTB Student Banking on Digital Platform



MTB RETAIL BANKING
pleasure in life

MTB EXTREME

SECURE YOUR FUTURE

Country's 1st ever savings account with COVID - 19 insurance coverage

Key features

- Free COVID-19 & Life Insurance Coverage
- Hassel Free Insurance Enrollment
- Attractive Interest Rate*
- Priority Doctors appointment at Evercare and Asgar Ali Hospital

CALL 16219

MTB

@mutualtrustbank.com #Tweet2MTB Mutual.Trust.Bank

Country's First Ever COVID-19 Insurance Backed Deposit Product

Online Webinar Organized by MTB Retail Lending Unit

MTB

MTB RETAIL BANKING PRESENTS
"REAL ESTATE SECTOR DURING COVID 19: IMPACT AND WAY OUT"

LIVE ON FACEBOOK
<https://www.facebook.com/Mutual.Trust.Bank/>
<http://www.facebook.com/DonSumdany>

14 May 2020
8:30 - 5:00 PM

Don Sumdany
Live from the Living Room

Mr. J. B. Bhatt Managing Director Lending & Finance	Mr. Sumant Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking	Mr. Anand Chandra Managing Director Retail Banking

16219 or 09604016219 @mutualtrustbank.com #Tweet2MTB Mutual.Trust.Bank



Customer Self-onboarding Digital Platform



MTB PEUGEOT Car Carnival

Exclusive Cash Discount For MTB Customers

MTB Offers

Special interest rate | Discount on loan processing fee

AG Motors Offers

Services: 10 complimentary services within 5 years up to 50,000 km
Discount: BDT 200,000 (Peugeot 3008, 5008, 508 and 2008)
Validity: 1st March - 31st March 2020



*Conditions Apply

AG MOTORS



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Tweet2MTB

Mutual.Trust.Bank

www.mutualtrustbank.com

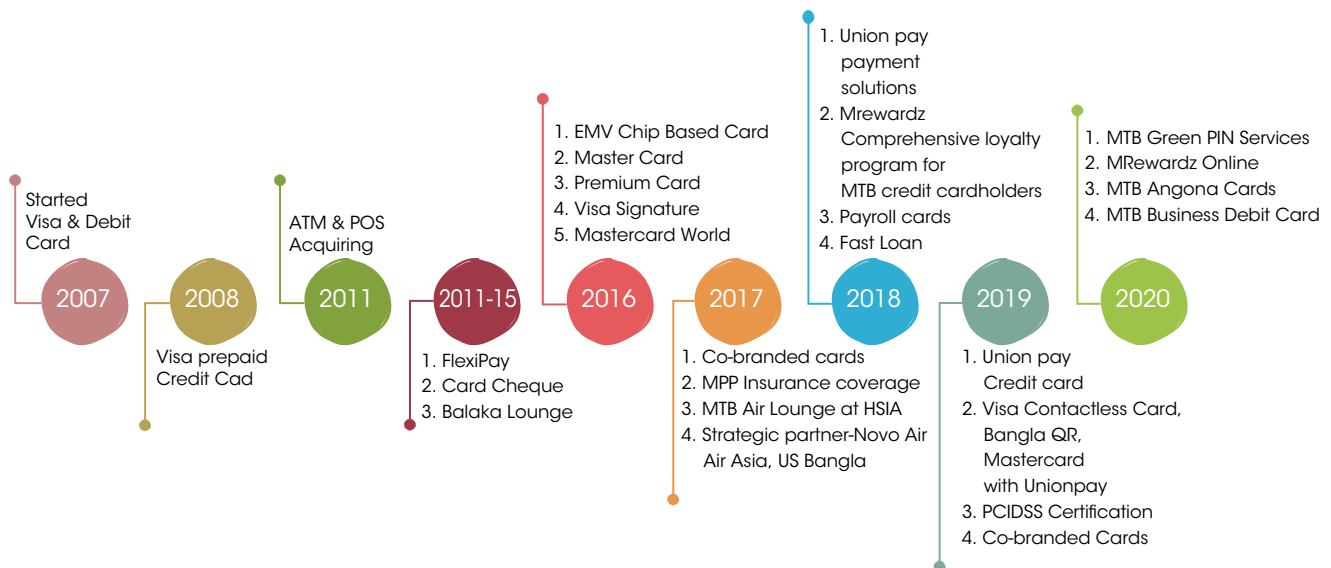
Collaborative Programme with Business Stakeholder

MTB Cards

MTB embarked on card business in 2007 to offer convenient digital payment solutions for the customers. Through continuous innovations and value added services to ensure superior customer experience, MTB now has become one of the major players in the card business of the country. With all the premium features & facilities including the largest Airport Lounge Network in the country, Airport Pick & Drop, Online Loyalty Programme and many more, MTB Cards have become customers' desired payment method and a must-have lifestyle product. MTB aims to provide top notch digital services and smarter technological solutions to help customers make faster and smoother transactions with a motto of "Working towards a Cashless Society".

The Year 2020 was a year of unforeseen challenges for almost all the business sectors across the globe. It has also created the scope for realizing our true potential and exploring new ways of doing things. At MTB too, the year gave us the opportunity to adapt to our customers' changing needs and ensure that we continue to offer the best possible service through alternative ways. 2020 has been one of the most eventful years for MTB Cards. The year started with the launch of MTB Green PIN Service to render ease of experience to the valued cardholders. The introduction of MRewardz Online was another significant event of the year. MTB Card business has continued to grow remarkably in 2020 irrespective of the unprecedented challenges in the business environment by making the online transactions facilities even more convenient for its valued Cardholders.

MTB Cards: The Journey so far



Glimpse of Achievements from 2020:

Over the course of 2020, our offerings have continued to grow and evolve to meet the ever-changing needs of our valued cardholders. Below is a highlight of the achievements and additions from the year 2020:

Introducing MTB Green PIN Service



MTB Green PIN is an instant and secure card PIN generation process by cardholder himself/herself through Contact Centre IVR for all types of card issued by MTB. It enables a valued cardholder to generate, reset and change card PIN anytime anywhere at his/her convenience. Waiting for days to get paper based card PIN is now over as no courier dependency and no more branch visit is required. Moreover, this is a paperless "Go Green & Save the Planet" initiative to live better.

MTB launched MRewardz Online



A comprehensive loyalty Programme, MRewardz, was launched by MTB in 2018 for its Credit Cardholders with locally redeemable options. The customers' health and safety being the Bank's top-most priority during the COVID-19 pandemic, the Bank has moved a step closer to offering utmost convenience to its existing and potential customers through the launch of MRewardz Online in 2020. The web portal based loyalty Programme was introduced to enable the customers enjoy the redemption options online and enhance their digital Banking experience with MTB Credit Cards.

MTB launched Angona Cards for Women



MTB has developed a comprehensive Women Banking segment suite under the title of MTB Angona offering Cards value proposition suited to the lifestyle needs of today's women. MTB Angona is a tailored segmental approach designed only for women to empower our women customers with financial independence and simplified Banking. By becoming a part of MTB Angona today, customers can enjoy special benefits like preferential pricing on products including various offers and insurance coverage. MTB has successfully launched 5 Card Products for MTB Woman Banking Clientele even during the pandemic upheaval.

Introducing VISA Business Debit Card



MTB has launched VISA Business Debit card for the customers maintaining business accounts shortly before the pandemic situation. This product has been a very timely addition and amid all the difficulties, we have acquired 2700 cards.

Business Highlights of 2020:

In the year 2020, MTB has showed its prominence in card business through offering innovative solutions and ensuring superior services. MTB has performed well amid the COVID Crisis in terms of innovations, value added services and customer experience. The table below is the snapshot of new card acquisition in 2020:

MTB Cards Performance in 2020				
	Credit Card	Debit Card	Prepaid Card	
Total	19,581	Total 81,873	Total	14,023

The Bank not only acquired a significant number of new credit cards in 2020 but also achieved remarkable growth in credit card outstanding (16%). The outstanding stood at BDT 2369 million as of 31 December 2020.

2021: A Year for Taking off

As the challenges continue to prevail in the overall business environment, the customers are increasingly embracing different digital payment tools and prefer cashless transactions. MTB aims at continuing to serve the customers with new and technologically advanced solutions to match their unique needs and priorities. MTB will remain focused on enhancing the digital Banking experience of the customers through technological expansion.



Other Division Overview

MTB Group Legal Affairs Division

MTB Group Legal Affairs Division (MGL) has started its centralized journey since June 25, 2020 with the responsibility of legal services to the entire MTB Group having four (4) Subsidiaries, one hundred eighteen (118) Branches, twenty seven (27) Sub-Branches, one hundred sixty three (163) Agent Banking Centers, around fifty (50) divisions/departments etc. MGL is currently responsible to act as the first line of defense in all legal matters that may have impact on MTB Group business.

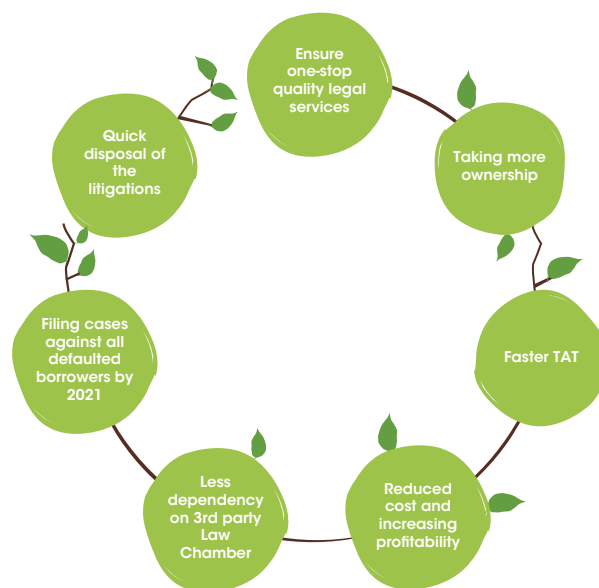
MGL comprising of its four units i.e. 1. Research, Opinion and Documentation Unit-ROD, 2. Court Operation and External Affairs Unit-COEA, 3 Processing and Payment Unit-PPU and 4. MIS Unit extends one-stop quality legal services to all the MTB stakeholders with minimum Turn Around Time (TAT) minimizing cost.

To get out of all the difficulties of MTB Group Business, now MGL executes, monitors and supervises all the legal services in faster and smoother way in terms of Security Documentation of loans and all legal research and opinions to both external/internal stakeholders and also relieving business people and recovery teams by

supporting in entire litigation process towards quickest disposal.

Litigations and recovery through legal actions in 2020 compared to 2019

MGL has strong focus in 2021 and beyond.



As on December 31, 2019			As on December 31, 2020		
Litigations Pending	Disposed	Recovery	Litigations Pending	Disposed	Recovery
560	49	138,317,456.63	895	73	146,683,548.14

Special Asset Management Division (SAMMD)

When the borrower fails to make any payment within a specific period against any loan, then the loan is called Non-Performing Loan (NPL). Non-Performing loan is a major concern for the Banking industry and at present

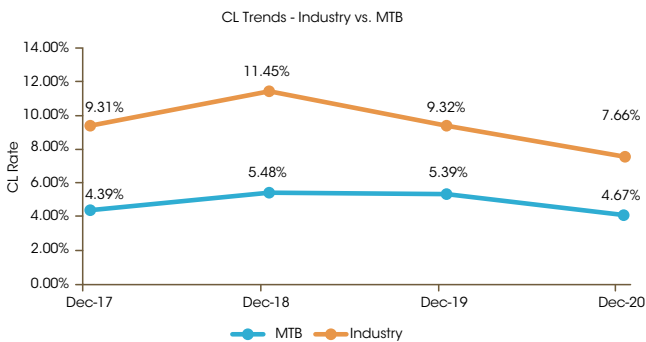
scenario after worldwide spread of COVID-19 pandemic, recovery against NPL has become a challenging job. Therefore, we have to give maximum emphasis to stop transformation of regular loans into Non-Performing Loans and to recover against Non-Performing Loans to increase Bank's profitability as well as for improvement of Asset quality. MTB's SAMMD is vested with the challenge of recovery from Non-Performing Loans (NPL). Major activities

of this division round the year are as follows:

- Formulation of NPL account wise action plan/recovery strategy.
- Conducting recovery drive through visiting business and collateral of NPL clients assigned against each Relationship Manager (RM) of SAMD.
- Processing rescheduling and settlement through waiver proposals by analyzing possible source of repayment.
- Liaison with the MTB Group Legal Affairs Division (MGL) to initiate legal action against defaulters like serving of legal notice, publication of auction notice in daily newspapers and filing of case under N.I. Act, 1881 and Artha-Rin-Adalat Ain, 2003.
- Regular meeting with third party recovery agents for recovery update.
- Regular follow up meeting with MGL for quick disposal of cases/suits for recovery against NPL.

Undoubtedly, corona virus pandemic has made the year 2020 a bit different considering the past. At present (As of December 2020), Banking industry is burdened with BDT 887,340.00 million classified loans. However, because of regulatory support in 2020, classified loans have reduced by BDT 55,870.00 million in industry from the previous year 2019.

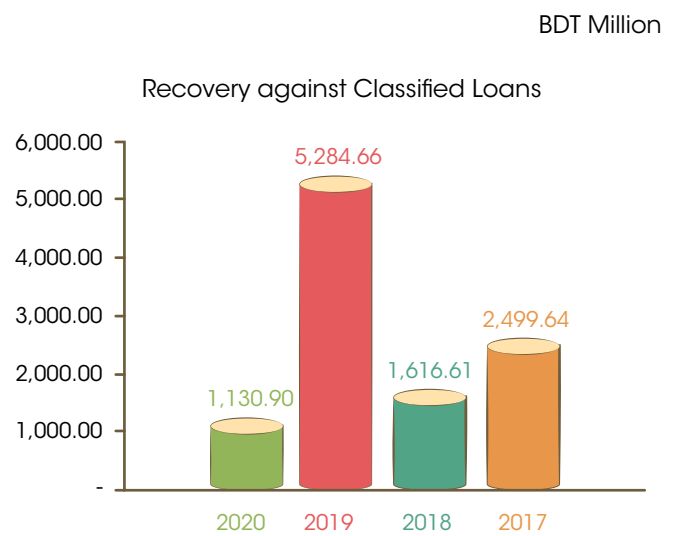
MTB is always vigilant and fighting against NPL to keep it in a minimum level. Compared with industry average, it has been consistently running with lower rate of CL percentage. As of December 2020, MTB has BDT 9,387.26 million classified amount, which is 4.67% of total loans and advances. The graph showing below is a comparison between the trend of classified loans in the Banking industry across the country and at MTB.



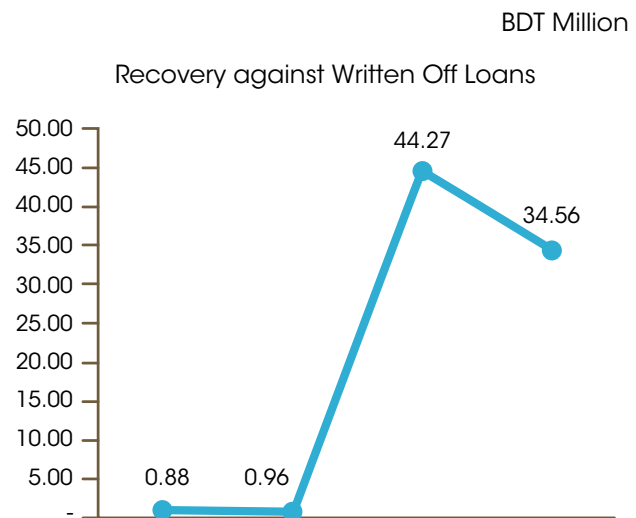
Last year, SAMD has extended its scope of works as follows:

- Re-organizing SAMD organogram with adequate manpower
- Re-organizing Chattogram SAM unit & written-off unit at CHO with required manpower
- Adopting new policy named "MTB policy for Entrustment of Recovery Agents" for deploying recovery agents for selective BL and Written-off accounts
- Extensive visit to the NPL clients by SAMD CHO team and Chattogram SAM team.

MTB Recovery Status 2020:



Note: The recovery status was high during the year 2019 due to exercising BRPD Circular No. 05/2019 dated 16th May, 2019 for rescheduling and one time exit of NPL.

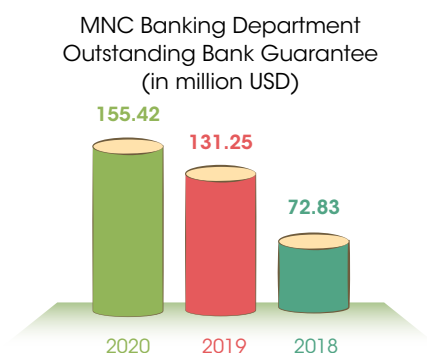


Future plan/Outlook Vision and Mission of 2021:

1. Upholding the spirit of team work to propel recovery and continuing the down trend in CL.
2. Initiation of legal action in all appropriate cases so that the division will be in a comfortable position on negotiation table.
3. Sufficient trainings, workshops need to be arranged to learn & re-learn, update & motivate employees involved in the recovery process.
4. Priority may be put on expediting full and final settlement for large NPL accounts.
5. Share experience gained from field visit and analyze industry data to help credit analysts perform better in recovery engineering.

MNC Banking Department

MTB MNC (Multi-National Companies) Banking Department started its operation in 2016 as a separate and dedicated department as part of MTB's enhanced focus to widen its international business. The main objectives and functions of the department are to assist MNC clients by opening accounts, understanding their business requirements and providing advisory services, making non-funded commission income through issuance of Bank Guarantees such as Bid Bond, Advance Payment Guarantee, Performance Guarantee, Customs Bond etc. on behalf of MNCs backed by counter guarantees of foreign Banks.



Keeping the same objectives and functions in mind, we have opened two desks; namely "FDI Help Desk" and "China Desk" to support Foreign Direct Investment (FDI) and Chinese businesses in Bangladesh.

MTB MNC Banking Dept. Outlook 2021

- Designing activities to provide one-stop advisory services to any company intending to make foreign direct investment in Bangladesh.
- Maintain Liaison with different chambers, embassies and other associations and different government and autonomous bodies to increase foreign trade market share.
- Enhancing profitability of non-funded earnings of Bank.

Offshore Banking

During the first two and half months of the year 2020, Offshore Banking Business (OBB) was business as usual as foreign borrowings were easy to avail at a reasonable rate followed by extending support of our own Domestic Business Unit (DBU). Aftermath, on March 11, 2020, World Health Organization (WHO) had declared COVID -19 as Pandemic crisis. Global investors were shaky and became extremely conservative. Consequently, most of the foreign banks - that usually extended trade loans to Offshore Banking Units (OBUs) of Bangladesh- decided for very limited or no rollover facility of already existing trade loans let alone extending of any fresh trade loan. Therefore, OBU had gone through a very challenging time throughout the year. However, despite the adverse situation, we were able to grow our assets size as we forecasted at the beginning of the year and registered increasing profit as compare to preceding year. OBU had ended the year 2020 with 26% incremental growth in its loan & advance portfolio and reached at USD 183.93 million (equivalent to BDT 15.60 billion). In this uncertainty of un-ending COVID -19 period, the challenge will be ensuring liquidity throughout 2021. However, OBU will continue to strive to complement correspondent banking business through accommodating more transactions.

The department has also played a pivotal role to open corporate accounts of 31 (Thirty One) MNCs and payroll accounts of 3 (Three) MNCs during this period. FDR, Bank Guarantee, Letter of Credit (LC) facilities also generated for some MNC clients by this department.

MTS Operations Division

MTB Trade Performance 2020 & Comparative Status

World merchandise trade was expected to plummet by between 13 and 32% in 2020 due to onset of COVID 19 Pandemic across the Globe, according to a press release of WTO on April 8, 2020. UNCTAD data published on 11 June 2020 also predicted a 20% annual decline in World Merchandise Trade in 2020. Later on as World Trade shows bouncing back from a deep COVID 19 induced decline, WTO in its press release on October 6, 2020 forecasted a 9.2% fall in 2020.

Bangladesh is not isolated from this impact of COVID 19 Pandemic, Trade business of the country struggled throughout the second quarter of the 2020, however it showed resilience and started to bounce back from mid June to throughout third quarter & fourth quarter of 2020.

MTB's Trade Performance data is summarized in Diagrams No 1, which shows that MTB performed a Trade Volume of USD2,074.81 mil. in 2020 against trade basket of USD2,292.53 in 2019, registering a 9.50% decrease in Trade Volume in 2020 than that of 2019, which is significantly close to the forecasting of world trade body like WTO & UNCTAD. Besides it is worth mentioning that according to "Bangladesh Bank, Major Economic Indicators: Monthly Update" up to 3rd Quarter (till Sep) of 2020 country's Trade Volume (Export & Import) registered a 15.38% decrease (Country's Trade Volume up to Sep. 2020 is USD62,940.07mil, which was USD73,851.19 in the corresponding period of 2019). However, in this period MTB's Trade declined 7.97% with a trade volume (Export & Import) of USD1407.00 in 2020 (Up to Sep) against USD1,528.93 in 2019 (Up to Sep). Thanks to bouncing back of Trade Business Performance & resilience shown by the Export Sector, especially RMG Sector from the beginning of in the third quarter of 2020, which continued till end of 2020, resulting a 9.50% decrease in Trade Volume of the Bank as a whole amidst ominous COVID 19 outbreak & continued economic turmoil throughout 2020. Against PAN Country Trade Performance, though MTB's Trade Performance seems quite on the right track, still significant headway to go to reach the 4 billion landmark of Trade Volume by the Bank as per aspiration of the Top Management.

Diagram 1: Total Trade Volume: 2020 Vs 2019

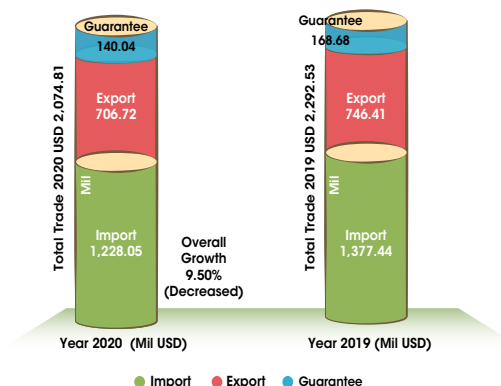


Diagram 2: Overall Import: 2020 Vs 2019

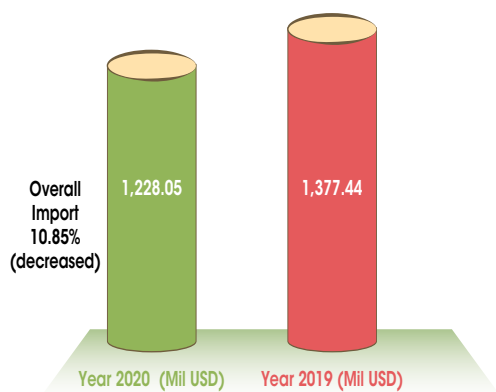


Diagram 3: Overall Export: 2020 Vs 2019

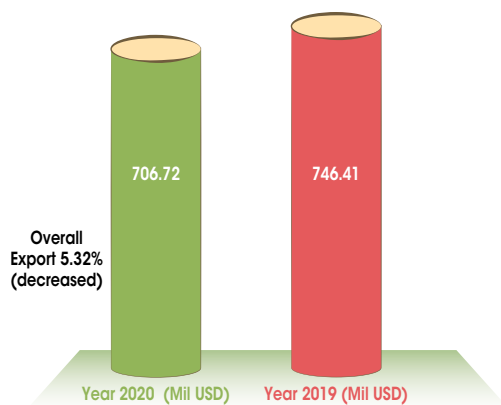
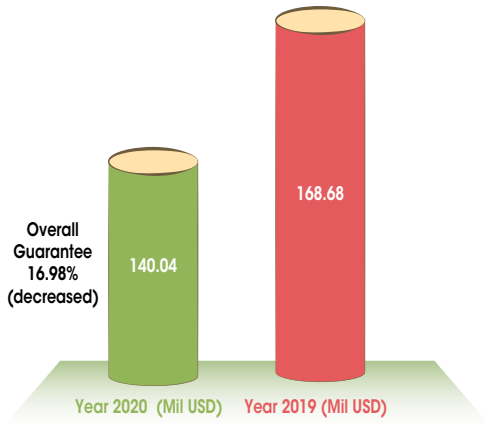


Diagram 4: Overall Export: 2019 Vs 2020



If we look into Segment-wise (Import, Export & Guarantee) Trade performance of the Bank, it reveals that **Import performance** registered a 10.85% decline in Terms of Volume. Import Volume in 2020 was USD1,228.05 mil. compared to USD1,377.44 in 2019. (Diagram 2). Mentionable here that Country's Import registered a 13.46% decline in 2020 (Up to Sep) with an Import Volume of USD38,221.30 mil against USD44,168.00 mil in the same period of 2019.

Export performance was to some extent better, which registered a decline of 5.32% in 2020 with Export Volume of USD706.72 mil. in 2020 compared to USD746.41 in 2019. (Diagram 3). Mentionable here that Country's Exports register a 18.24% decline in 2020 (Up to Sep) with an Export Volume of USD24,268.77 mil against USD29,683.19 mil in the same period of 2019.

Though Export Import Gap in MTB (USD521.33 mil, 42.45% of Import Volume in 2020) is still high, overall decrease (5.32%) in Export Volume of the Bank is some extent better than that of PAN Country Export Performance. Thanks to RMG Sector Exports which keeps the momentum throughout 3rd & 4th Quarter of 2020. This trends need to uphold & increase further to decrease this gap of Export & Import Volume.

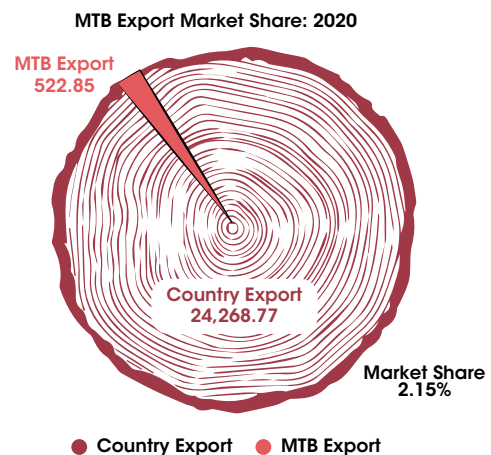
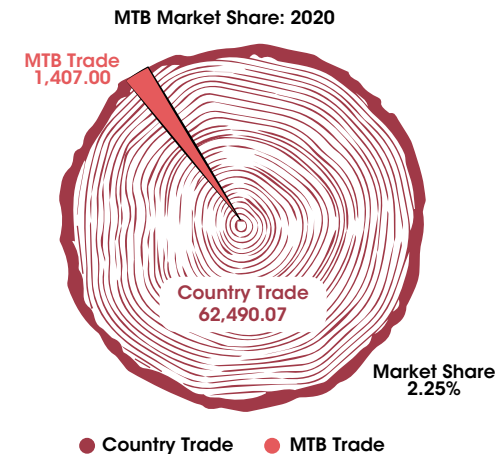
Guarantee performance of the Bank showed a 16.98% decrease in 2020 with a Guarantee volume of USD140.04 mil on contrary to USD168.68 in 2019. (Diagram 4). Presently from November 2020 MTB's Guarantee Department is fully centralized under MITS Operations Division, which has created a huge capacity & expertise to handle increased numbers of Guarantee Business Handling.

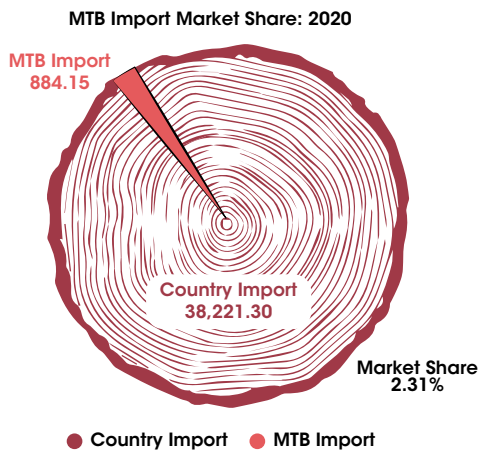
MTB's Market Share in Trade Volume

If we look into the Market Share of MTB (Diagram 5) in 2020 (Up to Sep), we see MTB's Market Share of Trade Basket (Export & Import) is 2.5% of the PAN Country Trade Basket (Export & Import). Mentionable here that according to "Bangladesh Bank, Major Economic Indicators: Monthly Update" Total Country Trade in first 3 Quarters of 2020 is USD62,490.07, whereas MTB's Trade Performance in first 9 Months of 2020 is USD1,407.00 mil, registering a 2.25% stake in the Country Trade Volume.

In case of Export, MTB's Market share is 2.15% with an Export Volume of USD522.85 mil in first 3 Quarters of 2020 against PAN Country Export Basket of USD24,268.77 mil in the corresponding period. On the other hand, MTB's Market share in Import is 2.31% with an import Volume of USD884.15 mil in first 3 Quarter of 2020 against Country Import Basket of USD38,221.30 in the corresponding period.

Diagram 5: Market Share 2020 (Up to Sep)





A Year of Integration & Fully Centralization

2020 was a year of Integration and fully Centralization of MITS Operations (MTB International Trade Services Operations) as aspired & envisage by Honourable Managing Director & CEO, Mr. Syed Mahbubur Rahman and depicted by the visionary Leadership of Respected DMD, COO & CAMLCO, Mr. Tarek Reaz Khan. MTB started its Centralized Trade Operations on July 01, 2011, with 2 Centralized Hub, namely, MITS Dhaka Centre at Gulshan, Dhaka and MITS, Chittagong Sub-Centre at Agrabad, Chittagong. Later on from January 2013 another Hub, MITS Motijheel Sub-Centre commenced its operations in addition to the previous 2 Hubs and until September 30, 2020 MITS operated from these 3 Hubs. From October 1, 2020, existing 3 Hubs of MITS successfully integrated together and started its Integrated & fully centralized operations as "Integrated & Centralized MITS Operations Division" at Level 3 & 5 of W.W. Tower, Motijheel C/A, Dhaka, which was a landmark transformation of Trade Operations of the Bank in a very unique fashion among the Banks in Bangladesh.

Future Outlook: Towards Best Trade Operations Bank in Bangladesh

MTB's present Trade Volume is hovering around USD2.00 billion. MTB Management is dreaming & aspiring to become the Best Trade Operations Bank in Bangladesh utilizing its skilled & professionally qualified Trade Operations Team & to reach a Trade Volume of USD 4.00 billion from present USD2,00 billion level. Start of fully Integrated & Centralized Trade Operations of MTB from October 2020 was a major headway towards this dream & vision. MTB Management & Operation Team is working for further development in trade operations, like implementing SLA (Service Level Agreement) with Customers / RM / Branch, Digitizing the Trade Operations more; besides Work from Remote Location, introduction of Digital Document Management & Archival System for Trade, introduction of user friendly Customers Frontend System, State of Arts Reporting Software etc. Eventually to get globally accepted certification like ISO Certification.

MTB NRB Banking

Facilitating Banking Beyond Borders Overview

In Bangladesh, foreign remittance is one of the most significant economic variables in recent times as it aids in balancing balance of payments, increasing foreign exchange reserves, enhancing national savings and increasing velocity of money. For about two decades' it has been contributing around 35.91% of export earnings. Moreover, it is greater than foreign aid and thus helps in lessening dependence on foreign aid remittance gets momentum in recent time in Bangladesh and is the second largest sector of foreign exchange earnings. Remittance affects almost all the macro-economic indicators of a country positively. From the perspective of a Bank foreign remittance from expatriate Bangladeshis are vital in maintaining a healthy foreign exchange reserve and contributing to create a surplus in the current account balance.

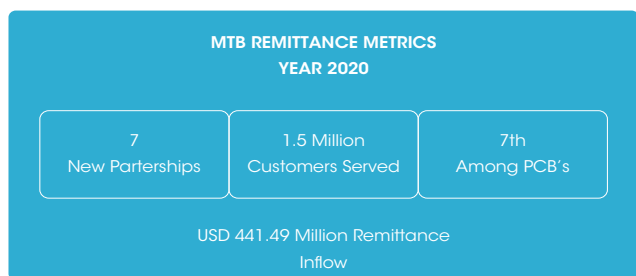
Inspired by the sacrifice and courage of the expatriate Bangladeshi's MTB started its NRB Banking division operation back in 29th July 2009. We are here to help the millions of NRB's around the world who make the huge sacrifice of leaving their families behind to live and work in another country. These unsung heroes deliver on their promises to take care of those they love. NRB Division is working hard to help their hard-earned money stretch further so more make it to their loved one safely. Over the years NRB division has emerged as one of the major contributing factor in terms of MTB's business growth. MTB has also been recognized as one of the best Banks in Bangladesh to provide remittance services to the NRB's.

Remittance In The Epidemic

Across the world, the most severe impact of the COVID-19 pandemic has been observed on livelihoods. During such economic downturns, historically, migrant workers get disproportionately affected. Migrants, even if not unemployed, face reduced pay, or worsened working conditions. Globally remittance flows to low and middle-income countries are projected to decline by 7.2 per cent to in 2020 and a further decline of 7.5 per cent in 2021. Remittances to South Asia are also projected to decline by 4 per cent in 2020 and further decline of 11 per cent in 2021.

In Bangladesh, the negative impact of the COVID-19-induced global economic slowdown has been somewhat countered by the diversion of remittances from informal to formal channels due to the difficulty of carrying money by hand under travel restrictions as well as the incentives to transfer remittances,' WB said in one of their report. The share of Bangladesh's remittance earnings to the gross domestic product is also projected to grow to 6.2 per cent in 2020 from 5.8 per cent in 2019. World Bank projects that Bangladesh will see increased remittance flow and secure 8th position in the world in 2020. Bangladesh will gain 8% more remittance this year, the report revealed. The total remittance flow will be USD 20 billion, WB projected.

By going beyond the adversaries of COVID-19 and to uphold the nation's economy MTB brought USD 442.49 million in the year 2020. MTB proudly served about 1.51 million beneficiaries through digital platforms without any human intervention and by means of MTB network complying the COVID safety guidelines during the challenging year of 2020. Despite the boundless hurdles MTB stood 7th among the countries all private commercial Banks and 5th among the third generation Banks.



MTB Remittance Metrics (2020)

Insights 2020

MTB comprises of a vast network of 118 branches, 27 sub-branches and 163 agent Banking centers located at strategic places of commercial and business importance across the country. At present we have remittance drawing arrangements with forty-three (43) remittance partners and four (4) Banks for acquiring foreign remittances. MTB has successfully accomplished the inclusion of Seven (7) more money transfer companies under the MTB remittance fleet in the pandemic hit 2020.

In addition, MTB NRB Banking division partnered up with the most advanced block chain technology for global payments known as RippleNet. RippleNet is a software solution that enables financial institutions to message and coordinate real-time cross-border transactions. RippleNet is a back-end solution that underpins the financial institution's own customer interface. The financial institution

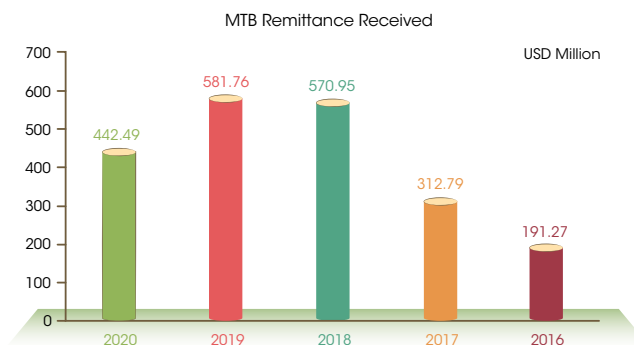
continues to own its customer relationships.

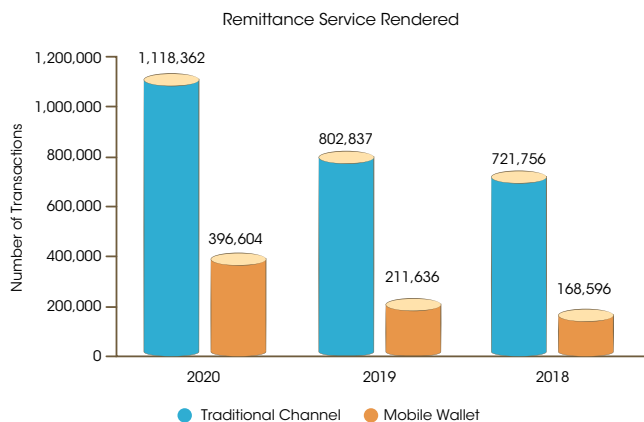


By Integrating with RippleNet- the most advanced Block chain technology for global payments, making it easier for MTB to reach a trusted, growing network of 300+ providers across 40+ countries and Six (6) continents. Two-way conversation between financial institutions Instructions for the financial institutions to coordinate real-time settlement Capability to operate 24/7/365. MTB now can offer Bangladeshi diaspora to send remittances in real time.

MTB received remittance of USD 442.49 million through our esteemed remittance partners around the world in year 2020. NRB Banking division attended 1.51 million beneficiaries with utmost care through different modes of remittance disbursement. Among which Mobile wallet plays a pivotal role and its growing as the world is going through a technological evolution.

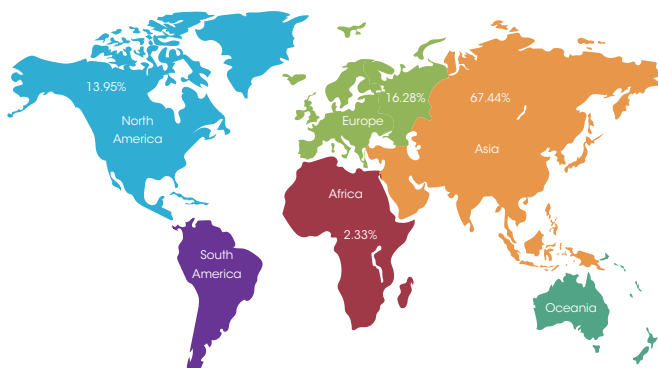
Apart from these MTB NRB Banking division has also served customers by disbursing Govt. cash incentive on any type of wage earners remittance payments. After receiving instructions from Central Bank NRB division has already co-branded with various remittance partners regarding incentive offer to boost MTB's remittance inflow and the countries stream as a whole. In total 528,645 no. of beneficiaries availed govt. cash incentive amounting 32,722.08 million BDT from NRB Banking division in the year 2020.





MTB Remittance Network

With a view to contributing to the national growth achievements through facilitating smooth remittance flow, we are serving expatriate Bangladeshis by offering modernized payment solution to their convenient using the emergent remittance network around 4 continents (Asia, Europe, North America & Africa) of the world.



Revelation 2021

To become the best in the remittance industry of Bangladesh MTB NRB has strategized the following-

- Partner with the Fintech giants of the remittance industry
- Launch Service Remittance (Inward and Outward)
- Develop MTB Remittance Portal with a view to augmenting the remittance inflow
- Expand the existing Mobile financial service network
- Fully automated wage earners remittance service

Customer expectations, behavior and payment preferences are and will continue to evolve at an accelerated rate. Banks that use technology to transform customer experience have increased customer satisfaction by 15 to 20%, reducing cost to serve by 20 to 40%, and boosting conversation rates and growth by 20%. MTB NRB Banking is always vigilant about the continuous shifting patterns of the remittance industry and maintain a balance between business and compliance with technology transformation. NRB Banking division is relentlessly at work to achieve MTB 3V. We strive to serve our customers with utmost priority and uphold the brand image of MTB at a whole.

Service Quality Department

MTB is well known for making significant advancement and being graded as one of the top class banks in the country within a very short period of its existence. Our mission is to become a truly world class and customer oriented organization. We aim at providing the most courteous and efficient service in every aspect of our business. Banks are always looking for new and effective ways to attract and retain valued clients because of the intensifying competition in the industry. Product innovation and customization, ease of transaction and use of technology are a few common areas, where all the top banks concentrate in order to excel in offering banking services.

Customers prefer to stay with a bank mostly because of the excellent service standard of the organization. There are a few dimensions which need to be addressed in order to ensure superior service quality. It is evident that superior customer service can be achieved if all dimensions of service quality are developed and maintained at every level within the organization.

To uphold the vision of the Bank (MTB3V), MTB aspires to deliver the best to its valued customers and meet their growing expectations. As part of its commitment to customers, the bank created an independent wing, MTB Service Quality Department (SQD), which is working relentlessly to ensure the highest level of service excellence and targeting to excel at every dimension to ensure 360 degree quality service.

With a view to reduce service quality gaps and maintain the desired standard, SQD is working relentlessly in all concerned areas of development.

Activities around the year

MTB SQD team has been working enthusiastically and rigorously to minimize the process gaps in creating excellent

customer experience. In light of the recent pandemic situation, many effectual steps were taken to ensure safe and satisfactory level of customer service throughout 2020.

Mystery Shopping Survey

One technique for evaluating the level of service quality is to conduct mystery survey at different branches. MTB SQD team visits different branches of the Bank pretending as regular customers to assess the quality of customer service. These surveys mainly focus on measuring employee soft skills (service etiquette), product knowledge as well as overall ambience such as cleanliness, dress code and branding of the customer touch points. Despite the pandemic, MSQD has conducted several Mystery Shopping Survey in 2020.

Contact Centre call monitoring and evaluation

MTB has a dedicated and well equipped 24/7 Contact Centre to ensure proper provision of information and services which plays an important role in customer retention. SQD monitors call quality and standard in order to assess the service standard and ensure customer satisfaction. Analysis of customer interactions through call monitoring and scorecards, improving through constructive feedback is our regular job.



Complaint Management

Having a structured complaint management system is of paramount importance for addressing complaints with fair and expeditious resolution. MSQD has a separate wing to handle and manage all types of complaints received through different channels. At MTB, Customers are welcomed to lodge their feedback or grievances to any of the following channels:

Channels	Actions to be taken by customers
24x7 Contact Centre	Dial 16219 to reach MTB Contact Centre
Branch	Lodge written complaints via complaint form
Website	Lodge complaint through website: https://www.mutualtrustBank.com/about-us/feedback/
Email	complaint@mutualtrustBank.com
Hotline	Reach us through hotline numbers: 01708808420, 01708808421
Letter	Letters to Head office or branches

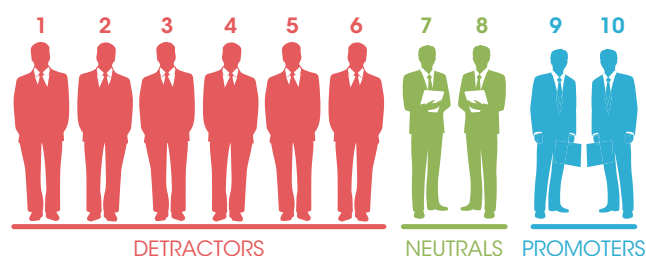
With collective effort, all the complaints received in 2020 have been resolved by ensuring full customer satisfaction from every possible aspect.

Root-Cause Analysis

Prevention is always better than cure. Preventive measures can be taken when the root causes are detected and scrutinized using benchmark analysis tools. Customers' feedback, information and complaints reveal the flaws or gaps in existing products, policies, system and services of a bank. Effective root-cause analysis is an important tool to identify the problem areas, which need improvement. MSQD complaint management team conducts root cause analysis on a regular basis. MSQD is constantly working on identifying the loopholes through in-depth root cause analysis from the complaint investigations and places those findings to senior management for taking remedial actions.

Customer Satisfaction Survey

It is equally important to get customer feedback to have an idea whether the efforts are being put into the right direction to get the desired results in terms of customer satisfaction. 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.



Training on Product Knowledge and Service Excellence

MSQD arranges and conducts trainings for the employees of the bank so that they follow the prescribed service standard mentioned in MTB Winning, an in-house guideline for etiquette and service excellence. These training programmes intend to instill the right mindset and help building the competency of the frontline employees who serve the customers face-to-face to ensure superior customer experience through their day to day activities. During the pandemic, MSQD conducted several online training programmes for the employees.



Quiz contests, conducted on a regular basis, assist the employees in staying informed and updated about the products as well as ensuring customer satisfaction. It is a tool that encourages and enhances knowledge sharing with peers. An e-learning module, where all types of information such as product details, FAQs, policies, processes, SLAs (service level agreements) are available, has also been developed for the employees.



MTB Service Ambassadors

MTB SQD came up with a fresh concept of 'service ambassador' with a view to increase customer satisfaction and getting customer feedback from the branches. The service ambassadors meet and greet customers and ensure that they get appropriate service. When branches were operating with limited number of employees during early stages of COVID-19 pandemic, Service Ambassadors were instrumental in providing tremendous support to ensure quality service as well as customers' safety.

New Initiatives

- Introduction of Customer Voice Sticker and Complaint Lodgment Form: MTB believes that a complaint holds the direct voice of a customer. We encourage our customer to raise their voices if they are not satisfied with any services. It is important to get customer feedback to have an idea whether the efforts are being put into the right direction in terms of customer satisfaction. With a view to this, SQD has successfully introduced "Customer Voice Sticker" and complaint lodgment form which are available in all branches.
- Social Media monitoring: In recent times, customers are more tendentious to share their views in social media. Besides sharing the views, customers also seek quick response to their queries and complaints through social media platform. To enhance the service standard and ensure customer satisfaction, MSQD also monitors and reviews customer voices in Social Media.

Future Plan for 2021 and beyond

Social distance has been one of the major public safety measures at present situation. In view of this, MTB is focusing towards digitalization and smart Banking to ensure safety by reducing customers' footsteps into the branches. Many new initiatives such as revamping MTB mobile Banking app with more convenient service options, introducing MBot (online Chatbot platform), Green-pin for card services etc have been taken to ensure service excellence. MSQD is regularly informing customers about these digital banking platforms. MSQD has many future plans to increase customer satisfaction level and improve service standard across the bank. Some are mentionable here:

- Customer Experience Matrix: MTB SQD is working on Customer Experience Matrix (CEM) software, which is an automated system where feedback/complaint from customers can be received and is a crucial system for addressing situations where customer experiences are not meeting expectation level so that measures can be taken for mitigating the gaps.
- Arranging Customer Service Week
- Initiate new plans regarding digital banking platforms to enhance customer Banking experience

We have put our best efforts in 2020 and will continue to do so in the coming years to establish a culture of accountability and excellence. SQD, with the collective effort of branches and other departments and the guidance from the senior management will work hard to achieve the bank's mission and visions.

Money Laundering & Terrorist Financing Risk Management

Compliance for Sustainability

Money laundering (ML) and terrorist financing (TF) are global phenomena, apparent in almost every part of the world. Emerging sophisticated techniques of moving illicit money are compelling the financial intermediaries to make their compliance Programme more rigorous. MTB, as a compliant Bank, is determined not to let money launderers and terrorist financiers or perpetrators use the Bank as a channel to launder money or finance terrorism in any possible way.

Financial institutions across the country are dealing with the effects of the COVID-19 pandemic since the beginning of 2020. It is also critical to mitigate the risk of money laundering through financial channels by hackers or fraudsters in times of such crisis. In order to do so, MTB has stepped up its off-site monitoring to fight money launderers. Besides, MTB also launched several application based facilities and launched 'MEasy' digital account opening services on September 1, 2020 with a view to offer on the go account on-boarding facility considering the current pandemic as well as the future.

The MTB Board of Directors and senior management treat non-compliance of AML&CFT measures with "Zero Tolerance". The management emphasizes that no Bank-customer or Bank-employee relationship is worth compromising our commitment to combat money laundering and the financing of terrorism activities.

Hence, MTB has equipped itself by investing substantially in human resources development, technology as well as with an extensive policy guideline, which is updated every year to keep up with the international standards and regulatory requirements. The Bank applies risk-based approach during Customer Due Diligence (CDD) that includes completing KYC of customers and monitoring transactions pursuant to the national regulations and international standards.

Highlights 2020

Some of the highlights of 2020 are as follows:

- The Central Compliance Committee (CCC), consisting of 14 members met 4 times during the year, discussed AML&CFT measures and provided key guidance to stakeholders.
- Under the direct supervision of the CAMLCO and as instructed by the CCC, MTB Anti Money Laundering and Combating Financing of Terrorism Division (AML&CFT Division) discharged their responsibilities throughout the year. 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.
- Every year, the Managing Director & CEO of the Bank issues a statement of commitment in writing to all the employees of the Bank. In 2020, the Managing

Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance in March and also issued a special message regarding implementation of the decisions of CAMLCO Conference 2020.

- MTB revised its policy guideline in line with the laws of the land, guidelines, circulars and instructions issued by Banking Regulation and Policy Department (BRPD), Bangladesh Financial Intelligence Unit (BFIU) and international standard. The revised guideline, which was approved by the Board of Directors, includes updated MTB Customer Acceptance Policy and MTB ML & TF Risk Assessment Guideline.
- MTB developed its own "Prevention of Trade Based Money Laundering Guidelines", which is approved by its board of directors.
- 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.
- In March 2020, MTB arranged BAMLCO Conference, which is a congregation of the Branch Anti Money Laundering Compliance Officers, heads of divisions/departments/units and senior management to discuss the achievement in terms of AML&CFT compliance during the past year and strategies to overcome the challenges in future.
- MTB conducted 22 workshops/training Programmes where a total of 2028 employees received training on 'Money Laundering and Terrorist Financing Risk Management' in 2020. These workshops/training Programmes includes Trade Based Financial Compliance Conference, workshops/training Programmes on ML & TF Risk Management for new joiners, existing employees and agent & agent employees, workshops/training Programmes on Trade Based Money Laundering (TBML) for relevant employees, 3 (three) stage role based Programme (role based, intermediate and advanced) for sensitive roles such as Branch Heads, Branch Operations Managers & BAMLCOs, RMs of branches and divisions/departments who are directly exposed to ML & TF risks.
- MTB initiated Socialization sessions for branches/departments focusing on key AML&CFT compliance

requirements, common challenges and mitigations.

- AML&CFT Division initiated risk based AML&CFT Assurance Review on Branches and Offices focusing on AML&CFT compliance areas. The AML&CFT Assurance Framework entails identification of key control areas for AML & CFT risk, assessing the key controls through Control Sample Testing (CSTs) periodically.
- MTB continued sanction screening against sanction lists and adverse media through automated screening tool. MTB also uses SWIFT Sanction Screening tool and Accuity Online Compliance tool for screening SWIFT messages and counter party information against extensive sanction lists.
- In order to understand the underlying health of account documentations, assess the gaps and mitigate those a project was initiated named Customer Due Diligence Project.
- AML&CFT Division reviewed the adverse media news sent by Hawker Limited on a daily basis, searched the alleged names in internal system and took necessary steps, as applicable.
- Designed AML&CFT awareness poster/banner and displayed the same on a conspicuous (noticeable) place of the branches and agent Banking centers. In addition, video message on due diligence requirements during over the counter transactions is displayed on TV screens of MTB branches.
- To understand the AML & CFT knowledge base of the employees, MTB arranged AML & CFT Compliance Evaluation under Annual Judgment Week on AML & CFT (AJWA) Programme in December 2020.
- The MD & CEO reviewed the half yearly evaluation reports submitted by CCC and gave recommendations on improvements. Subsequently the report was placed in front of the board of directors.
- Group Internal Control & Compliance Division (GICCD) performed on-site visit of branches and divisions to examine the AML & CFT compliance status.

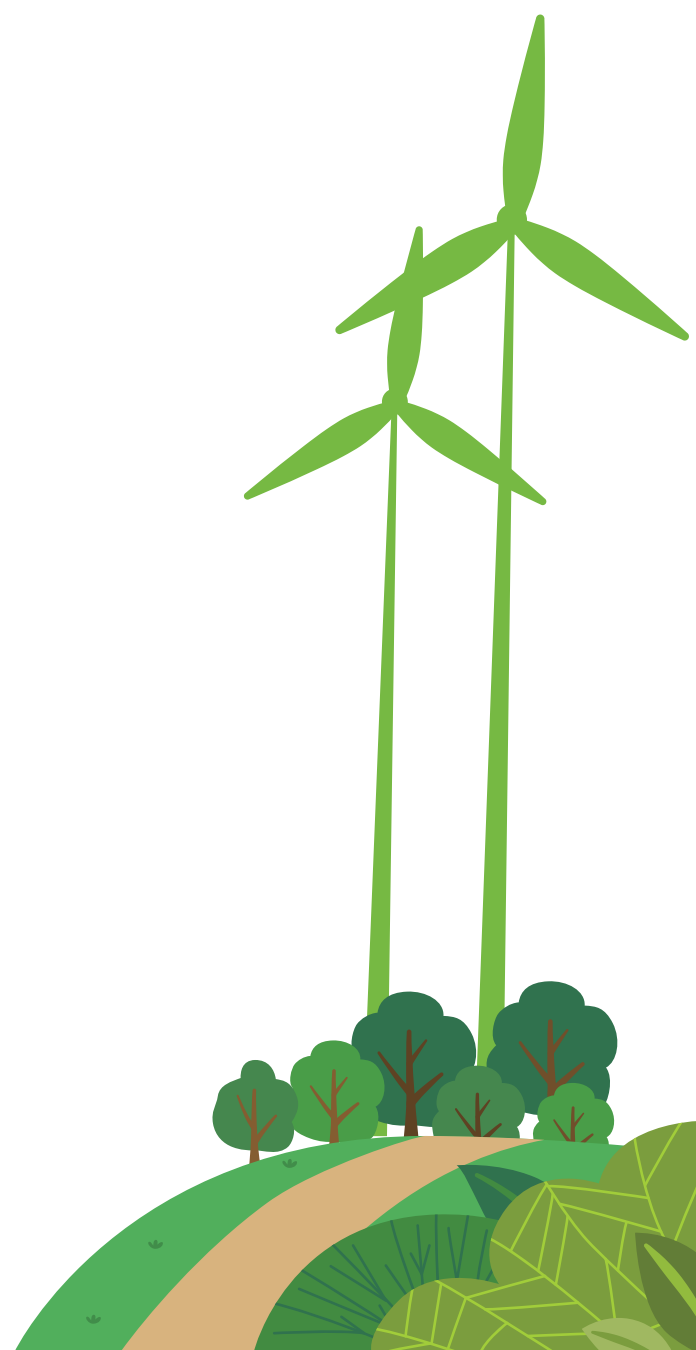
Outlook 2021

The fight against money laundering and terrorist financing is an evolving and never-ending process, with new challenges every day. MTB shall continue its endeavor in such fight in 2021 with a strategy and Programme to -

- Ensuring implementation of MTB ML & TF Risk Management Policy Guideline and Prevention of Trade Based Money Laundering Guidelines approved by the Board of Directors and revision of the policy guideline as appropriate.
- Ensuring that ML & TF risks of customers, products, services, delivery channels and jurisdictions have been identified, assessed and treatment plan has been assigned and the same has been incorporated in the respective Product Programme Guideline/Memorandum.
- Conducting workshop/training on ML & TF risk management, trade based money laundering (TBML), account opening & operating procedure for relevant employees including new joiners, existing employees, agent and agent employees and contractual employees.
- Arranging Branch Anti Money Laundering Compliance Officers' (BAMLCO) Conference and Annual Trade Based Financial Compliance Conference
- Ensuring compliance to Guidelines on Prevention of Trade Based Money Laundering (TBML) by deploying solutions for automated sanctions screening, vessel tracking, dual-use of goods tracking and independent price verification.
- Improving AML & CFT risk fundamentals by deployment of AML & CFT compliance solution covering risk based CDD, automated transaction monitoring, automated and real-time sanction screening, case management and automation of returns and reports.
- Ensure risk based control function through
 - AML & CFT assurance reviews on different divisions/ departments/units
 - Conducting Branch AML & CFT Assurance Reviews.
- Monitoring AML & CFT compliance activities of branches and relevant divisions/departments/units, both on-site and off-site, under the guidance and supervision of the Central Compliance Committee.
- Ensuring due diligence for foreign trade and transactions as per Guidelines for Prevention of Trade Based Money Laundering, Guideline for Foreign Exchange Transaction and Bank's own policy.
- MTB Securities Ltd., MTB Capital Ltd. and MTB Off-

shore Banking Unit to comply with the provisions of Money Laundering Prevention Act, 2012 (including amendment), Anti-Terrorism Act, 2009 (including amendments), relevant rules, BFIU guidelines, circulars and instructions, and any other statutory obligation applicable to them.

- Branch/Division/Department to aware
 - Internal stakeholders by socialization of risk culture in the Bank through multifaceted steps such as teleconference, videoconference, discussions etc.
 - External stakeholders by displaying posters, distributing leaflets and arranging customer awareness Programme.



MTB Air Lounge

Pinnacle of Comfortable Waiting at Airports

“MTB Air Lounge”, An Oasis of Peace introduced by the dynamic management committee of Mutual Trust Bank (MTB) which has given a new competition to the existing Bank Lounges.

In September, 2017 MTB opened its first Air Lounge at Hazrat Shahjalal International Airport. Later the bank established its second Air Lounge at Shah Amanat International Airport in November, 2018. In 2019 MTB open its third Air Lounge at Osmani International Airport in June, 2019.

The 2,000 sqft MTB Air Lounge at Hazrat Shahjalal International Airport offers modern architecture, posh interiors, world class catering and Massage & Relaxation Chair for the comfort of travelers. MTB Air Lounge, HSI provides round the clock services, Air Lounge has also a shower facility which allow guests to freshen up before their flight. Guests can sit back, relax and enjoy the delicious buffet assorted with finely chosen food items and beverages.

MTB Air Lounge at Shah Amanat International Airport is the largest domestic lounge in the country consist of 2000 sqft. Since Inception the lounge has been catering to the travelers with great enthusiasm to make their time and experience comfortable, enjoyable and amazing. The Lounge is open from 06:30 to 22:00 and caters delicious buffet to the travelers which is one of the unique in lounge industry.

MTB Air Lounge at Osmani International Airport is the only domestic lounge consist of 650 sqft. The Lounge is open from 11:00 to 21:30 and caters mouthwatering finger food to the travelers.

The travelers may have similar recreational facilities of all Air Lounges such as internet service through Wifi, TV, Mobile Charging, Shoe Shiners and Library for the first time in the lounge industry etc.

Our Air Lounge Officers are always there to greet and provide exclusive services to the guests. MTB Credit Card holders can have special facilities to enjoy banking services at the Air Lounges.

MTB Air Lounge at Osmani International Airport is the only domestic lounge consist of 650 sqft. The Lounge is open from 11:00 to 21:30 and caters mouthwatering finger food to the travelers.

The travelers may have similar recreational facilities of all Air Lounges such as internet service through Wifi, TV, Mobile Charging, Shoe Shiners and Library for the first time in the lounge industry etc.

Our Air Lounge Officers are always there to greet and provide exclusive services to the guests. MTB Credit Card holders can have special facilities to enjoy Banking services at the Air Lounges.

FIRST LARGEST AIRPORT LOUNGE NETWORK OF THE COUNTRY



MTB AIR LOUNGE
DHAKA



MTB AIR LOUNGE
CHATTOGRAM



MTB AIR LOUNGE
SYLHET



MTB AIR LOUNGE
COX'S BAZAR

2018 Business Highlights of MTB Air Lounge

- Launched the second state-of-art Air Lounge at Shah Amanat International Airport (SAIA), Chattogram which enhanced the scope of serving customers.
- Organized the first ever "Gala Night" event in the history of lounge industry.
- Organized "PahelaBaishak" program in participation with other lounge staffs.
- Successfully tied up with "Priority Pass" at MTB Air Lounge, HSIA that enabled priority pass holders of different countries to relax in MTB Air Lounge.
- MTB Air Lounge HSIA managed to become the only lounge at HSIA to get incorporated with the "Lounge Key Program" available for priority pass holders.
- An arrangement was made to provide lounge services for Business Class Passengers of US Bangla airlines.

2019 Business Highlights of MTB Air Lounge

- Launched the third state-of-art Air Lounge at Osmani International Airport (OIA), Sylhet which enhanced the scope of serving clients who are travelling through airport.
- Successfully tied up with "Priority Pass" at MTB Air Lounge, SAIA which enabled different countries Priority Pass holders to relax in MTB Air Lounge.
- Successfully tied up with "Dinners Club Members" at MTB Air Lounge.
- Successfully tied up with "DragonPass" at MTB Air Lounge, HSIA, SAIA & OIA which enabled different countries members to relax in MTB Air Lounge.

2020 Business Highlights of MTB Air Lounge

- Successfully tied up with "Priority Pass" at MTB Air Lounge, OIA which will enable priority pass holders of different countries to relax in MTB Air Lounge.
- Successfully tied up with "LoungeMe" at MTB Air Lounge, HSIA, SAIA & OIA which will enable different countries members to relax in MTB Air Lounge.
- Successfully tied up with Different Corporate House at MTB Air Lounge, HSIA, SAIA & OIA which will enable their designated guest to relax in MTB Air Lounge.
- Successfully tied up with "Commercial Bank of Ceylon PLC" at MTB Air Lounge, HSIA, SAIA & OIA which will enable their designated card holders to relax in MTB Air Lounge.

- Successfully tied up with "DreamFolks" at MTB Air Lounge, HSIA, SAIA & OIA which will enable priority pass holders of different countries to relax in MTB Air Lounge.

2021 Business Highlights of MTB Air Lounge

- Launched the fourth state-of-art Air Lounge at Cox's Bazar Airport (CXB), Cox's Bazar which enhanced the scope of serving clients who are travelling through airport.
- To launch Fourth & Fifth state-of-art Air Lounge at Dhaka Domestic Airport and Saidpur Domestic Airport to enhance the scope of serving customers who are travelling through airport.
- To make agreement with "LankaBangla Finance Ltd." at MTB Air Lounge, HSIA, SAIA & OIA which will enable their designated card holders to relax in MTB Air Lounge.
- Ready to be launched the fourth state-of-art Air Lounge at Cox's Bazar Airport (CXB), Cox's Bazar which enhanced the scope of serving clients who are travelling through airport in 2021.



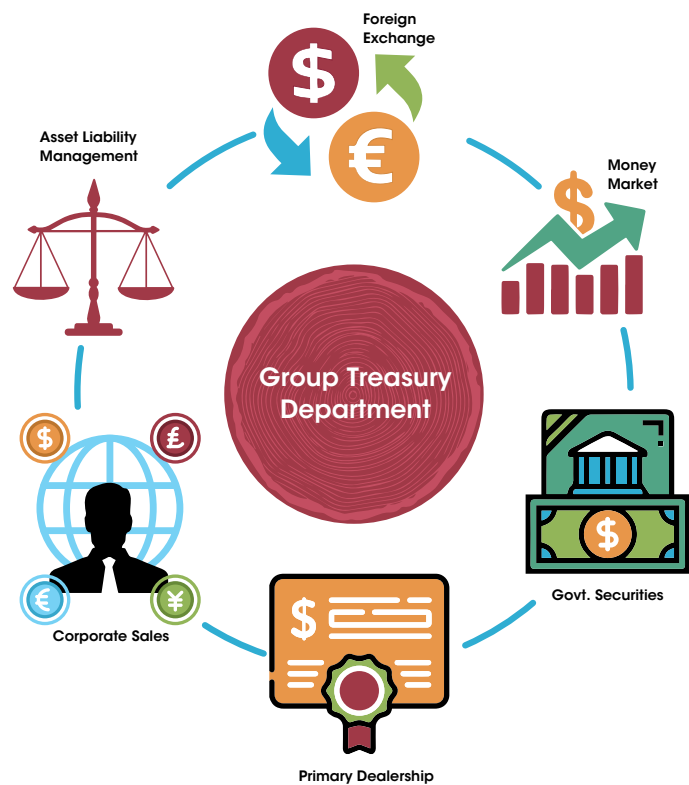
Treasury Department

Treasury Department provides treasury solutions in an integrated manner to both internal and external stakeholders. Besides managing the liquidity of the bank, meeting regulatory requirements, administering financial assets of the bank, and acting as a market maker, the department provides services to a diverse group of customers through all the dedicated desks.

The year 2020 has been an extremely difficult year for the financial institutions of Bangladesh. The year started with the interest rates on deposit and lending being slashed to single digit. Then the pandemic, COVID19, shook the global, as well as local, economy. The daunting impact of the pandemic is still persisting. This has cost a great toll of human lives and resulted in a halt in business activities. To assuage the economic crisis and to incubate the domestic industries, Bangladesh government has taken multiple financial stimulus initiatives which are disbursed through the financial institutions of the country. One part of it was to allow moratorium period on repayment of loan installments and interest payments against all outstanding obligations by the customers. This impacted the bottom line of the entities adversely throughout the year. As other business units had less scope for comfortable business endeavors, Treasury departments of the banks were especially responsible to shoulder the revenue generating activities. MTB Group Treasury has shown phenomenal performance in spite of the adversities and economic turmoil that has been observed globally as well as within the country. The department has forecasted the market movement accurately and remained vigilant to gain from all favorable events and to lessen risk from unfavorable ones.

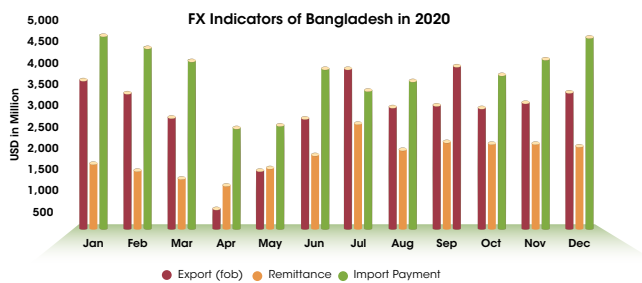
Foreign Exchange:

The global economy became significantly sluggish in 2020 due to the shutdown of international trade and cross border deliveries because of the pandemic. Ready Made Garments (RMG) sector which constitutes more than eighty per cent of the total export volume of the country, experienced significant cancellation of orders. As a result country's export volume declined significantly. In one side the reduced earning of the business entities

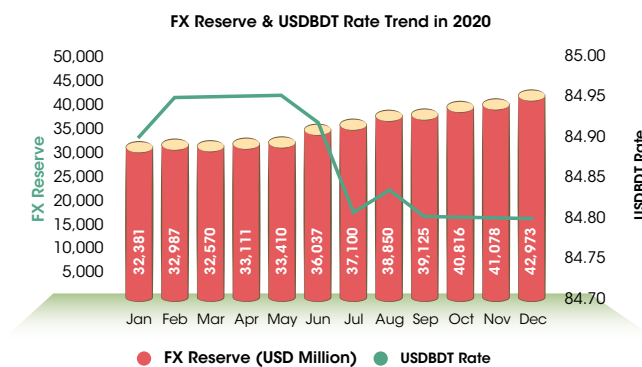


and in another side deadlines of outstanding import obligations required prudential relationship management and transaction settlement skill by the foreign exchange dealers to maintain the sound counterparty relationships and credit rating of the bank. Moreover, impact of slumping oil price, hiking gold price, bearish trend of Euro in global currency market all required vigilant monitoring and proficient analysis driven forecasting.

Though the daunting impact of the global pandemic pulled back the volume of export earnings, the remittance inflow surged. To minimize the negative impact on international trade oriented industries, regulator allowed deferral on settlement of outstanding Letter of Credits. As a result of lower obligation of payment and high influx of remittance, liquidity of foreign currency was prevalent in the domestic financial market. As part of market mechanism, Central Bank purchased excess foreign currencies from financial institutions, which resulted in the crossing of national reserve beyond \$42 billion for the first time in mid-December, 2020.



(Source: Bangladesh Bank)



(Source: Bangladesh Bank)

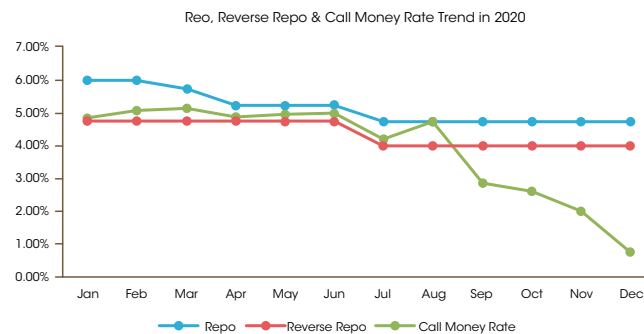
The Foreign Exchange desk of MTB has managed substantial amount of import payment obligations, export proceeds realization and wage earners' remittance inflow efficiently throughout the year.

Money Market Operations:

Interbank Money Market experienced excess liquidity in most of the months of the year 2020. Due to the pandemic of Covid19. The government has taken multiple market mechanisms, such as reducing CRR to 4% bi-weekly, increasing ADR to 87%, and, reducing repo and reverse repo rate to 4.75% and 5.25% respectively. In addition to that government has bought excess foreign currency of financial institutions through open market operation from time to time. All these initiatives made local currency more liquid. The abruptly declining call money rate and short term interbank rates are the outcome of this. In a financial year when the lending business is slumping, money market transactions have been the crucial way to channel excess fund to generate alternative revenue stream. But the consistently declining money market rates caused such financing decisions very critical.

Government has been entirely focused on ensuring sufficient liquidity in the local economy to tackle the downturn caused by the pandemic. To revive the

economy, Government has declared 23 stimulus packages with an overall outlay of Tk. 1.24 trillion which is 4.44% of country's GDP. As the financial vein of the economy, banking industry is the channel to flow this vast amount of stimulus packages to the beneficiaries. This had a significant impact on the country's money market throughout the year.

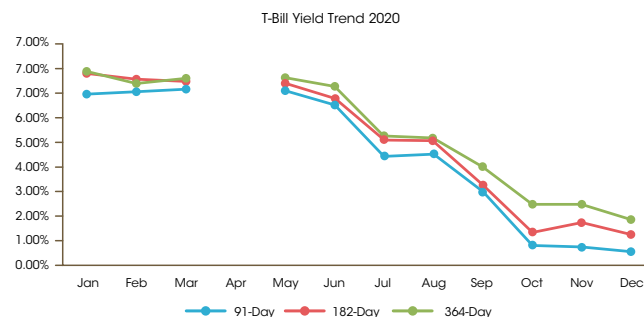


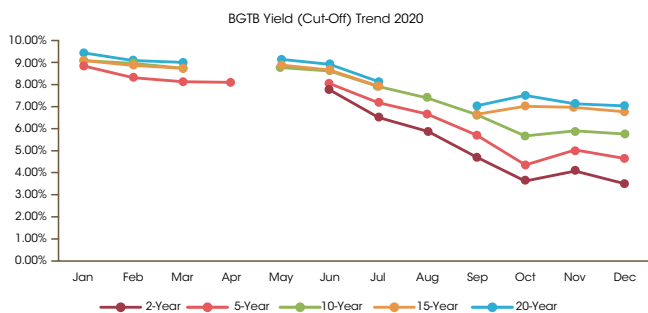
(Source: Bangladesh Bank)

MTB Money Market Desk was able to analyze and capitalize the market trends efficiently. By utilizing multiple instrumental approaches, MTB Treasury Department successfully minimized liquidity risk throughout the year despite all the developments.

Government Securities Market Operation:

In a well-diversified financial system, fixed income securities playsignificantrole. The available government debt instruments in our country are treasury bills and treasury bonds. Banks and financial institutions are the main participants of treasury bonds. As per regulatory requirement, banking institutions in Bangladesh need to meet minimum SLR of 13 percent of average demand and time liabilities. And in compliance with the Bangladesh Bank regulation, MTB maintained the required threshold throughout the year 2020.





(Source: Bangladesh Bank)

By successfully managing the Held To Maturity (HTM) and Held For Trading (HFT) portfolio of the fixed income securities, Treasury Department contributed significantly in the bottom line of the bank by earning commission, investment income and capital gain for the bank.

Primary Dealership:

MTB being an active member of Primary Dealers Bangladesh Limited (PDBL), regularly participates in the weekly auction of the government securities to supplement the gap of national budget of the government. Each of the PD banks have their own underwriting obligation. MTB has been playing a dynamic role in developing an active and vibrant secondary market of government securities. It also provides advisory services to its existing and potential individual and corporate customers for making investment decisions on fixed income securities.

As a result of sharp decline in interest rates offered by the banks, individual and non-individual customers started looking for better alternative investment scope. MTB provided dedicated service to the customers in investing in Government Treasury investment instruments as an agent.

Asset Liability Management (ALM):

MTB has a dedicated Asset Liability Management Desk under the Treasury Department. The desk analyses the local and global market and macroeconomic developments, along with the financial activities of the bank, and disseminate the information to the Asset Liability Management Committee (ALCO) to support the decision making process.

ALM Desk has provided tremendous support during the last financial year by keeping the ALCO well-informed of critical changes in the market and supporting in pricing strategies of liabilities and assets. The Committee meets at least once in every month, as mandated by the regulator, to analyze recent local and global market outlook, major issues that may impact the existing interest rate, liquidity position and to decide on policies regarding interest rates, asset-liability mix, contingency plan etc. Number of Special ALCO meetings were also held in 2020 to take urgent decisions.

In 2020, ALCO took some vital and judicious decisions regarding interest rates, liquidity positions and other various risks factors associated to the balance sheet components that helped MTB maintain the pace of growth in many aspects. The prudent decisions of the MTB ALCO helped the bank to maintain the positive growth of its deposit and asset portfolio despite the low interest rate as part of single digit interest rate initiative and high withdrawal pressure from the customers due to the COVID-19 phenomenon.

Besides revising the interest rate of the products offered by the bank, risk management and Balance sheet management, ALM also designs contingency plan of the bank that to be used in times of unpredictable movement in market trend and other macroeconomic developments.

Agent Banking Department

Inauguration Ceremony of MTB Putiakhali Agent Banking Center, Rajapur, Jhalokati, Barishalon November 15, 2020. Mr. Goutam Prosad Das, Deputy Managing Director & Head of group ICC inaugurated the Centre as Chief Guest.



Inauguration of MTB Kakna Agent Banking Center, Borohatkora, Doulatpur, Manikganj on September 30, 2020. During the Programme Bicycles were distributed among the School students of the area.

Azam Khan, Head of MTB Communications Department and Madan Mahan Karmoker, Head of Agent Banking Department were present in the Programme.



Alternate Delivery Channel

MTB Alternative Delivery Channel

MTB Alternate Delivery Channel (ADC) comprising of ATM (Automated Teller Machine), CDM (Cash Deposit Machine), 24/7 Smart Banking Booth, POS (Point of Sales) & QRC (Quick Response Code) Merchant Business has been working consistently to ensure convenience to its valued customers by offering 24/7 cash withdrawal & deposit facility at their convenient locations and do cash less transactions at more than 3,000+ merchant points all over the country. A short brief of the key service areas of MTB ADC is illustrated below:

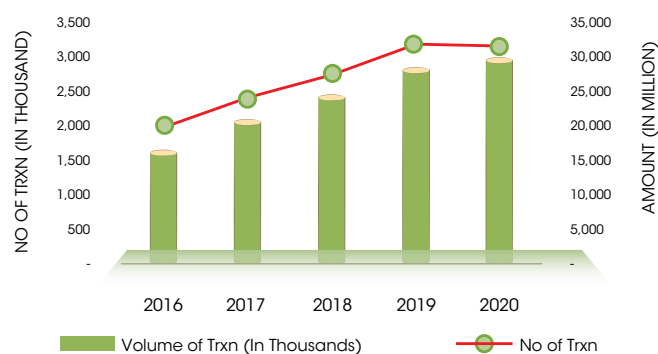
MTB is one of the major ATM service providers in the country with a network of 310 ATMs located strategically across the country to make cash withdrawal facilities available to its customers even after regular Banking hours. The facilities of MTB ATMs are not limited to 24/7 cash withdrawals only, but also offers some additional services like balance enquiry, fund transfer to other Bank account, changing PIN, making mobile top-ups, etc. MTB ATMs offers a secured way of transaction by combining the latest technologies and safety features including secured with PIN Pad Shield, Anti-skimming Device (SPS), CC TV Cameras, latest anti-virus software, updated OS Patch etc. All MTB ATMs are EMV (Euro Master Visa) complied and has recently been upgraded with the PCIDSS (Payment Card Industry Data Security Standard) security guideline, which is the highest recognition in its line of operation. Our ATMs are also connect to various payment channels, such as VISA, MasterCard, UPI and NPSB (National Payment System Bangladesh) so that different card users can withdraw cash from the same ATM booth.

Year	Number of ATM Transactions	Total ATM Transaction Volume (BDT)
2016	1,998,374	16,504,356,816
2017	2,406,672	20,969,391,000
2018	2,756,891	24,620,594,800
2019	3,186,343	28,560,259,100
2020	3,174,125	29,929,936,900

To extend the Banking service beyond its Branch network, MTB has setup 11 (eleven) MTB Smart Banking Booths

at some strategic locations which offers services like cash withdrawal through ATM, cash deposit through CDM, internet banking services, MTB product information, Account Opening, Loan Application (Retail & Cards), etc.

YoY Growth in MTB ATM Transaction (BDT)



POS (Point of Sales) Business:

MTB has expanded its POS Business through deploying its POS Terminals at more than 3,000+ merchant points all over the country and has marked its positioning among the top five Card (Debit, Credit, & Prepaid) Acquiring Bank in the country. All the POS terminals of MTB are EMV enabled and capable of accepting PIN based transactions, which is a more secured pattern of POS transaction in the world. Our POS network is also connect to various payment channels, such as VISA, MasterCard, UPI and NPSB (National Payment System Bangladesh) for acceptance of various domestic & foreign cards issued by different Banks. In the year 2019, MTB ADC has launched the latest Contactless POS terminals as the first acquiring Bank to launch such service which is capable of accepting card transactions below Tk. 3,000/= by offering 'Tap & Go facility' for the contactless cardholders.

MPay QR Merchant Business:

MTB is the first Bank in Bangladesh to launch Bangla QR (an interoperable code-based payment acceptance solution) as per the guidelines of Bangladesh Bank in December 2019. This solution of MTB, also known as MPay QR, is a safe, affordable and efficient payment and settlement system at retail merchant level to facilitate touch less payment facility for our valued accountholders. One can simply 'scan to pay' by accessing application of any mobile or digital financial services and by scanning

the QR code displayed at the merchant's checkout counter. So far, we have deployed more than 2000+ QR Deckles in the market primarily at all the major restaurants/ food chains, hospitals, pharmacies, and departmental stores. However, we have a plan massive expansion in QR Merchant network across the country in every small, medium, and large shops to facilitate touch less payment for our valued customers.

2020 Highlights

- Setup of 14 new ATM Booths and 01 CDM Booth
- Enhancement of coverage of MTB ATM Booths in the major Domestic Airports in Bangladesh (i.e. Dhaka, Chattogram, Cox's Bazar, Sylhet, & Saidpur)
- Incorporate 'Centralized ATM Cash Management' to cope with the challenges of timely ATM cash replenishment during the lockdown period imposed by the government to tackle the COVID-19 pandemic.
- Launched 'Bangla QR' with major payment schemes i.e. MasterCard, VISA, UnionPay, & NPSB
- Introduced automated EMI facility from MTB POS terminals at merchant level

Upcoming services of ADC:

- MTB Payment Gateway & E-commerce Channel
- Collection of Utility Bill through CDM
- Fund transfer to other MTB Accounts through ATM
- Card less cash withdrawal from ATM
- Card less cash deposit in Cash Recycler ATM
- Introduce IB Registration through ATM
- Widen MTB ATM, POS & QR Presence

MTB will be strive to bring the best possible technology solutions in the coming years to set the best standard in Technology based Banking services and will mover steps closer to slowly convert into a most digital savvy Bank. Besides the pandemic situation, the board and management of the Bank has taken technology as the prerogative to use as the vehicle to drive the business and customer needs, MTB believes that more digital presence will help in increasing business growth, meet operational efficiencies and above better manage cost to drive a higher revenue.



MTB Corporate Social Responsibilities

MTB believes that a responsible and sustainable business organization is one that does its business responsibly by keeping in mind the interests of its stakeholders - both internal and external. We believe our conscious choice of protecting the environment today will lead to a better and sustainable tomorrow. CSR is a way towards sustainable business by creating long-term value for the stakeholders, the environment and the community as a whole. Mutual Trust Bank Limited (MTB) has been deeply involved in Corporate Social Responsibility (CSR) related activities since its inception and is very much aware about global sustainability and CSR related trends and issues. MTB's priority sectors for initiative are education, healthcare, environment and disaster management. Our CSR strategies are based on the fundamental conviction of sustainable business that integrates good governance and social priorities with a view to enhancing community empowerment in a sustainable manner.

The Sustainable Development Goals (SDGs)

Bangladesh made significant achievements in attaining the Millennium Development Goals (MDGs). For example, the country was able to reduce poverty from 56.7 percent in 1991-92 to 31.5 percent in 2010 and, finally, 24.8 percent in 2015. Bangladesh also registered remarkable progresses in the areas of universal primary education, reducing child mortality, promoting gender equality and women empowerment. The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, replace the Millennium Development Goals and are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

The 17 Sustainable Development Goals (SDGs) are as follows:



Goal 1	No Poverty	Goal 9	Industry, Innovation and Infrastructure
Goal 2	Zero Hunger	Goal 10	Reduced Inequalities
Goal 3	Good Health and Well-Being	Goal 11	Sustainable Cities and Communities
Goal 4	Quality of Education	Goal 12	Responsible Consumption and Production
Goal 5	Gender Equality	Goal 13	Climate Action
Goal 6	Clean Water and Sanitation	Goal 14	Life Below Water
Goal 7	Affordable and Clean Energy	Goal 15	Life on Land
Goal 8	Decent Work and Economic Growth	Goal 16	Peace, Justice and Strong Institutions
Goal 17	Partnership for the Goals		

These 17 Goals build on the successes of the Millennium Development Goals (MDGs), while including new areas such as climate change, economic inequality, innovation, sustainable consumption, and peace and justice, among other priorities. The goals are interconnected - often the key to success on one, will involve tackling issues more commonly associated with another. Achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure we leave a better planet for future generations.

After reviewing its internal sustainable development, business capabilities, stakeholders' degree of concern towards CSR issues, and other factors, MTB Board and Management had decided to focus its response on these 07 goals: No Poverty; Zero Hunger; Good Health and Well-Being; Quality Education; Gender Equality; Reduced Inequalities and Partnership for the Goals. MTB continues to examine the relationship and feasibility of the remaining goals, while standing on the stage of sustainable development and working together with the world towards a common goal of encouraging the success of SDGs.

MTB'S CSR Activities to Support SDG Goals

SDG Goals	Initiatives in 2020
No Poverty	<p>Blankets Donation amongst the cold-affected people across the country;</p> <p>Financial support to the distressed singers of Jatio Rabindra Sangit Sammelan Parishad.</p>
Zero Hunger	<p>Donation to Prime Minister's Relief Fund;</p> <p>Distribution of Ifar and Sehri partnering with The Earth society;</p> <p>Distribution of Staple Food Items partnering with Rotary Club of Dhaka, JAAGO Foundation and It's Humanity Foundation (IHF);</p> <p>Cash donation partnering with Management and Resources Development Initiative (MRDI)</p>
Good Health And Well-Being	<p>Donation to Prime Minister's Relief Fund for COVID-19 2020;</p> <p>Financial support to Bangladesh Thalassemia Samity Hospital for providing quality healthcare to the Thalassemia patients;</p> <p>Financial support to Manabik Shahajya Sangstha (MSS) for arranging eye care project for distressed people;</p> <p>Financial support to Jhenidah Ex-Cadets Association (JEXCA) for running Free Friday healthcare centre, Khulna;</p> <p>Donated Ambulance to Impact Foundation Bangladesh (IFB);</p> <p>Donation to Sajida Foundation for the treatment of COVID-19 patients;</p> <p>Distributed disinfectant chambers at Kurmitola General Hospital and Kuwait Moitree Hospital in Dhaka;</p> <p>Provided N95 Face Masks to ten (10) different hospitals for the doctors and nurses during the COVID-19 pandemic.</p>

Quality Educaiton	<p>Financial support to Abinta Kabir Foundation School for the girls studying there coming from low-income families;</p> <p>Financial support to JAAGO Foundation for bearing educational expenses of underprivileged students;</p> <p>Provided 10 multimedia projectors for Sreenagar Government College, Sreenagar, Munshigonj;</p> <p>Financial support to Help the People Foundation (HPF)'s Ten Taka School for ensuring quality education for the underprivileged and distressed children;</p> <p>Financial support to Vocational Training Center Trust (PFDA - VTC) to provide vocational training to autism and neurodisabile people;</p> <p>Financial support to Blind Education and Rehabilitation Development Organisation (BERDO) for the visually impaired community;</p> <p>Support to LEKHAPARA Trust for their school building project named 'Koltapara Anondo Pathshala' for underprivileged and autistic children at Koltapara, Sonargaon, Narayanganj;</p> <p>Donation for the construction of AH-Madina Ebtedayee Hafizia Madrasa & Lillah Boarding building.</p>
Gender Equality	<p>Financial support to Happy Home project run by ActionAid International Bangladesh;</p> <p>Donated 15 sewing machines to Alor Pothe Nobojatray (Apon) Foundation in support of the distressed but working women.</p> <p>Financial support for the girls residing in the hostel run by Assistance for Blind Children (ABC)</p>

<p>Reduced Inequalities</p>	<p>Financial support for the participants and coaches participated in the Special Olympics World Summer Games 2019;</p> <ul style="list-style-type: none"> • Provided Financial Support to Bangladesh Protibandhi Kallyan Somity (BPKS); • Provided 11 Artificial Limbs to the disable persons living in remote area through Centre for Disability in Development (CDD); <p>Bicycle Distribution amongst students under 'Swapna Sarathi' Project.</p>
<p>Partnerships for The Goals</p>	<p>Contributed to Bangabandhu Memorial Trust for celebrating Mujib Borsho;</p> <p>Newspaper Distribution in association with The Daily Star amongst the students of University of Dhaka;</p> <p>Financial support for cultural event at Nilphamari organized by Vision-2021.</p> <p>Financial support for Bizcare for the "The Mangrove Children" project 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</p>

Highlighting Activities of MTB CSR

Approved CSR Policy

MTB has an approved CSR policy targeting the activities conducted on account of social responsiveness. It has been developed with the aim of making CSR activities more standardized and effective. The policy sets clear guidance on the objectives of the initiatives and specifies where the funds will be provided and who will be the beneficiaries of the initiatives taken.

MTB CSR Desk

MTB with its vision to build a more habitable and prosperous society, has always been on point regarding the establishment of a properly planned CSR programme. This notion has led to comply with the Bangladesh Bank's circular to establish a separate CSR desk with a dedicated officer continuously working for those causes.

DOS Circular Letter No. 16; Date: 20 December, 2010 "Establishing separate 'CSR desk' in Banks was circulated with the purpose of furnishing up-to-date information to Bangladesh Bank on CSR initiatives/activities as well as maintaining proper communication and liaison with all concerned, Banks are required to have a separate focal/ contact point. Maintaining this requirement, MTB also established a CSR desk at its corporate head office. Anybody can send a CSR proposal to Mutual Trust Bank CSR Desk.

"Swapno Sarathi" (The Dream Chariot)

In accordance with the Bank's policy to nurture the education sector in the rural hard-to-reach areas, MTB launched a special campaign titled "Swapno Sarathi" in 2015. "Swapno Sarathi" is a brand for MTB's CSR campaign of bicycle distribution amongst the underprivileged students, first inaugurated by the then Bangladesh Bank Governor at former enclaves in Garati, Panchagarh on October 25, 2015. Till now we have distributed about 1600+ bicycles. This year we have distributed cycles at Dhopharhat of Swandip, Chattogram and Kahalgaon of Fulbaria, Mymensingh.

The campaign aims at motivating students with the motto "School-e jete durotto jeno badha na hoy" by providing them with bicycles with a view to facilitating their movement to and from school.

This project helps in-

- increasing retention in schools
- encouraging students to take up higher studies
- inculcating sense of confidence among the girl students by promoting mobility and ensuring women empowerment along with participatory development
- promoting environment-friendly and healthy means of transportation



The objectives are allied with four Sustainable Goals of agenda 2030. These are SDG3: Good Health & Wellbeing, SDG4: Quality Education, SDG5: Gender Equality and SDG13: Climate actions.

MTB “Bravery & Courage” Award

The Bank had introduced the MTB “Bravery and Courage” Award in 2012 with a view to recognizing acts of bravery and rewarding selfless individuals and their families. The award recognizes lifesaving bravery activities of common people in the country. This award aims to encourage

selfless individuals who put others’ lives ahead of their own in the society we live. The first award was presented in 2012 to Late Hazrat Ali, and subsequently to Late Liacot Ali Liton, Traffic Constable Md. Monir Hossain, Akter Mia & Late Sharowar Howlader, Late Badal Mia, Late Nabi Hossain and Hossein Alamgir for their respective acts of bravery. Mutual Trust Bank Limited (MTB) has handed over its 8th MTB “Bravery & Courage” Award to the family of late Sohel Rana, the fire fighter who succumbed to death due to his injuries subsequent to the fire rescue operation during Banani’s FR Tower fire incident on March 28, 2019.



CSR Initiatives in 2020

MTB Contributes BDT 50 Million to the Prime Minister for Bangabandhu Memorial Trust

Mutual Trust Bank Ltd. (MTB) Managing Director & CEO, Syed Mahbubur Rahman, under the Bank’s CSR activities, has handed over a cheque of BDT 50 million to the Honorable Prime Minister of the People’s Republic of Bangladesh, Sheikh Hasina, as contribution for Bangabandhu Memorial Trust to observe the “Mujib Borsho”, at a simple ceremony held at Gonobhaban in Dhaka. Honorable Finance Minister, A H M Mustafa Kamal, FCA, MP along with other representatives from different Banks were also present during the event.



MTB Donates BDT 50 Million to the Prime Minister's Relief Fund

Mutual Trust Bank Limited (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, has donated BDT 50 Million to the Prime Minister's Relief Fund for COVID-19 affected people across the country.

MTB Donates 50,000 Blankets to the Prime Minister's Relief Fund

Mutual Trust Bank Limited (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, has recently donated blankets to the Prime Minister's Relief Fund for distribution amongst the cold-affected people of different regions of the country. Honorable Prime Minister of the People's Republic of Bangladesh, Sheikh Hasina joined the event through video conference from Gana Bhaban.

Dr. Ahmad Kaikous, Principal Secretary of the Prime Minister, on behalf of Prime Minister, Sheikh Hasina, has received a token sample of the 50,000 blankets from M. A. Rouf, JP, Director, MTB through a simple ceremony held recently.



MTB Donates BDT 50 Million to the Prime Minister's Relief Fund

Mutual Trust Bank Limited (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, has donated BDT 50 Million to the Prime Minister's Relief Fund for flood affected people.

Mujib Corner

As a part of celebration of the Mujib Borsho on the occasion of the centennial birth anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman, Mutual Trust Bank Limited (MTB) has installed three **Mujib Corners** at MTB Centre, the Bank's Corporate Head Office, MTB Kushtia Branch and MTB Pabna Branch.



Mural of Bangabandhu in Khulna City

Khulna City Corporation, Khulna District Administration and Bangladesh Bank, Khulna jointly initiated to erect a Mural of Bangabandhu Sheikh Mujibur Rahman as a part of celebration of the 'Mujib Borsho'. MTB contributed BDT 400,000 for the project.

MTB Foundation Accords Reception to Special Olympics Bangladesh

Special Olympics is the world's largest sports organization changing the lives of the people with intellectual disabilities since 1968 and supports 32 Olympic-type sports through programmes in more than 170 countries. Special Olympics Bangladesh represents athletes with intellectual disabilities in the International platform. Special Olympics Bangladesh team, like previous years, have participated in the Special Olympics World Summer Games 2019 held in Abu Dhabi, United Arab Emirates from March 14-21, 2019 and achieved 22 Gold, 10 Silver and 6 Bronze amongst the athletes from 190 countries.

Mutual Trust Bank Limited (MTB) has accorded reception to the Special Olympics Bangladesh team who participated in Special Olympics World Summer Games 2019 held in Abu Dhabi, the United Arab Emirates in March 2019. As part of MTB Foundation's CSR initiatives, MTB Gift Cheques were handed over to all the participants by the MTB Managing Director & CEO, Syed Mahbubur Rahman at the Samson H. Chowdhury Auditorium, MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000.



MTB Supports Vision-2021

Mutual Trust Bank Ltd. (MTB), as part of its CSR initiatives, recently handed over BDT 300,000 to Vision-2021, a Nilphamari based social & cultural organization. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the cheque to Asaduzzaman Noor, MP, Nilphamari-2, at a simple ceremony held at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212. Azam Khan, Group Chief Communications Officer and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other officials of the Bank were also present at the occasion.



MTB Foundation Supports Lekhapara Trust

MTB Foundation, in its effort to align its CSR initiatives with the Sustainable Development Goals (SDGs), extended support for LEKHAPARA Trust for their school named Koltapara Anondo Pathshala for underprivileged and physically challenged children at Koltapara, Sonargaon, Narayanganj. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the cheque to Dr Shahida Akhter, Chairperson, LEKHAPARA Trust, at a simple ceremony held at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212. Shabbir Ahmed Osmany, Trustee of LEKHAPARA Trust and Azam Khan, Group Chief Communications Officer and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other officials of the Bank were also present at the occasion.



MTB Foundation Supports Bangladesh Thalassaemia Samity Hospital

MTB Foundation, as part of its CSR initiatives, handed over BDT 1,000,000 to Bangladesh Thalassaemia Samity Hospital. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the cheque to Sayed Diddar Bakth, Adviser, Bangladesh Thalassaemia Samity, at a simple ceremony held at Bangladesh Thalassaemia Samity Hospital. Dr. M. A. Matin, Senior Vice President of Bangladesh Thalassaemia Samity, Dr. Ekramul Hossain Swapan, COO & Consultant and Dr. Kabirul Islam, Chief Medical Officer of Bangladesh Thalassaemia Samity Hospital and Azam Khan, Group Chief Communications Officer and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other officials of both the organizations were also present at the occasion.



MTB Foundation Supports BizCare

MTB Foundation, in its effort to align its CSR initiatives with the Sustainable Development Goals (SDGs), has renewed its pledges to mitigate the effects of climate change and ensure healthy lives and well-being of the people of the country, by supporting BizCare. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over a cheque to Mohiuddin Babar, Chief Executive, BizCare for "The Mangrove Children" project and their newly introduced endeavors 'Learning through Sports' & 'Sports for the Disabled', at a simple ceremony held at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212. Azam Khan, Group Chief Communications Officer and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other officials of the Bank were also present at the occasion.

The Mangrove Programme Modules:

- Creating awareness among children about the importance of mangrove forest
- Educating them about the impacts of climate change
- Conserve the natural habitat
- Provide resources through the eco-library
- Urging them to use their emotional rights on their parents to keep away from exploiting forest resources
- Building their capacity to develop disaster risk reduction skills
- Giving vocational training and developing them to be participatory in decision making in the community

"The Mangrove Children" project 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 in the school premises. A part of the fund will be utilized to develop the self-esteem of the disabled through sports and ensure participatory development.



Eye Care Project

MTB Foundation supports Manabik Shahajya Sangstha (MSS) for arranging eye care projects for distressed people of rural areas of Bangladesh. Manabik Shahajya Sangstha (MSS) has successfully implemented three eye camps at Debiganj, Panchagarh; Bagha, Rajshahi and Chatmohor, Pabna on February 8, 15 and 22, 2020. Initially they have arranged their first campaign at Elenga, Tangail on August 31, 2019 in association with MTB Foundation.



MTB Foundation Supports the Children of Blind Education and Rehabilitation Development (BERDO)

MTB Foubdation has been supporting Blind Education and Rehabilitation Development (BERDO) since 2019 to support the visually impaired children of Blind Education and Rehabilitation Development (BERDO).

MTB Foundation Supports the Family of Late Md. Sazzad Hossen Mustuk



MTB Foundation, as part of its CSR initiatives, recently extended the support for the family of Late Md. Sazzad Hossen Mustuk, a gold medalist from Bangladesh in the Special Olympics World Summer Games 2019. Azam Khan, Group Chief Communications Officer, MTB, handed over the cheque to Merina Khanom, wife of Late Md. Sazzad Hossen Mustuk, at a simple ceremony held at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212. Mohammad Ali, Coach, Bangladesh National Table Tennis Team and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other officials of the Bank were also present at the occasion. Earlier, this same donation had been approved for Late Md. Sazzad Hossen Mustuk for his treatment but he passed away before receiving the amount.

MTB Foundation Supports Abinta Kabir Foundation School



Abinta Kabir Foundation School, a project of Abinta Kabir Foundation, is an all-girls school, located in Dhaka. They are working with girls coming from low-income families. We have provided with financial support for the girls of the school.

MTB Foundation Establishes Children's Rights to Education by Supporting the School Project of JAAGO Foundation

MTB Foundation, with a view to engaging in participatory development in Bangladesh through quality education, has been supporting JAAGO Foundation since 2019 to bear the expenses for education of destitute children studying in the schools run and supervised by JAAGO Foundation.

The education sector of the country has always been a priority for MTB's initiatives related to Corporate Social Responsibility (CSR).

MTB Foundation Supports Jhenidah Ex-Cadets Association Free Friday Clinic

MTB Foundation has been supporting Jexca Free Friday Healthcare Centre, Khulna for last couple years.



MTB Foundation Establishes Girls' Rights to Education By Supporting The "Happy Home" Project of ActionAid International Bangladesh

MTB Foundation supports ActionAid International Bangladesh (AAIB) to bear the expenses for education and vocational training of vulnerable girls residing in the "Happy Home" hostel supervised by AAIB with a vision to be engaging in participatory development and empowerment of women in Bangladesh through quality education. The education sector of the country has always been a priority for MTB's initiatives related to Corporate Social Responsibility (CSR).

MTB Foundation Presents Ambulance to Impact Foundation Bangladesh (IFB)



MTB Foundation, as part of its Corporate Social Responsibility (CSR) initiatives, has recently presented an ambulance to Impact Foundation Bangladesh for their Impact Masudul Haque Memorial Community Health Centre, Chuadanga. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the key of the ambulance to Anwarul Amin, Chairman, Impact Foundation Bangladesh at a simple ceremony held at the Bank's Corporate Head Office, MTB Centre, Gulshan 1, Dhaka 1212.

Multimedia Projectors

Presented 10 Multimedia Projectors to Sreenagar Government College, Sreenagar, Munshigonj

Help the People Foundation (HPF)

Help the People Foundation (HPF), a Voluntary & Social Service Organization, operates a school named HPF School, familiar as Ten Taka School, for the underprivileged and distressed children. They are presently providing education to 210 underprivileged students. We are providing them with financial support for the underprivileged and distressed children of Ten Taka School.

MTB Foundation Supports PFDA – Vocational Training Center Trust (PFDA – VTC)

MTB Foundation, in its effort to align its CSR initiatives with the Sustainable Development Goals (SDGs), recently extended support to PFDA – Vocational Training Center Trust (PFDA – VTC) to provide vocational training to people with autism and neuro-disability. Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the cheque to Sajida Rahman Danny, Founder Chairman, PFDA – Vocational Training Center Trust (PFDA – VTC) on the occasion of the Bank's 21st Anniversary Celebration at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212.



MTB Foundation Supports Centre For Disability In Development (CDD)

MTB Foundation, in its effort to align its CSR initiatives with the Sustainable Development Goals (SDGs), recently extended support to Centre for Disability in Development (CDD) for their project titled 'Promoting Quality of Life of People with Disabilities Living in Rural Areas in Bangladesh by providing Artificial Limbs'. Under this project, Centre for Disability in Development (CDD) will produce 11 Artificial Limbs for 11 persons with disabilities living in remote areas. This support will help the persons with disabilities come back in the mainstream community life by earning their livelihood independently.

Syed Mahbubur Rahman, Managing Director & CEO, MTB, handed over the cheque to Md. Moinul Islam, Coordinator, Centre for Disability in Development (CDD) on the occasion of the Bank's 21st Anniversary Celebration at the Corporate Head Office of Mutual Trust Bank Limited (MTB), Gulshan 1, Dhaka 1212.



MTBF & Aloghar Nursery Distribute Amrapali Mango Saplings amongst Students

With a view to observing "Mujib Borsho" by building awareness amongst students regarding environment, MTBF and Aloghar Nursery jointly distributed 1500 amrapali mango saplings amongst the students of Syedpur Uchcha Bidyalaya at Cumilla Adarsha Sadar, Cumilla and A.K.M. Rahmatullah University College, Beraid, Badda, Dhaka under the Bank's CSR activities.



Alor Pothe Nobojatray (APON) Foundation

Alor Pothe Nobojatray (APON) Foundation, an organization that works for underprivileged children and women, has received 15 sewing machines from MTBF to support the distressed women. They have a Sewing Training Centre at Rayerbazar, Dhaka to empower distressed women.



MTB Foundation Supports Assistance For Blind Children (ABC)

MTB Foundation supports Assistance for Blind Children (ABC) as the annual educational expenses of fourteen

(14) blind girls living in the ABC's ladies' dormitory at Gazipur.

Al-Madina Ebtedayee Madrasa, Tomodordi, Baluchor, Bandor, Narayanganj, has received a donation from the Bank for the construction of their Al-Madina Ebtedayee Hafizia Madrasa & Lillah Boarding building.

Other CSR Initiatives

Newspaper Distribution under 'Promoting Knowledge Campaign' in association with The Daily Star amongst the students of University of Dhaka

Sectors	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

CSR Initiatives From MTB COVID-19 Donation Fund:

In alignment with the government's strategies to fight the pandemic with immediate effect and, in turn, retaining its image as a reliable and trustworthy brand, MTB redirected its CSR funds for donation to the Prime Minister's Relief and Welfare Fund. In addition, all the employees of the Bank donated their one-day salary as part of their commitment to the society. The Bank also prioritized the containment of the contagion and distribution of basic food items to the distressed people of different regions of the country with the help of its partners.



(MTB), created an emergency fund MTB COVID-19 DONATION FUND, the total amount of which is BDT 12,607,003 (Taka One Crore Twenty Six Lac and Three). The MTBians contributed their one-day salary amounting to BDT 1, 01, 02,891 (Taka One Crore One Lac Two Thousand Eight Hundred and Ninety One). The distinguished members of the MTB Board also contributed a significant amount of their honorarium. 40% of the MTB Foundation budget was also added to this special COVID-19 fund.



MTB Donates Disinfectant Chamber to Kuwait-Moitree Government Hospital and Kurmitola General Hospital

Mutual Trust Bank Limited (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, has recently donated two units of disinfectant chamber to Kuwait-Moitree Government Hospital and Kurmitola General Hospital for their doctors and healthcare staffs with a view to helping fight the coronavirus transmission. JAJABOR BUET 97 has developed this customized chamber for instant support to combat against COVID 19.



Mutual Trust Bank Ltd. (MTB) Distributes Emergency Relief amongst the Flood-Affected People amid COVID-19 Pandemic



As part of its Corporate Social Responsibility (CSR) initiatives, Mutual Trust Bank Ltd. (MTB) has recently distributed emergency relief items amongst the flood-affected people of Beraid, Badda, Dhaka amid COVID-19 pandemic. Md. Hedayetullah, Chairman, Mutual Trust Bank Ltd. (MTB) distributed the food items and cash amongst 1,000 (approx.) distressed families. Ayub Ansar Mintu, Councillor, Ward # 42, Dhaka North City Corporation (DNCC) organized the event.

Distribution of Iftar and Sehri the Earth Society

MTB partnered with The Earth Society for distribution of Iftar and Sehri to the Security Guards of the Bank's ATM booths of Dhaka North and Dhaka South regions during the entire month of Ramadan. An amount of BDT 8,16,200 was spent for this purpose.

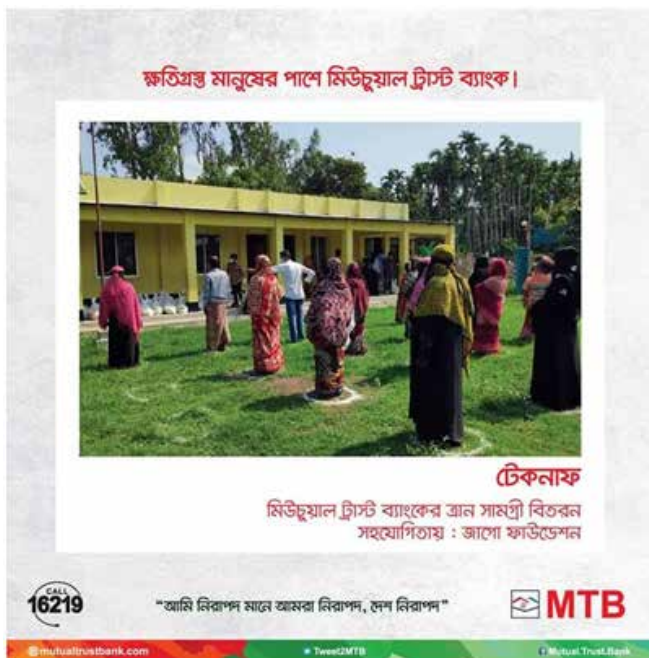
Distribution of Staple Food Items With Rotary Club of Dhaka

MTB was one of the first banks to join hands with Rotary Club of Dhaka for distribution of basic food items worth BDT 1,50,000 in Tongi Railway Station area, Dhaka and Kurigram.

Distribution of Emergency Food Items With JAAGO Foundation

MTB in partnership with JAAGO Foundation, distributed staple food items to 500 families for one month in Dhaka,

Habiganj, Rajshahi, Chattogram, Madaripur, Teknaf and Bandarban. The total amount required for purchase and distribution of the essentials is BDT 14,07,000.



Fulfilling the Socio-Cultural Obligations

With a view to fulfilling the socio-cultural obligation, the Bank donated BDT 2,00,000 to Jatio Rabindra Sangit Sammellan Parishad for the distressed singers of the organization.

Management and Resources Development Initiative (MRDI)

MTB made a cash donation of BDT 10,35,000 to MRDI for supporting 500 vulnerable families residing at Char Patila, Char Fasson, Bhola. The cash was disbursed via Mobile Financial Services (MFS) through Unnayan Dhara Trust (UDT).



Distribution of Food Items with It's Humanity Foundation (IHF)

MTB spent BDT 24,75,000 for purchasing necessary food items and cleansing stuff for distribution to 900 families in three regions, namely: Syedpur , Thakurgaon and Panchagarh with the help of IHF.



The families, victims for the outbreak of novel coronavirus, of Char Patila and Shahbazpur villages of Char Kukri Mukri union of Char Fashion upazila, received the donations.



Financial Support to Vulnerable Women With Manusher Jonno Foundation

As part of the rehabilitation program of Manusher Jonno Foundation, the Bank supported 100 vulnerable women by providing financial assistance of BDT 8,00,000 (BDT 8,000 per woman). The foundation will use the support to generate income for the women to make them financially independent for facing the aftermath of the COVID-19 crisis.

Sajida Foundation

MTB donated BDT 500,000 to Sajida Foundation for the treatment of COVID-19 patients at Sajida Foundation Hospital.

Providing N95 Face Masks To Hospitals

MTB provided support to ten (10) different hospitals of the country by supplying N95 masks for the safety of the doctors and nurses who have been working relentlessly during the COVID-19 pandemic. Out of the total number i.e. 1,600 pcs, 1,000 has already been supplied to Dhaka Medical College Hospital (DMCH) for their frontline healthcare service providers.





Human Capital

Better skills can increase an employee's value in the workplace and an employer that obtains highly skilled employees can therefore gain a significant competitive advantage via human capital. Human capital is largely responsible for innovation, which can also be a tremendous competitive advantage for financial institution.

Accordingly, Banks are usually very interested in investing in and acquiring human capital. They do this via recruiting new employees, training existing employees, and ensuring that the relationships between employees and their managers are positive. MTB's human capital consists of the employees as well as their health and wellbeing, their expertise, their experience, their innovation capacity and their motivation.

Overview

Drawing on the expert knowledge, attitudes, motivation, skills, experience and competence of our employees – that is the human capital of MTB, our brand has developed the greatest potential to create value among all Banking industry brands.

These skills are an important part of MTB's human capital. They reflect the mission & vision of MTB. Those relationships are underpinned by simple, open, friendly and empathic communication that also forms the basis for relationships inside the organization and is a vital pillar of our organizational culture. What make us stand out from the crowd are our people, the way we approach them and their unique competence. This unique culture has helped us to build a reliable brand. This culture has secured us a special place in the Banking industry.

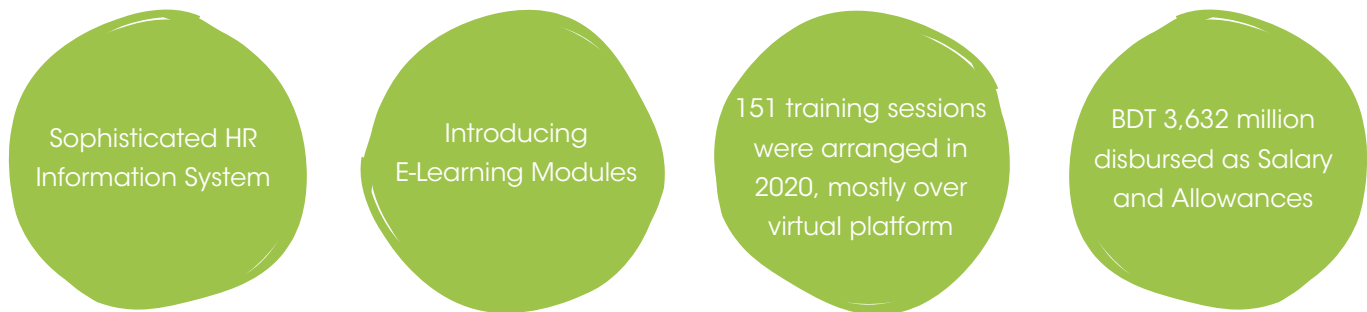
SDG Relevance



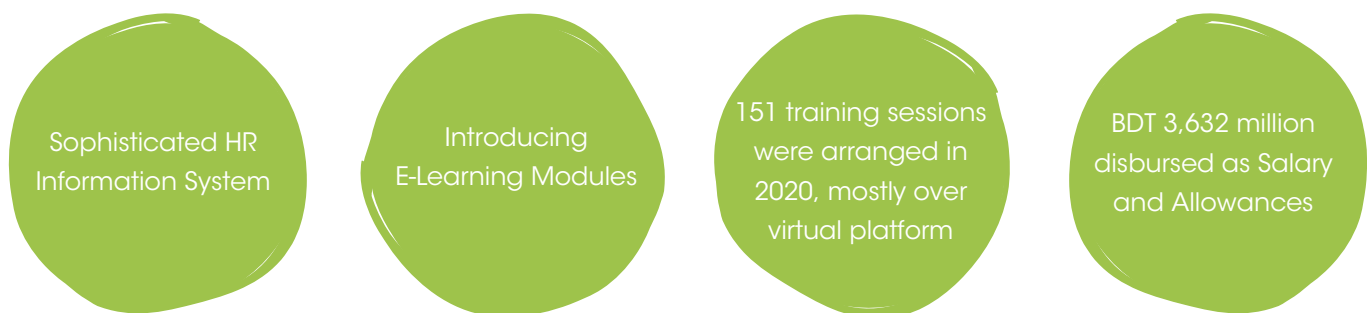
Creating Value

Top management today face multiple business challenges, on a smaller as well as the higher level and one of the solutions to these is hiring and retaining the right talent to tackle them. Besides making the correct hiring decisions, HR today is also given an important role that includes being a part of the processes that lead towards achieving the overall targets for the organization. This has helped the HR in moving beyond a traditional role to a more strategic one. MTB's human capital creates value through their passion, dedication and commitment in reaching the objective of the organization.

Highlights



How We Manage Our Human Capital



Challenges

- On boarding the right talent for the right role at the right time.
- Developing and nurturing a winning environment where people are willing to drive self and business growth with passion and enthusiasm.
- Developing and offering long term career opportunity based on individual aspiration and organizational need.
- Engaging our talents in continuous learning process proper training need based training.
- Ensuring competitive reward at all levels to ensure retention of employees.

Responses

- To be a team builder, MTB HR focuses in bringing the right talent for the right role.
- To catalyze the organization culture, MTB provides an open environment for the employees.
- To develop our employees, focus is given on providing people the right training and right experience.
- To retain and motivate our employees by choosing the right talent for the position while providing them with competitive remuneration and rewarding performance with bonuses and incentives.

MTB Group Human Resources

MTB Group Human Resources focuses on the most valuable asset of MTB, the people of the MTB – the MTBians. The heart of any organization and most critical drivers for growth and success are the employees. Instrumental for achieving all our present and future organizational goals, GHR is tasked with keeping the employees engaged and motivated & design and implement policies, procedures, and Programmes for developing and managing the workforce.

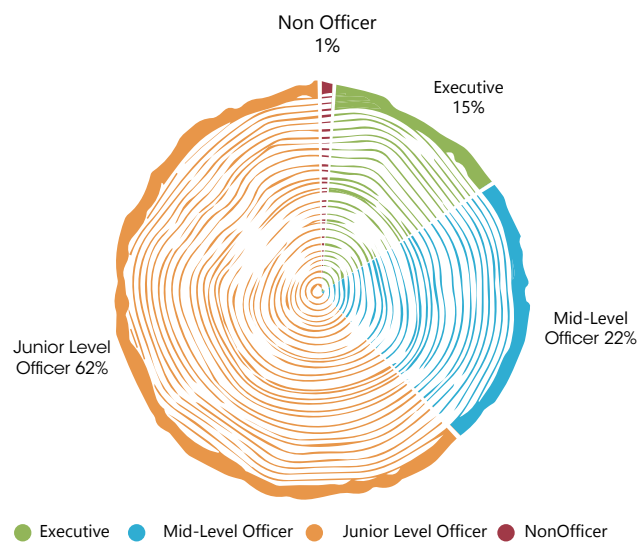
As we aspire to be the Bank of Choice, one of the best performing Banks in country & a truly world class Bank- a robust team is working to reach our destination.

MTB's mission focuses on being admired as dynamic, innovative & client focused company, none of which is possible without an energetic, ingenious & client-oriented workforce. Employees are crucial brand ambassadors of any organization. The branding of the employees, the MTBians, is part of the branding of MTB itself.

Trends of MTB Workforce

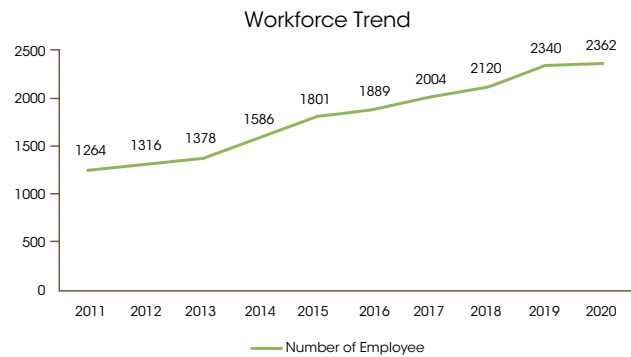
MTB ended the year 2020 with a workforce of 2,362 people, 464 of whom are female. The gender distribution rate (20%) shows an upward trend which highlights an effort to insure more inclusivity & participation. This workforce is our driving force that runs our widespread network of 118 branches & 27 sub-branches.

Rank Wise Workforce Ratio



The diversity of our employees - in thought, style, gender

identity, race, ethnicity, culture, and experience - makes us stronger increases our ability to serve our clients, fulfill purpose, and achieve desired growth. One major takeaway is our attrition rate which now stands at 4%, significantly lower than industry trend and not too low which shows we are excelling in becoming employer of choice.



In addition to regular workforce, seasonal workforce is used on special need. Currently, GHR manages approximately 500 such workforce on contact basis.

Sourcing & Recruitment of Talented workforce

Proper sourcing and talent hunting is essential to hire the best potential employees of the industry. Digital platforms are utilized now more than ever in recruitment not only for circulars but interviews as well.

GHR is often tasked with lateral recruitments, headhunting the best resources of the industry for our senior positions. Throughout the years MTB has not only been the employer of choice but also attracted the top personnel of the industry.

PMS to Ensure the Achievement of Objectives

MTB fosters a performance driven culture that ensures proper recognition of the hard work delivered by MTBians, functioning as incentives for the employees to excel at their work. It focuses on SMART (Specific, Measurable, Achievable, Realistic & Timely) KPIs (Key Performance Indicators). The KPI are well designed and communicated.

The process starts with taking input from the employees, where they themselves declare through line managers

the expected output to be achieved during the year. Performance assessment is taken from both the employees and line managers. While conducting the review-performance dialogue, some key elements are considered, which are as follows:

- Current job performance
- Track record of the individual
- Operational Efficiency
- Business Development
- Cost Reduction
- System Redesigning, Reengineering and Development
- Contribution in Projects and Assignments
- Regulatory Compliance
- Self-development
- People Development
- Future potential to grow
- Leadership attributes

The Mantra of it being "Taking care of the best, while being fair to the rest".

New initiated PMS (performance management system) ensures transparent and efficient 2-way communication toward growth and development.

Compensation & Benefits toward Dedication

As part of taking care of its family- the employees, MTB ensures highly competitive salary and benefits to motivate its people. Salary and compensation are adjusted according to COLA (Cost of Living Adjustment). Its generous leave policy, both casual and earned leave, ensures employees having a better work life balance. Another example of which is Leave Fair Assistance (vacation bonus), paid as a part of salary to employee for his travel on his planned leaves with / without his family. MTB provides maternity leave for 6 months for all female employees. Paternity leave policy has been introduced for male employees to ensure a standard level of support provided to the new fathers to fulfill their new parental duties. It also allows medical/sick/quarantine leave for 14 days even more when required.

All MTB employees are protected under the comprehensive group health insurance coverage that covers all probable medical needs. No compromises are made when it

comes to the health & safety of MTBians. Employees also have access to medical funds available for them.

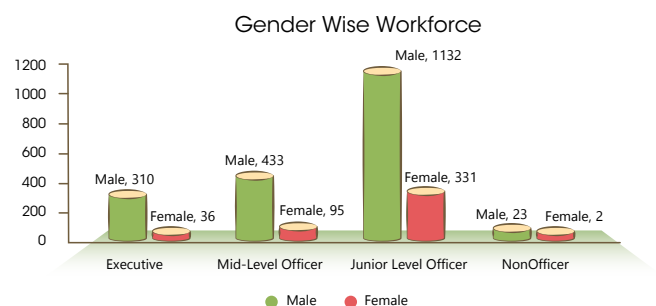
Employees can also avail highly lucrative car and housing loans that ensure crucial financial leverage for all spheres of life.

Inclusion, Diversity & Community Engagement

While proper gender balance is a challenging ask for any organization functioning in Bangladesh's socio-economic system, MTB is improving its overall balance every single year. Female employees are spread across all geographies and levels of hierarchy. Apart from the quantitative indicators, the qualitative scenario has seen a drastic change. Female leadership is visible in key management roles which indicate the organic changes that took place. The groundwork to all of this has been laid out years ago as MTB always provided a safe workspace for women. A key example is our strong anti-harassment policy that protects the safety and security of all female employees.

MTB Women Forum "Aporajita" focuses on enabling all the female MTBians to challenge all limitations and stereotypes that they may face in the workplace and personal life with a view to excelling in their careers. It aims to network within and outside the organization for knowledge sharing and capacity building for its female employees.

At the same time, MTB offers internship opportunities to numerous graduate students each year. Its strong network of 118 branches helps to accommodate interns to preferred locations throughout the country.



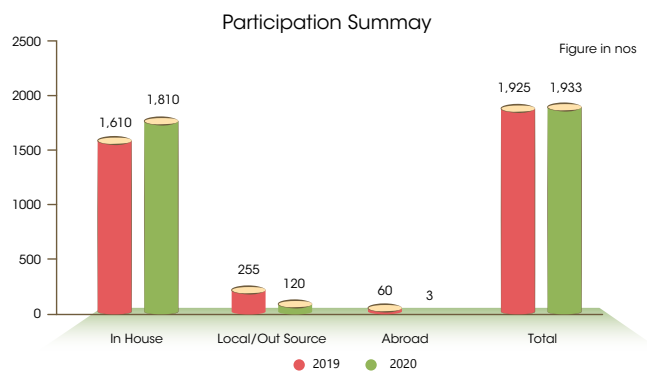
HR Operations to Coordinate, collaborate and Support Stakeholders

GHR maintains a comprehensive employee database, HRIS to ensure timely and accurate processing of records. It helps the senior management by providing all employee information, necessary financials, work history and detailed employee profile to execute real time decisions as needed by the management and regulators.

GHR is also responsible for onboarding employees, disbursing benefits, maintaining & redesigning our organogram and other administrative functions. The ever changing business targets and goals, added with the regulations and uncertainties, require GHR to be observant at all time of the entire structure of Bank.

Learning & Development to Boost Productivity

As part of the organizational development, even in a year ravished by pandemic & lockdowns, MTB GHR hosted 70 training sessions in offline as well as online. GHR embraced this challenge by moving the training Programmes to the digital platform. As daunting as the task was, this also resulted more accessibility, flexibility & reduction in training expenditure. These sessions were conducted by in house trainers, invited guests as well as collabouration with other reputed institutes that catered over 1933 participants in total.

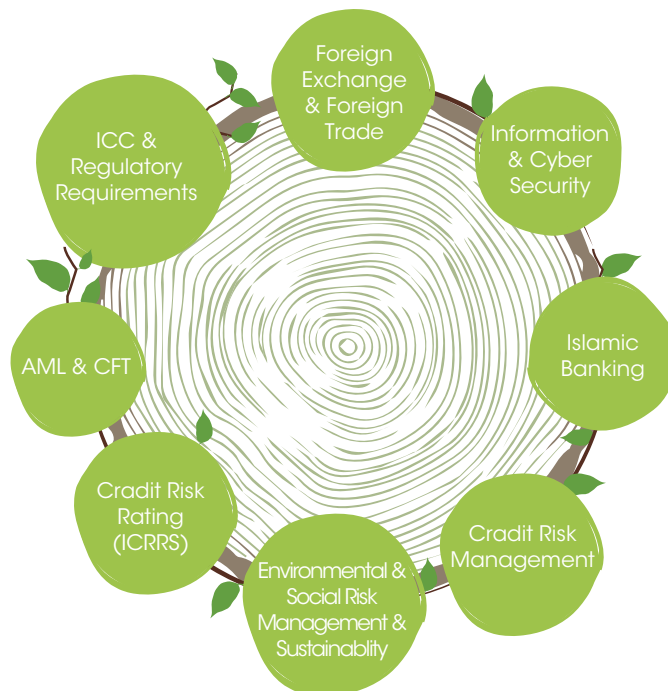


MTB always took pride in ensuring the world class training facilities as evidenced by its dedicated state of the art training center called as MTB Training Institute (MTB TI) which shows its dedication to invest in the learning and development. Some noteworthy training, workshop and conference are represented as follows;

As an initiative to continued learning and development, MTB reimburses for achieving certificates in different specialized areas like Financial Risk Manager (FRM), Certified Expert in Risk Management (CERM), Certified Documentary Credit Specialists (CDCS), Certified HR Professional, Information Technology Security, etc.

Succession Planning- Future Leaders

As one of the pioneers of fast-track career paths in local Banks, MTB always focused on nurturing the next business leaders via its MMT (MTB Management Trainee) Programme. Rigorous recruitment results in finding the best talents, followed by a yearlong comprehensive on the job training that shapes up future business leaders. Almost 10 years since the inception of MMT Programme, more than 100 MMTs are currently contributing to MTB's growth.



The Pandemic and HR Mitigation Efforts

2020 was a very unique year due to the pandemic and frequent lockdowns which imposed a new challenge to the GHR. The rampaging pandemic often resulted in closures of branches and isolation of employees. GHR had to remain vigilant throughout the year to smoothen the disruptions. GHR assisted the MTB management in executing COVID-19 Risk Management Guidelines while playing key role in Business Continuity Plan (BCP) Guidelines.

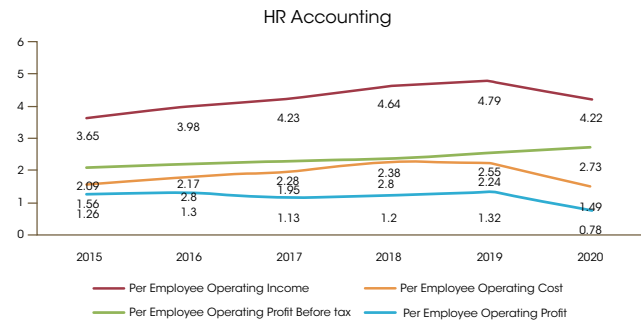
GHR put the Safty & health of its employees at the forefront of everything. GHR also acted as the communicating hub of the Bank during the peak of the pandemic. A big part of this was enabling WFH/WFA (work from home/work from anywhere). When employees coming to work was not optimal, GHR tried to facilitate the process of taking the work to the employees. This resulted in both safety convenience as well as work flexibility for employees.

People's Review to Unlocking Potentials

GHR also conducted comprehensive one to one people's review of all employees of the Bank to get the proper feedback on working environment, individual goal and growth needed to assist individuals unlocking their maximum potential. Sitting down with almost 2300 employees was challenging yet resulted in a clear picture of the human resources of the Bank.

Human Resource Accounting to Steer Development

Human resource accounting (HRA) is the process of assigning, budgeting and reporting the cost invested in employees towards their recruitment, training, payment of salaries and other benefits and, in return, evaluating their contributions to organizational profitability.



Envision the Future towards Sustainable Revival:

MTB is stretching on becoming the best performing HR in the industry in terms of employee engagement, productivity, and wellness. GHR Focus towards Sustainable Revival but not limited to the following:

- **Work from Anywhere (WFA):** Preparing to be flexible and virtual workspace.
- **Hybrid Office:** Addressing creative and personalized solution.
- **Best Employee Experience:** Retaining top talents.
- **Leadership Competency Framework:** Competencies required for leadership development and acceleration at different levels.
- **Digitalization:** Embracing virtual HR processes like remote recruiting and automated onboarding.
- **E-learning:** Soft and Technical training using internal and external platforms.
- **Employee Engagement:** Emotional attachment towards work, job role, and team.

Moving forward, GHR is emphasizing toward HR better, Employees happier, Businesses healthier.



Intellectual Capital

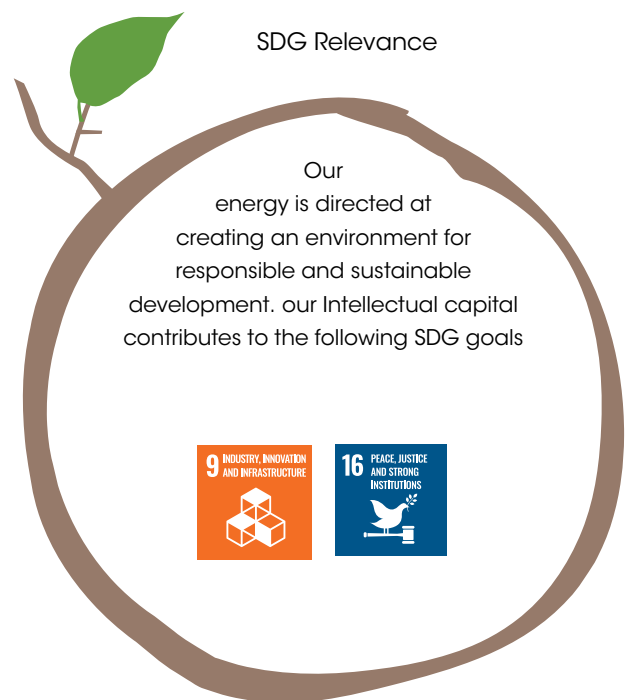
Definitions of intellectual capital can depend on various ideologies of different types of firms in different industries but to put it in a simple term, "the possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provide MTB with a competitive edge in the market" In MTB, our intellectual capital consists of knowledge-based assets such as licenses, software, and copy rights, policies, procedures and protocols.

Overview

MTB's IT infrastructure is built to handle large and variable workloads ensuring high level of performance, stability and availability of business critical systems. We continuously try to adopt new technology, promote innovation that reduce process complexity and deliver technology solutions that are aligned with business objectives.

Creating Value

Our intellectual capital creates value by gaining competitive advantages in the market and in the process catalyzes the growth of our organization. This huge significance is given to this specific capital as the IT helps the organization in many ways. IT has solutions for every single person working in the organization and to handle to total data base as well. This century, having an very effective and fast IT system will simply increase the output of the organizations as better system will lead to better service standards and maintenance of such standards with consistency.



Highlights

Received PCI DSS and SWIFT Customer Security Programme (CSP) Certification

Introduction of app based Internet Banking- MTB Smart Banking

Implemented CBS Go-Liveto automate more services to improve the efficiency

IT based products launched-QR Payment, bKash Wallet etc.

How We Manage Our Intellectual Capital

We invest a lot of on technology to keep up with the upcoming trends

Our know-how comes from the best experts

We develop technologies through research and development

We anticipate the future of technology and looking ahead for tomorrow

Challenges

- Adhering to strict internal control & risk management procedures.
- Rapid changes in technology
- Risks in system failure, connectivity failure & data lapses
- Attaining process improvements for continuous development of employee and customer service.

Responses

- Technology audit conducted by external audit firm and appropriate actions will be taken based on their recommendations.
- Updated software, increased automation and employee training.
- Maintaining secured back-ups
- Designed and reviewed process in pursuit of increasing efficiency

Information Technology & Digital Banking Division

Technology & Digital Banking Division

The FY 2020-2021 has been an eventful year of tremendous impact for Mutual Trust Bank Limited (MTB). As Bangladesh as well as all the countries in the world kept on fighting the unfortunate advent of COVID-19, the traditional Banking rules got drastically upended. What had once been a harmless activity like placing a check at local MTB branch for encashment, was now a health hazard issue because that required outdoor activity.

Rising to the challenges of customer interactions and requirements during this pandemic, MTB made it a top priority to provide absolute best digital customer experience.

The first step to bring efficiency and optimal use of resources was the fusion of two codependent divisions: Technology and Digital Banking. Functions like the core Banking system (CBS), alternate delivery channels (ADC), internet Banking (IB), mobile Banking (MB), IT security, existing system management, up gradation and many more were under the purview of Technology division. Whereas the Digital Banking was a new division mostly focused on finding out scope of innovation within MTB and implementing innovation activities via a multitude of activities like digital lending, process re-engineering, process design, prototyping etc. The merging of the two divisions allowed for greater degree of efficiency and more optimal use of resources in technological routine activities, projects and initiatives.

But, the merging of the two divisions into "Technology & Digital Banking Division" was only the beginning of a great story. It continued on with a plethora of fresh and ongoing initiatives.

- **MEasy:** A lifetime relationship with an Honourable customer is established mainly via an account number. And, this is exactly where MTB Technology & Digital Banking chose to focus strongly. After an intensive market and local, global industry research, a one-of-its-kind customer onboarding platform: "MEasy" was created. This is the pinnacle of MTB's digital transformation journey. Currently MEasy has current account or savings

account (CASA) opening features. MEasy is the only customer onboarding platform in Bangladesh where a customer can open a regular CASA of almost any existing MTB products entirely from the comfort of his own home with internet Banking, mobile Banking (IB, MB) features. MEasy supports two modes: "self-onboarding" mode which is what every user sees after going to MEasy, or "assisted" mode which is available for relationship managers (RMs) to process customers' CASA requests. The entire file processing life cycle is managed within MEasy backend interface, which links all required departments like central screening unit (CSU), central verification unit (CVU), liability operations department (LOD), branch, relationship managers (RM). The second phase will launch very soon with loan application features, where customers will be able to apply for personal loan, home loan, auto loan with the entire loan file processing tracking and communication happening in MEasy backend. Credit card application will be added also. To make the MEasy platform even more robust, NID verification through Porichoy was integrated with MEasy.

- **MTB Simple:** In line with the timely and prudent guidance by Bangladesh government and Bangladesh Bank for opening account using eKYC (electronic know your customer) rules and regulations, MTB launched MTB Simple account. It is a fully digital but limited amount (as per govt. rules, CASA limit is 1 lac BDT per month, retail term deposit or monthly deposit limit is 10 lac BDT total maturity value) account for any Bangladeshi with NID card. The account holder gets a MTB simple account with debit card never having to leave the comfort of home at all. More products and services will soon be included in MTB eKYC platform.
- **New features in Smart Banking Platform:** A great way of enabling customers to be digitally empowered is to remove barriers to use digital channels. And, the biggest step in this regard was taken by implementing smart Banking platform self registration feature. Customer can now use debit card / credit card to apply for IB/MB from the comfort of his home

and can use the IB/MB features to do Banking. Also, various quality of life improvement were brought to the smart Banking platform. The improvements include – IB Fund Transfer over NPSB, Fund Transfer to bKash Wallet, Fund Transfer through BEFTN, Paying DPDC Bills, DESCO Bills. New facilities like MTB Internet Banking and Smart Banking App's capability of transferring fund to Nagad Wallet, facility over MTB Smart Banking App to pay Insurance Premiums offered customers digital avenues for safer and more efficient Banking. Also, customers can now deposit donations to certain accounts using Internet Banking and Apps.

- **New features in Corporate Internet Banking:** Vast improvements were also made in corporate IB: "MSolution". This is an IB platform with bKash enabled with bulk fund transfer to Agent Accounts. It has played and is still playing a vital role during pandemic situation to fulfill corporate Banking needs in the safest and most efficient way. Another improvement to Corporate Internet Banking Service was introduced via a feature for initiating mass fund transfer transactions to various channel.
- **Document Management System for Operations:** The operations of MTB also got a massive boost because of implementation of DocuDex for LOD (Liability Operations Department) and DocuDex for CAD (Credit Administration Department). The outsourced solution for Document Management System (MCAPS) in LOD is used for Centralization of Account Opening. The outsourced solution for Document Management System in CAD is used for central archiving of loan documents.
- **Digital remittance connectivity:** There were also various initiatives to propel the digital remittance capacity of MTB further. API Integrated Remittance service with Thunes via bKash and API Integrated Remittance service with Sharaf Exchange were introduced. Another pivotal point was MTB Remittance service integration with Ripple for remittance with functionality of transfer to bKash wallet.
- **NESCO Bill Collection System:** Bill collection System for NESCO was also launched to provide customers accessibility to easier bill payment.
- **Smart Banking UI/UX update:** MTB Smart Banking

App was given a facelift from its previous design. This was done to boost customer experience via upgraded UI/UX and features.

- **Platform for school fee online payment:** Another major initiative was creating an online platform for the guardians to pay school fees.
- **COVID App:** To ensure MTBians are safe and properly equipped with the right knowledge to prevent COVID-19, a COVID Reporting App for the MTBians was created.
- **CPV App:** A big initiative to digitalize manual aspect of operations took place via the implementation of CPV app. CPV refers to Contact point verification. CPV app is a combination of mobile application and backend system through which loan applicants' contact points are verified and digitally updated.
- **MBOT:** MTB brought to life its very first bot: MBOT. MBOT ensures a unique customized personalized service as a virtual assistant to each and every customers that comes to this platform and provide answers to frequently asked questions.
- **RPA Prototyping:** MTB also initiated a Robotic process automation (RPA) prototyping on April 2021. RPA will automate and minimize the process opening accounts which are coming through MEasy. RPA will also eliminate the risk of human error and incompleteness.

The Future Ahead:

MTB Technology & Digital Banking Division is committed to creating the best digital business offerings and platforms. There are various untapped business markets where digital and innovative Banking service penetration has not happened yet. And, these are the unique business targets for getting first-mover advantage and generating alternate source of revenue.

- **bKash agent financing:** bKash agent financing is one such initiative where bKash Agents will enjoy credit facilities for purchasing e-Money.
- **Social media Banking:** social media Banking is another key objective for future. Customers will be able to enjoy certain Banking services from social media like WhatsApp.

- **More fund transfer capabilities:** Enabling fund transfer to improve customer's Banking experience will be done via Bkash to MTB Fund Transfer, where apart from transferring fund from MTB account to bKash Wallet, the customers will be able to send fund from bKash wallet to MTB accounts. Also, Internet Banking to Ok Wallet Fund Transfer will be introduced.
- **Ripple 2nd phase:** MTB Remittance solution - Ripple 2nd phase has also been fully planned where integration will enable the remittance to be disbursed to MTB accounts as well as through BEFTN.
- **Internet Banking improvements:** Following are some other improvements in IB slated for near future: addition of own accounts to Internet Banking, self-Registration to MTB IB using Account information, card to account fund transfer.

Beside these Technology division has been focusing on revamping the technology platform where up-gradation of Data Center and Disaster recovery Center will be redesigned and planned to ensure the most important aspects of Technology readiness to deliver superior services to businesses and customers. MTB always has been very keen on implementing state of art technologies and always being compliant on technological software licenses such as Microsoft, Oracle, Cisco etc. and all kind service agreements are in place to maintain a high standard of system availability. In the coming year, MTB Technology infrastructure team is focused to implement the best of breed software's and Hardware solutions to meet most business needs. Also, MTB has been focusing on many Card, POS & ATM related innovative services to meet the market demand and customer propensity. The Card management and Alternative systems are continuously upgraded to bring new features.

Information Security & IT Governance at MTB

MTB board and management has been always focused to ensure that customer data and regulatory compliance are always met, MTB continued to hold high standard on Information security & Technology Risk governance as a continual effort from previous years.

Information and Cyber Security is at the highest priority of management at MTB to ensure customers information is safe with the Bank, MTB IT Security Department (MITSD) practices that all respective stakeholders are in line with comprehensive, and verifiable information security management strategy in accordance with internationally recognized standards to protect the information of valued clients and information assets of MTB. To strengthen existing ICT security governance and accountability culture, MTB has already established "MTB IT Security Committee" to ensure the implementation of information security throughout the Bank in achieving the organizational goals. In sequence, MTB updates its ICT security policy regularly to deal with evolving changes in the ICT environment, regulatory / legal requirements within the Bank. Besides, MITSD is working closely to ensure that all users are aware, understand and perform their roles and responsibilities as stated in the policy.

MTB management ensures Information Technology Risk and Cyber Security awareness Programme is a continuous practice to aware internal employees and customers. To ensure the business operation even more secured, MTB Training institute in collaboration with Information Security department conducts regular awareness training Programme on Information and Cyber Security for all employees. Such training Programmes help the employees in managing and protecting the valuable information using ICT systems.

MTB Alternate Delivery Channel (ADC) comprising of ATM (Automated Teller Machine), CDM (Cash Deposit Machine), 24/7 Smart Banking Booth, POS (Point of Sales) & QRC (Quick Response Code) Merchant Business has been working consistently to ensure convenience to its valued customers by offering 24/7 cash withdrawal & deposit facility at their convenient locations and do cash less transactions at more than 3,000+ merchant points all over the country. A short brief of the key service areas of MTB ADC is illustrated below:



Sustainability Analysis

About Sustainability Analysis



MTB's Approach to Sustainability

At Mutual Trust Bank (MTB), our path towards sustainable Banking is driven by the commitment to creating economic and social stability in parallel with conserving the environment. To achieve this goal, MTB seeks to provide financial services that meet evolving customer needs, promote financial inclusion and sustainable products, as well as create shared value and building stakeholder trust.

MTB recognizes that its existence and aspiration to achieve "MTB 3V- 1) One of the best performing Banks in Bangladesh, 2) The Bank of choice and 3) A truly world-class Bank"- must rest on an ethical foundation that incorporates sustainability into its path ahead.

MTB's sustainable strategy is built on concrete ambitions in the area of climate change, the global as well as national economy and social impact. And that is how MTB is supporting the United Nations (UN) Sustainable Development Goals (SDGs). By integrating sustainability into business practices based on good governance, the Bank has been earning recognition in Bangladesh. MTB acknowledges that competitiveness is not measured in financial terms alone but also in how the organization fulfills its responsibility to society and the environment.

MTB always looks forward to helping its clients carry out sustainable business practices. MTB provides its expertise towards its clients while doing so since in MTB, we make a positive impact doing what we do the best: Banking.



MTB Green Vision







Our vision is to become a preferred provider for business and personal banking products and services, the investment preference for socially responsible investors, and a champion for cleaner and healthier environment.

Supporting UN Sustainable Development Goals

The United Nations Sustainable Development Goals (SDGs) are targets for global development adopted in September 2015, set to be achieved by 2030. All countries of the world have agreed to work towards achieving these goals.

The objective of the cumulative goals is to achieve a better and more sustainable future for all. MTB, through its operations, focuses on social impact and creates positive influences in its surrounding since inception. The Bank identifies how its activities have contributed to the 17 SDG goals and incorporates structured planning to further strengthen its contribution towards SDG objective.

UN Sustainable Development Goals	MTB Implementation	Related Sustainability Topics
<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p>Promote sustainable energy production in Bangladesh through responsible lending for renewable energy sector and energy efficiency projects as well as providing loans to businesses on green products as stated by Bangladesh Bank</p>	<ul style="list-style-type: none"> • Climate change risks • Responsible lending • Green finance
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>Goal 8: Promote sustained, inclusive, and sustainable economic growth and productive employment</p>	<p>Offer comprehensive financial products and services that satisfy the needs of every customer segment to facilitate economic growth and employment. In addition, the Bank also has fair employment practices ensuring equal treatment and safe work environment for employees.</p>	<ul style="list-style-type: none"> • Talent attraction and retention • Customer experience • Culture and mindset • Community and society empowerment

UN Sustainable Development Goals	MTB Implementation	Related Sustainability Topics
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation</p>	<p>Develop interfaces-Mobile Apps, Internet Banking Services for digital Banking, promote business financial innovation on digital platforms, and build on existing innovation through joint venture investments with local and global leading companies.</p>	<ul style="list-style-type: none"> • Digital transformation • Customer experience • Data governance and cyber security • Community and society empowerment
<p>13 CLIMATE ACTION</p>  <p>Goal 13: Take action to combat climate change</p>	<p>Committed to mitigating climate change impact through maximizing operational eco-efficiency as well as raising employee awareness and interest through CSR activities. Moreover, the Bank collaborates with external organizations time to time to address environmental concerns</p>	<ul style="list-style-type: none"> • Climate change risks • Responsible lending • Operational eco-efficiency • Green finance • Community and society empowerment

Social and Relationship Capital

Social and relationship capital is an integral component of the value of MTB’s business. It involves the business itself, the formal and informal entities and institutions associated with it, as well as the relationships with and between employees, communities, and other stakeholders.

Our social and relationship capital involves the relationships we have created and nurtured with our stakeholders as well as the inter-relationships between them that enable greater value creation for all.



Eradicating poverty in all its forms remains one of the greatest challenges facing humanity. MTB strives to work unitedly for this cause



MTB’s commitment to gender equality is evidenced at every level of the bank, from our Board through our senior leadership to our new hires.



In MTB, we believe that we have an opportunity through our business to advance SDG 10 on reduced inequalities

Overview

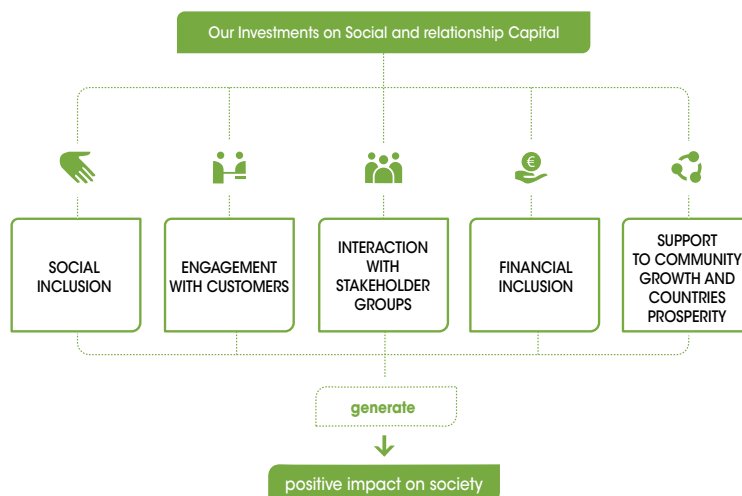
MTB believes that a responsible and sustainable business organization is one that does its business responsibly by keeping in mind the interests of its stakeholders - both internal and external. We believe our conscious choice of protecting the environment today will lead to a better and sustainable tomorrow.

How We Manage Our Social and Relationship Capital



Our approach to community development is underpinned by our philosophy of using resources appropriately in responding to community needs, identifying key partnership opportunities, and streamlining our efforts to ensure tangible and sustainable impact. We do this by implementing a robust stakeholder engagement strategy that responds to community needs, creating opportunities for employment, local vendors, the procurement of goods and services, and directing tangible development benefits to communities.

The viability of our business depends on our ability to create and sustain strong relationships with customers and the wider community. In our approach, we aim to generate a positive impact on society by improving how people live and how businesses operate. MTB's products and services are designed to support the wellbeing and competitiveness of the area where we are present.



Challenges

- Evolving with the needs and demands of the customers.
- Addressing shareholders queries & potential complaints
- Establishing & growing interrelationships with the stakeholders
- Finding the right partnerships that can bolster value creation for the company in the process of serving the larger community.

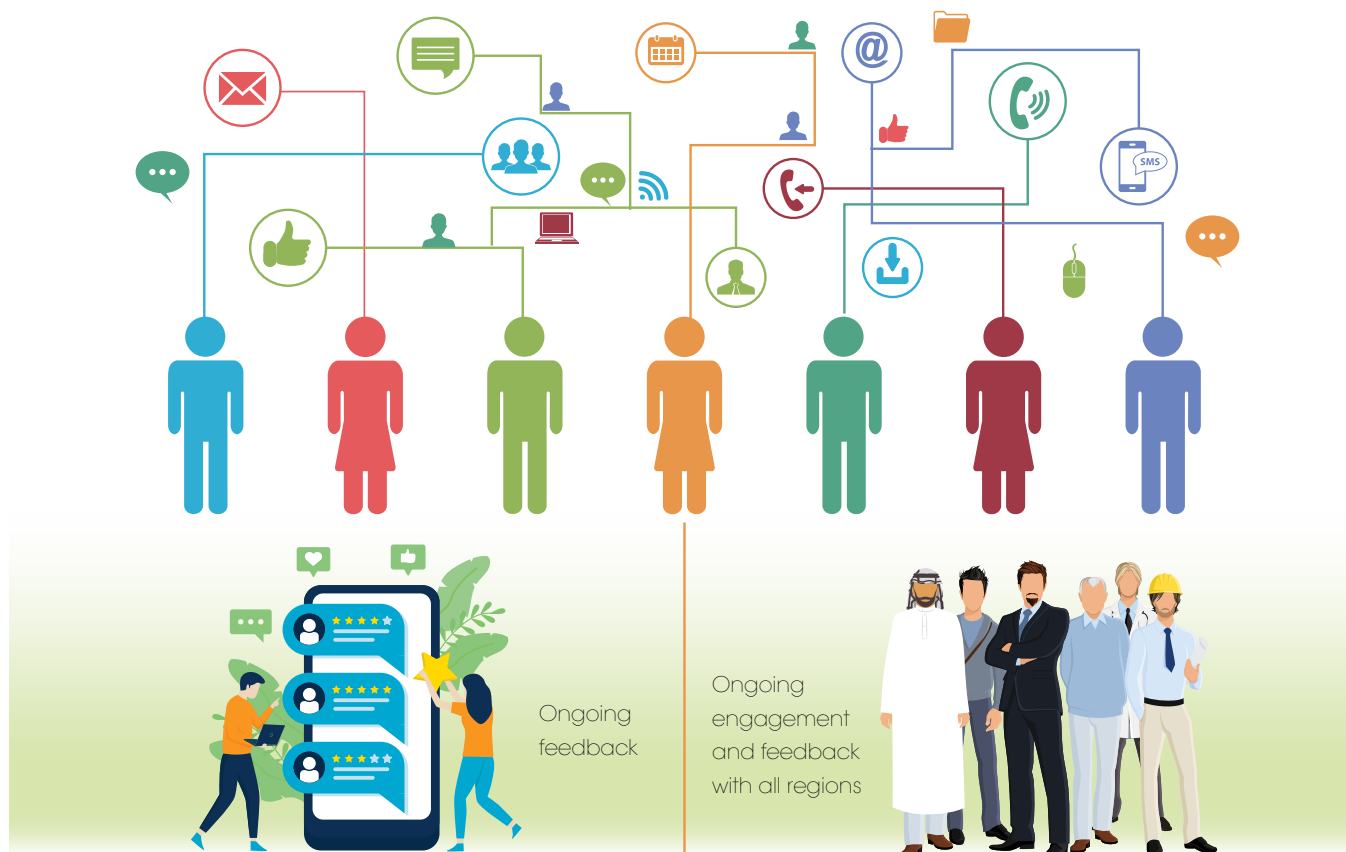
Responses

- Better and more efficient customer service
- Earning disclosure sessions with analysts, increased engagement through social media.
- Events that bring various stakeholders on common platforms
- Partnerships with multilateral organizations to innovate financing solutions for underserved segments.

Stakeholder Engagement and Materiality

Our sustainability reporting approach is to identify our material aspects that are important to our stakeholders and our business operations realign the aspects with our business strategies and prepare ourselves for future challenges while achieving sustainable growth with our stakeholders.

In order to identify the most significant aspects for our Bank to report on, key stakeholders have been involved in engagement sessions to discuss and to review areas of attention which would prepare us for future challenges and help meet our potential growth.



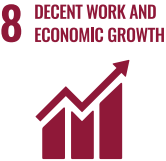

Creating Value for our Stakeholders


Stakeholder Identification, Expectation & Impact








The first step in engaging MTB's stakeholders is to identify them. Then as a Bank, MTB needs to have a firm understanding of stakeholders' expectations. Our strategies are formulated according to the material matters for the stakeholders so that visible outcomes can be achieved for the stakeholders. We have a firm understanding of the expectations of our stakeholders and the values, we can generate as a Bank, an employer, an investor and a responsible business entity via regular internal and external discourse.

Materiality Issues

"Materiality" means different things to different organizations. Issues about which, MTB stakeholders are concerned, and those may have sound impact on business of MTB, are the "materiality" issues to MTB. In order to define materiality for MTB, we conducted a materiality analysis engaging all groups of stakeholders. In the process, we obtained information from the stakeholders to learn what issues matter most to the business of MTB and how much concerned they are about that issue.

STAKEHOLDERS (Who are our stakeholders and how we contribute to SDGs with respective stakeholders?)	Type of Engagement (How do we engage stakeholders?)	EXPECTATIONS (What do stakeholders expect of us?)	IMPACT (Where do we create value?)	Outcome 2020												
<p>Shareholders</p> <ul style="list-style-type: none"> Individual Institution Bondholders.  	<ul style="list-style-type: none"> Annual general meeting Annual report Press release Quarterly financial report Roadshow event Credit rating Price sensitive information (PSI) on newspapers 	<ul style="list-style-type: none"> A sustainable growth Attractive returns based on moderate risk profile while maintaining sound governance system. Good governance that incorporates environmental and social consideration Long-term value creation Holistic risk management 	<ul style="list-style-type: none"> Investors receive regular dividends and interest payments. We add value by delivering positive financial results and ensuring that MTB has a strong balance sheet, management with vision and leadership, and a business model that can adapt quickly to changing market conditions. Timely repayment of debt with stated return Fair establishment of risk management culture Transparency & integrity in financial reporting Maintain consistent ratings through financial commitment. 	<ul style="list-style-type: none"> The following table describes outcome 2020 for MTB shareholders <table border="1" data-bbox="1265 1220 1498 1410"> <thead> <tr> <th colspan="3">(In BDT)</th> </tr> <tr> <th></th> <th>Consolidated</th> <th>Solo</th> </tr> </thead> <tbody> <tr> <td>EPS</td> <td>1.31</td> <td>1.22</td> </tr> <tr> <td>NAV per share</td> <td>23.03</td> <td>22.44</td> </tr> </tbody> </table>	(In BDT)				Consolidated	Solo	EPS	1.31	1.22	NAV per share	23.03	22.44
(In BDT)																
	Consolidated	Solo														
EPS	1.31	1.22														
NAV per share	23.03	22.44														

<p>Customers</p> <ul style="list-style-type: none"> • Retail & SME customers • Wholesale & corporate customers • Private Banking customers • Public sector clients • Intermediaries and distributors <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<ul style="list-style-type: none"> • Ongoing market research and product innovation • Customer Service Enhancement Programme • Customer Relationship Management • Direct Customer feedback • Customer satisfaction survey and complaints • Different channels such as, Branches, Agent outlets, Call Centre, ATM Booth, Internet Banking, CDM, MBOT, MTB Smart Banking App etc. 	<ul style="list-style-type: none"> • A Bank that excels and goes beyond traditional Banking and delivers valuable services, any time, any place while securing customer interests first. • Access to loans, financing and quality advice • Positive, seamless customer experience 	<ul style="list-style-type: none"> • Customers derive value from MTB products and services – from round-the-clock Banking, digital access to finances, continuous improvements of operational activities, innovative product offering and smooth and convenient Banking services. 	<ul style="list-style-type: none"> • Total number of customer accounts-983,135 • 118 Branches, 163 Agent Banking Centers, 301 ATMs, 3,198 POS.
<p>Employees</p> <ul style="list-style-type: none"> • All full-time employees • Contractual employees <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>5 GENDER EQUALITY</p>  <p>6 CLEAN WATER AND SANITATION</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<ul style="list-style-type: none"> • Meetings and online channels such as MNet and intranet for policy and news announcement • Employee meetings, seminars and CSR activities • Annual performance evaluation • Employee engagement survey • Employee development Programme • Employee recognition Programme • Business conferences, teleconferences, video conference etc. • Training, workshops, and orientation Programme • Team meeting • Management Trainee (MMT) Programme for future leadership • Safe and Clean working environment 	<ul style="list-style-type: none"> • An employer that empowers and offers opportunities to make the most of people's potential for career growth and excel. • Salary package adjusted in line with market competitiveness and inflation. • Award for good performance • Training and development and career opportunities • Co-operative working environment. • Clean and sanitized working environment • Skill and capability development • Internal mobility and career advancement • Stress management 	<ul style="list-style-type: none"> • Employees benefit from salaries, training and leadership development and also from a work environment that fosters involvement and brings in new talents. • Group Health Insurance-Guardian Life • Sports Tournament-Football, Cricket and Table Tennis. • Clean MTB Movement on every Thursday • Yearly performance Bonus for employee motivation • Well set KPIs for performance and inherent quality analysis • Ensure continuous learning and application ground for career build-up. • All sorts of safety measures such as fire extinguishers, separate stairs are available and smoke free premise. • Formulation of 'MTB anti-harassment Policy' and 'MTB Speak Up Policy' to resolve complaints in a fair manner. 	<ul style="list-style-type: none"> • 151 training Programmes for 1933 participants • MTB Speak Up Policy

<p>Government</p> <ul style="list-style-type: none"> Central Bank of Bangladesh (Bangladesh Bank) Other regulatory government bodies/ organizations <p>10 REDUCED INEQUALITIES</p>  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> 	<ul style="list-style-type: none"> Assign Compliance unit to serve as the Bank's regulatory liaison. Attend meetings on regulatory policies and guidance from relevant authorities Attend forums on regulatory compliance Seek feedback and guidance on regulatory compliance Offer feedback on regulations through customer survey. Prepare and provide support for regulatory audit 	<ul style="list-style-type: none"> Proper and appropriate compliance of applicable rules and regulations Good governance that incorporates environmental and social impact mitigation management Responsible lending Data privacy and cyber security Financial accessibility and financial literacy 	<ul style="list-style-type: none"> Government obtains value when MTB proactively adopts and applies latest laws and regulations and when internal control processes of MTB are constantly ensured with proper due diligence. MTB also complies with regulations and acts to deter corruption and other financial crime. 	<ul style="list-style-type: none"> No penalty incurred due to non-compliance since its inception.
<p>Suppliers</p> <ul style="list-style-type: none"> External suppliers External Consultants <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>17 PARTNERSHIPS FOR THE GOALS</p> 	<ul style="list-style-type: none"> Procurement management, training, and communication 	<ul style="list-style-type: none"> An organization that has transparent procurement system which provides equal scope for every participant and can repay on timely basis. Fair trade and fair enlistment 	<ul style="list-style-type: none"> MTB suppliers extract value when MTB adheres to the well-defined procurement regulations while maintaining strong business relationships with suppliers. Free from any bias or coercion from influencing quarters Timely payment to vendors 	<ul style="list-style-type: none"> MTB Procurement Manual Pool of reliable enlisted suppliers
<p>Environment</p> <ul style="list-style-type: none"> Surrounding environment <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>15 LIFE ON LAND</p> 	<ul style="list-style-type: none"> Climate change risks management Ensure Environmental and Social Due Diligence (ESDD) Strict maintenance of ESDD checklist 	<ul style="list-style-type: none"> Conduct business in harmony with the environment. Propagate a culture in which MTB stakeholders, especially employees, are deeply aware of the importance of environmental preservation and sustainable Banking practices. 	<ul style="list-style-type: none"> MTB always invests and lends to support clean energy and manages own power consumption and carbon footprints for providing a sustainable and green environment. 	<ul style="list-style-type: none"> Green Banking Initiatives In-House Environmental Management System Environmental and Social Safeguard Policy Sustainable Finance Help Desk IIDFC providing Carbon Credits to Environment-friendly Brick Kilns for Saving GHG emissions to Bonolota Refractory, a valued client of MTB. Capacity building on sustainable finance and environment-friendly finance.

<p>Community</p> <ul style="list-style-type: none"> Local communities Non-government organizations <p>1 NO POVERTY</p>  <p>2 ZERO HUNGER</p>  <p>3 GOOD HEALTH AND WELL-BEING</p>  <p>4 QUALITY EDUCATION</p>  <p>8 DECENT WORK AND ECONOMIC GROWTH</p>  <p>10 REDUCED INEQUALITIES</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>15 LIFE ON LAND</p>  <p>17 PARTNERSHIPS FOR THE GOALS</p> 	<ul style="list-style-type: none"> Promoting financial inclusion for unBanked people CSR contribution Scholarship Health Programmes Disaster Management 	<ul style="list-style-type: none"> An engaged financial institution that invests in the future sustainably and responsibly. 	<ul style="list-style-type: none"> MTB contributes to community by investing responsibly, ensuring MTB behaves with integrity. MTB also pays taxes, supports local communities and finances non-government environment. Through responsible financing, MTB thus drives sustainable economic growth. 	<ul style="list-style-type: none"> BDT 201.02 million contribution in CSR in 2020.
--	--	--	---	---

Engaging our Stakeholders

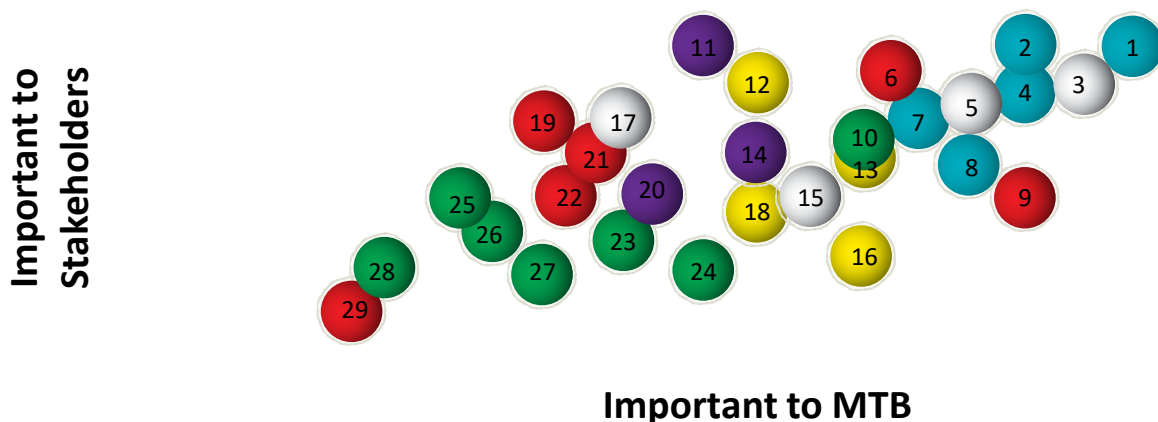
At MTB, we engage our stakeholders regularly and respond to their priorities and expectations by creating a two-way channel for communicating stakeholder needs and the Bank's impact. MTB is committed to engaging regularly with its stakeholders as a way to understand their needs and ambitions that are core to its sustainability objectives. To better understand our stakeholders' needs, we regularly map their needs with the support of our Sustainable Finance Team to capture our methods of engagement, identify priority issues for both the Bank and the stakeholders, and track the Bank's response to these issues. The results guide the Bank's efforts in fulfilling stakeholders' needs through the strategic objectives and initiatives we implement.



Focusing on What Matters

We focus our efforts on topics that are important to our stakeholders and strategically significant to our business. Prioritizing the sustainability topics enriches our understanding of our stakeholders' needs and focuses our strategic approach.

Material issues are those that reflect our organization's most significant environmental, social and governance impacts, or



those that influence the assessments and decisions of our internal and external stakeholders. To understand the current and emerging issues that matter most to our stakeholders and that will have the most material impact of our business, we conduct regular comprehensive assessment of the Bank's material issues. Same as previous years, we have analyzed all the relevant material issues and examined them with our sustainability team. As a result of our materiality process, we have revised our materiality issues and identified 29 material sustainability issues; presented in our Materiality Matrix below.

Material Issues	Material Sustainability Issues
TRANSPARENT REPORTING	<ul style="list-style-type: none"> 1. Legal and Regulatory Compliance 2. Governance and Accountability 4. Transparent Disclosure of Performance 7. Anti-corruption Processes 8. Responsible and Ethical Behavior
SUPPORTING OUR CUSTOMERS IN ACHIEVING THEIR AMBITION	<ul style="list-style-type: none"> 3. Information Security and Data Privacy 5. Customer Experience and Satisfaction 15. Accessibility to Products and Services 17. Communicate Transparently with Customers
RESPONSIBLE FINANCING	<ul style="list-style-type: none"> 12. Supporting Local Communities 13. Financial Inclusion 16. ESG Topics in Portfolio 18. Offering Sustainable Products and Services
EMPLOYEE EMPOWERMENT	<ul style="list-style-type: none"> 6. Training and Development 9. Communicate Transparently with Customers 19. Diversity and Equal Opportunity 21. Employees Wellbeing 22. Employees Engagement 29. Health and Safety of Employees

System Optimization	10. Competitive Benefits 23. GHG Emissions 24. Water Usage 25. Energy Usage 26. Material Consumption 27. Managing impacts of our Supply Chain 28. Waste and Effluent Management
Community Cooperation	11. Process Digitization 14. Engaging with our Community Based Organizations 20. Behavior and Culture of Community

Table: Material Aspects & Impact

Material Topics	Impact Location					
	Inside				Outside	
Economic						
Economic performance	√					
Social						
Employment	√					
Training and education	√					
Diversity and equal opportunity	√				√	
Non-discrimination	√					
Marketing and labeling	√				√	
Customer privacy	√				√	
Socioeconomic compliance	√				√	
Business-specific Topics						
Product responsibility	√				√	
Code of ethics	√				√	
Transparency	√				√	

Natural Capital



The concept of natural capital – and measuring, valuing and accounting for it – is evolving and a topic of interest to many, including governments, non-governmental organizations, financial institutions and businesses.

Natural capital is the value of nature to people, society, businesses, and the economy. Natural capital is the way we directly and indirectly, positively as well as negatively leave impacts on the environment through our activities. Natural capital has financial value as the use of natural capital drives many businesses.

MTB is involved in several initiatives to learn more about natural capital, including its measurement and valuation, and to better understand its potential applications. Natural capital assessments can provide extra insights into MTB’s impact and dependency on the environment to help us manage this in a sustainable way and inform our business decisions.

Being into Banking services, MTB does not manufacture any physical goods which directly affect environment, but our environmental impact is generated by our offices and branches. We consume electricity, heat, water, and office supplies: paper and toner. We use electric equipment, which we regularly replace (computers, printers, and phones). The extensive IT infrastructure must be cooled, which consumes electricity. Our employees travel for business using MTB carpool, generating less fuel consumption.

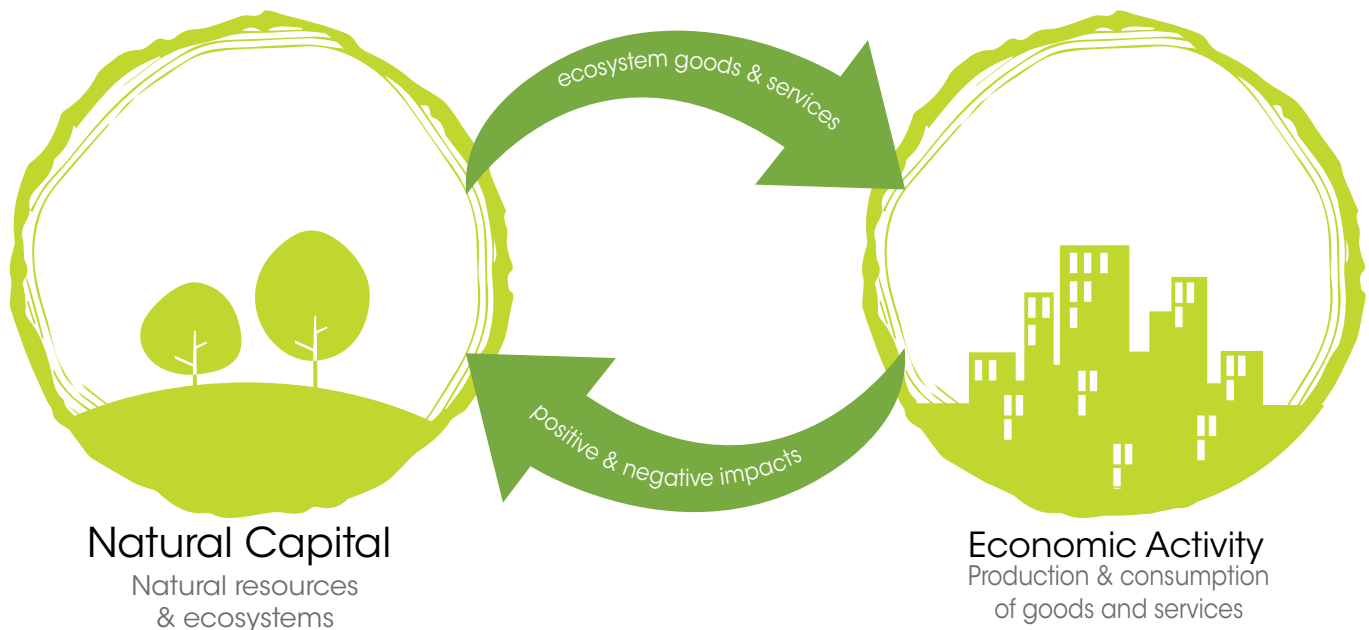
Again, MTB promotes mobility for customers since many Banking operations may be completed without visiting a branch, which mitigates potential transportation needs of our customers.

MTB pursues renewable energy source with our installed solar powered panels in Corporate Head office, in different branches and in many ATMs. Apart from this MTB tries to maintain a “Green Office Guide”, an in-house green office mandate for all MTB employees.



Increasing emissions of greenhouse gases, including carbon, are heating up earth’s temperatures, and we’re seeing the effects across the world. In order to combat climate change, MTB practices sustainable lending, monitoring and business activities.

Overview



MTB recognizes that environmental sustainability is the only way to support economic development. Climate change, loss of biodiversity, soil degradation and water scarcity are undermining human activities. This is why, in recent years, MTB has engaged in a series of initiatives aimed at reducing the direct and indirect impacts of our operations. Through our greenhouse gas abatement targets, our supplier selection criteria and our lending practices, we are engaged in demonstrating that businesses can play an active role in addressing the challenges of the 21st century. We engage with our customers and suppliers and in private-public partnerships, so that businesses, together with policymakers, can contribute to preserving nature and eradicating poverty and hunger.

Creating Values

MTB follows a three-folded approach in fulfilling our commitment to combat climate change-

- Reduction of the carbon footprint of MTB's activities
- Finance in Renewable & Green energy
- Creation of ways to reduce funded emissions.

MTB emphasizes selling products and/or services based on their environmental benefits. In short, MTB always intends to move towards greener solutions for its Banking operations.

How We Manage Our Natural Capital

<p><i>We follow Sustainable & Green Banking in our core business</i></p> 	<p><i>We emphasize selling products and/or services based on their environmental benefits</i></p> 	<p><i>We finance in Green Projects and provide Green loans at lower interest rate</i></p> 	<p><i>We follow "MTB Green Office Guide" to reduce In-house environmental reduction</i></p> 
--	---	--	---

Challenges

- Ensuring strict environmental due diligence to facilitate newer loans.
- Reducing more amount of carbon footprints.
- Reducing paper consumption in official works to save more trees.
- Ensuring "MTB Green Loans" do not fall under non-performing loans.

Responses

- Invested in green finances by promoting in direct green products as per Bangladesh Bank circular.
- Regular client-visit for checking environmental due diligence.
- Responsible business practices through MTB clients' operations which is stated below-

Lending & Investment Practice

- Ensuring environmental & social due diligence (ESDD) in all credit decisions the Bank makes.
- Emphasizing financing facilities to green (environment friendly) projects/ structures/ facilities, equipment, products etc. including projects/ facilities under transformation to go green.

Green Financing Through MTB Green Energy

MTB has its own developed green finance product named MTB Green Energy loan. It promotes investment in renewable energy sectors with the aim of reducing carbon footprint in the country. Other than that, MTB also follows Bangladesh Bank (BB) guideline of 68 green products for providing green loans to its customers. Some of them are solar irrigation, brick field, vermicomposting, green industry, ETP, energy efficient machinery etc.

MTB's Green Initiatives in 2020

Publication of 1st ever Newsletter on Sustainability



In October 2020, MTB introduced the first ever MTB Sustainable Finance Newsletter "GROW GREEN" with the tagline "Through the Climate Lens to Foster Green Growth". This newsletter focuses on major trends and developments in the areas of corporate sustainability and green Banking news from home and abroad, enabling MTBians to stay ahead of the curve on important and emerging issues.

It is indescribable in words that our future will largely depend on sustainable and green finance and thus it is our duty to secure MTB's future by working constantly in building MTB's green portfolio.

This newsletter is a little step to enhance the understanding of MTBians and make them aware of every sustainable approach MTB is taking to contribute to a sustainable future. The newsletter acts as an opening door for MTBians to increase knowledge of sustainable and green Banking activities as well as green products and services offered by MTB. In this way, MTB looks forward to building expertise as a strong leader in the green Banking sector of Bangladesh.

Participation in UNGC Programmes

United Nations Global Compact Leaders Summit

MTB Participated in United Nations Global Compact Leaders Summit -20th Anniversary. The Programme dated from June 15, 2020 to June 16, 2020. The 2020 UN Global Compact Leaders Summit marked the 20th anniversary of the Leaders Summit and brought together thousands of leaders to decide how business can support countries and communities around the world to 'Recover better, recover stronger, and recover together' from the COVID-19 crisis.



UN General Assembly Week

MTB has always provided its continuous support in advancing the mission of the UN Global Compact. To mark the opening of the 75th session of the UN General Assembly, UNGC's special event Uniting Business LIVE from September 21-23, 2020, leaders from business, government and civil society met virtually to showcase their commitment to the UN's

mission. As part of the three-day event, Global Compact Networks Kenya and Bangladesh organized a special 20-minute session on Target Gender Equality on September 21, 2020. Tahmina Zaman Khan, Head of Sustainability represented MTB in this session. She shared her story with the global business community and inspired people to raise their ambitions in advancing women's representation and leadership in business organizations



Target Gender Equality Programme

MTB participated in UNGC's Target Gender Equality Programme on June 28, 2020. Tarek Reaz Khan, DMD, COO & CAMLCO of MTB is the Ambassador this Programme from MTB.



Target Gender Equality – When She Leads

"Make every moment count and mark your presence"

Quick facts: Tahmina Zaman Khan – Head of Sustainability – Mutual Trust Bank Limited – Bangladesh

We have 10 years to achieve the 17 Sustainable Development Goals. What are you doing to champion the Global Goals in your business?

In Bangladesh, women are flourishing in the financial and banking sector. Here, women are making significant progress with a strong presence in high-ranking positions in banking. It is a matter of pride for Bangladesh that both state-owned and private-run banks are delegating top positions to female employees provided they have the adequate professional qualifications. Approximately 9% of women are currently holding leadership roles in scheduled banks of Bangladesh, including senior management positions.


The financial sector is highly regulated, we know it is the backbone of the economy, so the more vibrant it is the better it will support the economy. Working for a bank automatically enables me to contribute to the attainments the 17 SDGs. My organization is actively working to achieve these global targets. As for me, I strive to focus more on Goal 5: Gender equality & Goal 13: Climate action and they fall within my close periphery of work.

As a Bangladeshi private commercial bank, we aspire to be the most admired financial institution in the country, recognized as a dynamic, innovative and client focused company that offers an array of products and services in the search for excellence and to create an impressive economic value. With a work force of over 2500, we operate with our core values of Commitment, Accountability, Agility and Trust. As a responsible financial institution, we operate in the real economy and essentially focus on financial inclusion through mobile financial services and agent banking. In agriculture financing, we promote the SMEs and women empowerment, through digital transformation and sustainable financing to ensure economic and social resilience.

UNGC Signatory

To demonstrate support for inclusive multilateralism, MTB signed on the "Statement from Business Leaders for Renewed Global cooperation". The statement was signed by MTB MD & CEO, Syed Mahbubur Rahman on September 06, 2020.

A Statement from Business Leaders for Renewed Global Cooperation



- Multiceras**
Raul Marmolejo Velez
Chief Executive Officer
- Mutual Trust Bank Ltd.**
Syed Mahbubur Rahman
Managing Director & CEO
- Mycronic**
Anders Lindqvist
President & CEO
- N Punto Cero SA**
Fernando Arndan
President
- Nabrawind Technologies**
Eneko Sanz Pasqual
General Manager
- Natra**
Dominique Luna Tudela
Chief Executive Officer
- Natural Capital Partners**
Stephen Killeen
Chief Executive Officer
- Natural Eco Capital**
Eugene Itua
Chief Executive Officer
- Navantia S.A.**
Susana de Sarriá Sopena
Chair
- Nechi Group**
Sergio Colado García
Chief Executive Officer
- NEINVER**
Daniel Losantos
Chief Executive Officer
- NeoLog GmbH**
Christian Schulz
Managing Director
- Neste Corporation**
Peter Vanacker
President & CEO
- Netafim Ltd.**
Gaby Miodownik
Chief Executive Officer
- NETAŞ**
C. Müjdat Altay
Chief Executive Officer
- New Cold System S.R.L**
Madi Sakande
General Manager
- New Space Processamento e Sistemas Ltda**
Emílio Navas Cominato
Chief Executive Officer
- The New Zealand King Salmon Company Ltd.**
Grant Rosewarne
Managing Director & CEO

Sustainability Reporting 2019

MTB published 6th MTB Sustainability Report for the year 2019. The report was published in 2020 and it was a special event because MTB completed the Global Reporting Initiative (GRI) verification process for this version of the sustainability report and successfully achieved the right to use GRI Organizational Mark for the first time ever. GRI Organizational Mark is the formal recognition that the report of a particular organization has undergone an assessment process and successfully adopted GRI standards while reporting its operational impacts on social, economic and environmental peripheries. MTB Sustainable Finance Department prepared and oversaw the publication of MTB Sustainability Report 2019.

It is a milestone achieved in MTB's journey towards sustainability. Such feather in our cap, makes our sustainability disclosure more accurate, appropriate and credible to the valued stakeholders and the community. The report serves as a primary mode of communication on MTB's philosophy, governance, management,



policies and CSR initiatives leading to the sustainability of its business, the environment and the community. MTB Sustainability Report will serve to attain augmented transparency, credibility of sustainable performances and enable external stakeholders to understand the organization's true values, tangible and intangible assets.

IIDFC provides Carbon Credits to a Valued Client of MTB: Bonolata Refractory

Banolata Refractory Ltd. is one of the valued clients of MTB that received carbon credits from IIDFC. It is a one stop solution company for auto bricks industry operating in Bangladesh. Banolata is providing complete solution for bricks industry (machine made and ceramic bricks), considering the most cost effective and optimum productivity solution.

IIDFC Chairman M. Matiuil Islam handed over cheques worth US\$ 4,61,751 equivalent to BDT 3,64,09,066 to the owners/ representatives of environment friendly brick kilns for their share in the carbon revenue in a Programme arranged at IIDFC's Head office in presence of the Board of Directors of the Company and the Managing Director, Md. Asaduzzaman Khan.

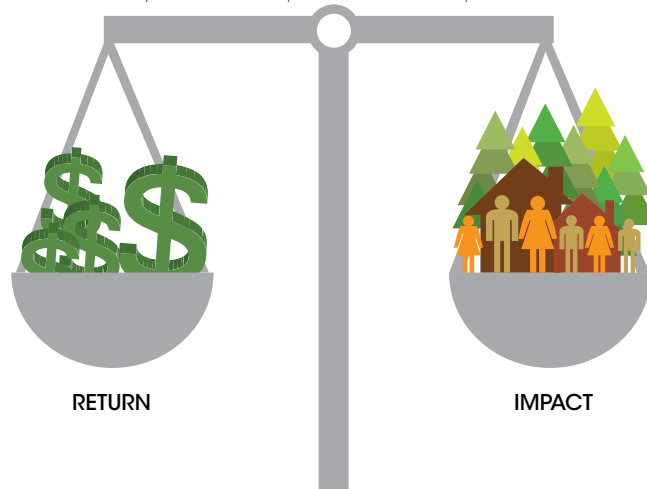
Eight brick manufacturing units including Banolata Refractory Ltd, a valued client of MTB saved emission of 53,069 tons of toxic CO₂ in the atmosphere by using HHK technology which reduces coal consumption by about 40-45% in comparison with traditional brick kilns.



IIDFC entered into an agreement with the World Bank and the Danish Govt. to trade the emission savings from these Hybrid Hoffman Brick Kilns. The reductions of CO₂ emissions, also known as CERs, resulted in valuable foreign currency earnings for the country. Apart from reducing GHG emissions, these kilns have also implemented environmental and social safeguard standards of World Bank setting an example in the industry. The Government has also banned the operations of air polluting age old brick fields in the sector.

Sustainable Banking

Today's Banks are more than mere financial intermediaries; they are custodians of the larger interests of society. It is also acknowledged that sustainable Banking is the way to go. Being the engine of growth, Banks need to spruce up their sustainability goals. Every Bank needs to wake up to the reality and firm up their roadmap for sustainable



Banking. They could choose to align with voluntary bodies on sustainable Banking, namely, the UNEP FI, Equator Principles, and GRI etc. or develop a sustainable Banking policy guideline by themselves. Technology plays a crucial role in taking Banks towards their sustainability goals. Armed with the flexibility and analytical capability of their technology landscape, Banks can add muscle to their sustainable Banking practice in the course of time.

As the engine driving money supply and the economic fate of nations, financial institutions have a big obligation to ensure that their actions are not against the greater good. Hence, they must weigh not only the financial implications of every decision, but also its impact on sustainability issues, such as biodiversity, climate change, human rights etc. In fact, this is also a matter of self-interest, because while social and environmental risks may not be added to financial risk in the short term, there is a high likelihood that they will be added over a longer period of time, to compromise the well-being of individual financial

institution and the financial system as a whole. Clearly, sustainable Banking is emerging as the ideal path for tomorrow's Banking enterprise.

MTB is committed to a sustainable business practice – a Banking business practice that is socially responsible, environmentally friendly and economically viable. This practice is sometimes referred to as responsible business practice and more commonly termed as Corporate Social Responsibility (CSR) practice. It implies that MTB will not undertake any activity that will have environmental footprint, social injustice and economic loss for its stakeholders.

While continuing responsible business practices, MTB, being a corporate citizen, cannot ignore corporate philanthropy which includes monetary donations and aid to nonprofit organizations and communities. Donations are made currently and in areas such as the arts, education, housing, health care, social welfare, disaster management and the environment, among others, but excluding political contributions and commercial event sponsorship.

MTB, being a commercial Bank, does not operate factories or power plants which release pollutants to the environment - air, water, soil, natural vegetation, biodiversity etc. - nor does its supply chains require huge amounts of raw materials with large environmental footprints. In fact the perceived sum of the Bank's impact might be simply the resources used in its administrative offices, branches, Banking booths, ATM booths, Kiosk centers, sales offices, agent Banking centers, etc. and IT facilities.

Due to the emerging need of sustainability all around the globe, many countries officially adopted a historic new agenda, entitled "Transforming Our World: The 2030 Agenda for Sustainable Development," which was agreed upon by the 193 Member States of the United Nations, and includes 17 Sustainable Development Goals (SDGs). Its implementation will help achieve overall development plans, reduce future economic, environmental and social costs, strengthen economic competitiveness and reduce poverty. The SDGs will serve as guidelines for businesses to assess and manage social, economic and environmental risk, while contributing to bettering their reputation, image and their strategic position in the world's markets. The UN SDGs will help us create a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.



SUSTAINABLE DEVELOPMENT GOALS

The SDG goals are-

- GOAL 1: No Poverty.
- GOAL 2: Zero Hunger.
- GOAL 3: Good Health and Well-being.
- GOAL 4: Quality Education.
- GOAL 5: Gender Equality.
- GOAL 6: Clean Water and Sanitation.
- GOAL 7: Affordable and Clean Energy.
- GOAL 8: Decent Work and Economic Growth.
- GOAL 9: Industry, Innovation and Infrastructure.
- GOAL 10: Reduced Inequalities
- GOAL 11: Sustainable Cities and Communities
- GOAL 12: Responsible Consumption and


Production

- GOAL 13: Climate Action
- GOAL 14: Life below Water
- GOAL 15: Life on Land
- GOAL 16: Peace and Justice
- GOAL 17: Partnerships for the Goals




SUSTAINABLE DEVELOPMENT GOALS

SDG Mind Map




1: No Poverty

"End Poverty in all its forms everywhere."



2: Zero Hunger

"End hunger, achieve food security and improved nutrition and promote sustainable agriculture."



3: Good Health and Well-Being

"Ensure healthy lives and promote well-being for all ages."




4: Quality Education

"Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all."




5: Gender Equality

"Achieve gender equality and empower all women and girls."




6: Clean Water and Sanitation

"Ensure availability and sustainable management of water and sanitation for all."



7: Affordable and Clean Energy

"Ensure access to affordable, reliable sustainable and modern energy for all."




8: Decent Work and Economic Growth

"Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all."




9: Industry, Innovation and Infrastructure

"Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation."



10: Reduced Inequalities

"Reduce income inequality within and among countries."




11: Sustainable Cities and Communities

"Make cities and human settlements inclusive, safe, resilient and sustainable."




12: Responsible Consumption and Production

"Ensure sustainable consumption and production patterns."




13: Climate Change

"Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy."




14: Life Below Water

"Conserve and sustainable use the oceans, seas and marine resources for sustainable development."




15: Life on Land

"Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss."



16: Peace, Justice and Strong Institutions

"Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels."



17: Partnership for the Goals

"Strengthen the means of implementation and revitalize the global partnership for sustainable development."

MTB, being a commercial Bank, does not operate factories or power plants which release pollutants to the environment - air, water, soil, natural vegetation, biodiversity etc. - nor does its supply chains require huge amounts of raw materials with large environmental footprints. In fact the perceived sum of the Bank's impact might be simply the resources used in its administrative offices, branches, Banking booths, ATM booths, Kiosk centers, sales offices, agent Banking centers, etc. and IT facilities. However, its financed projects/ facilities, activities, businesses might have large environmental footprints and social impacts.



Therefore, MTB always believes that we will explicitly promote MTB’s sustainability performance and its products and services that reflect MTB’s sustainability values. Such as-

- MTB will defend human rights.
- MTB will support community fair trade.
- MTB will protect planet.
- MTB will raise funds to promote global awareness of issues.
- MTB will never demean any gender/race.
- MTB will reduce the consumption of paper to save green trees.
- MTB will encourage the use of paper with recycled/ sustainably harvested products where use of paper is mandatory.

Policy Formulation and Governance

As per instruction of Bangladesh Bank and as approved by the MTB Board of Directors at its meeting held on December 28, 2016, Sustainable Finance Unit has been formed in MTB. It was rebranded as “Sustainable Finance Department” in 2020.



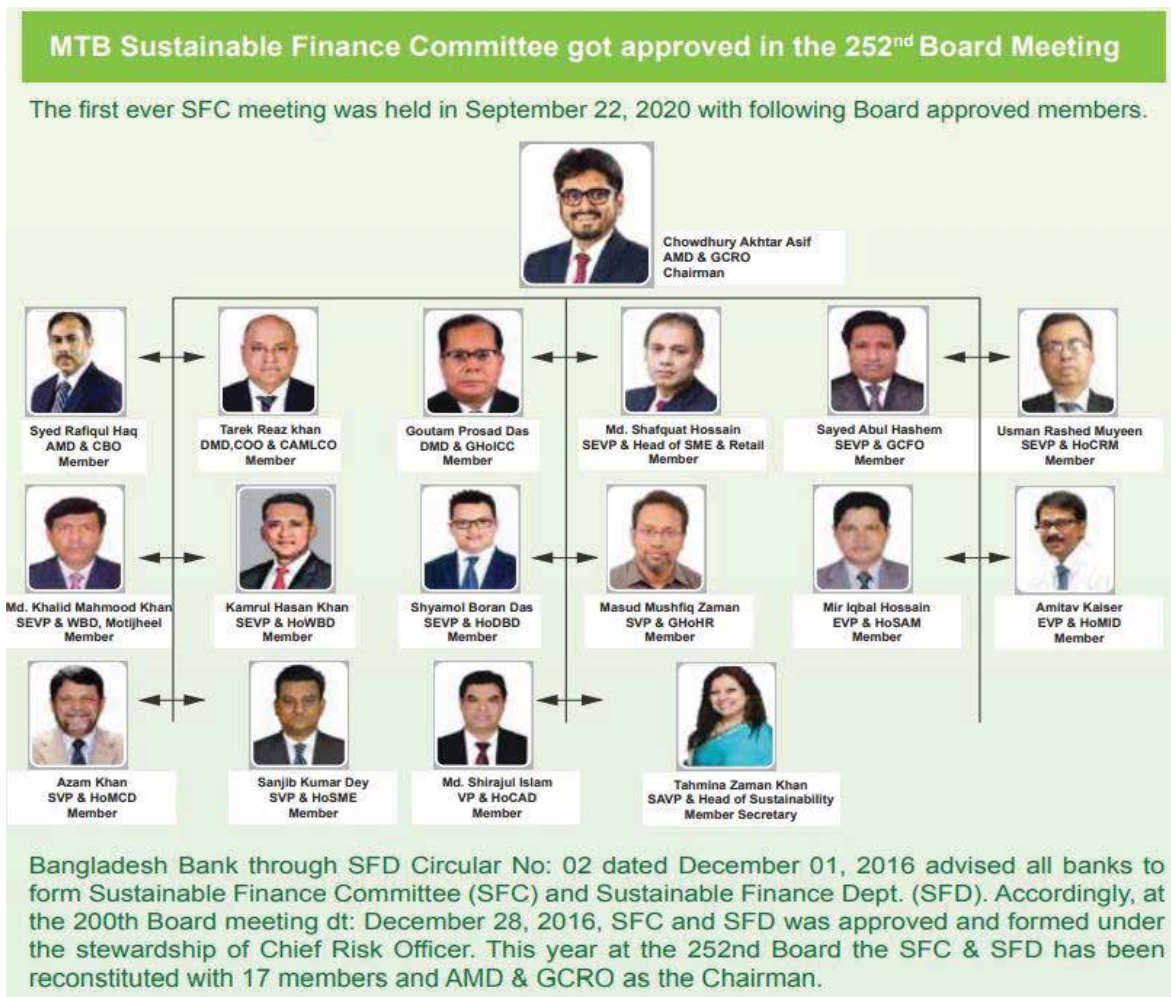
From the beginning of its journey, MTB Sustainable Finance Department (MTB SFD) is working hard to ensure due diligence in environmental and social issues in every investment of MTB.

The Executive Committee of the Board of Directors, at its 98th meeting, held on December 04, 2017, approved “Environmental and Social Risk Management (ERSM) Policy and Procedure of MTB 2017”. This policy and procedure is a modification/amendment of our existing “Environmental Risk Management (ERM) Guidelines”. Unlike the ERM guidelines issued in 2011, ESRM policy is more dynamic and comprehensive in nature and accommodates social risks management issues in addition to covering latest

improvements in environmental risk management. This paper is based on the "Guidelines on Environmental and Social Risk Management (ESRM) for Banks and financial institutions in Bangladesh" issued by Bangladesh Bank (BB) vide their SFD Circular No. 02 dated February 08, 2017. MTB updated "Environmental & Social Safeguard Policy 2020" in November 2020, the policy was approved in 257th meeting of MTB Board of Directors on January 26, 2021.

Sustainable Finance Committee

In 2020, MTB reformed its Sustainable Finance Committee (SFC) which was approved in 252nd Board Meeting of MTB. MTB SFC is chaired by Mr. Chowdhury Akhtar Asif, AMD & GCRO of MTB.



Environmental and Social (E&S) Risk Management

E&S risks are the potential negative consequences to a business that result from its impacts (or perceived impacts) on the natural environment (i.e. air, water, soil) or communities of people (e.g. employees, customers, local residents).

The impact of climate change is inexplicable in Bangladesh. As a compliant Bank, therefore, we not only ensure a proper mitigation strategy while extending credit facilities, but also make sure that our dedicated relationship team is closely monitoring and counseling customers to assist them to efficiently handle adverse E&S situations. Simultaneously, to safeguard our environment from further deterioration, we place strong emphasis on sustainable Banking practice. In 2020, MTB took multiple measures to demonstrate our commitment towards sustainability. We have instilled a culture to promote sustainable actions through our Banking operations. Our relationship team, credit officials and Sustainable Finance Department (SFD) worked persistently throughout the year to guarantee the maximum E&S due diligence in finance. Furthermore, we have amplified our SFD capability, while our employees have participated in trainings on sustainable Banking and arranged training Programmes for a total of 161 branch and CHO employees to enhance their capabilities on ESRM and Sustainable Finance. It has expanded our capacity regarding E&S Risk Management as a Bank.

Incorporation E&S Risk Management in CRM

MTB has adapted Guidelines on Environmental & Social Risk Management (ESRM) to understand and manage risks arising from environmental & social concerns as per directives of Bangladesh Bank. Subsequently, this guideline has been made integral part of CRM policy.

Environmental & Social Risk Rating & Due Diligence

MTB strictly follows the Environmental & Social Risk Management Policy & Procedure published by Bangladesh Bank. As per that, MTB conducts Environmental & Social Risk Rating and Environmental and Social Due Diligence for all applicable projects.

Green Banking

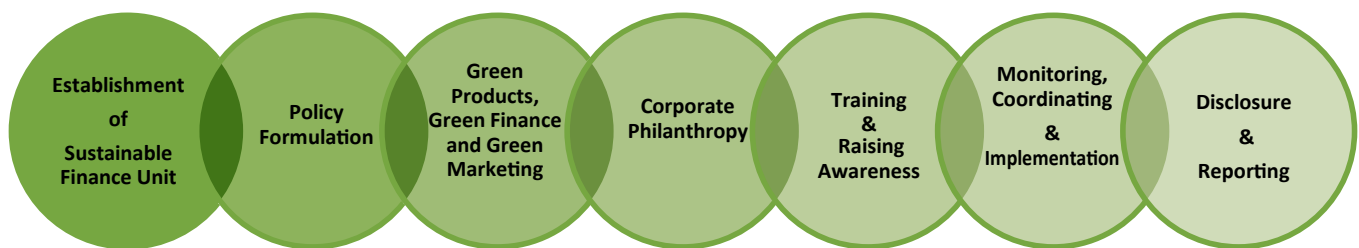


Green Banking is a pro-active way of energy conservation and environment protection. Green Banking means promoting environment friendly practices, reducing the carbon footprints and related socially adverse actions generated from Banking activities. It aims at improving the operations and technology along with making the clients habits environment friendly in the Banking business.

Green Banking considers all the social and environmental factors to keep the environment green and to minimize greenhouse effects through rationalizing strategies, policy, decisions, and activities pertaining to Banking service, business and in-house operational activities. Green Banking promotes environmentally friendly practices and thus help reduce carbon footprint from Banking activities.

Being a responsible corporate citizen and in line with the instructions of Bangladesh Bank, MTB has designed its business operations with an aim to inculcate practices that make every effort for environmentally friendly activities. MTB promotes green Banking to reach the long-term strategic objective to be a green, triple bottom line Bank where every decision will be taken considering people, planet, and profit in mind.

MTB's Action Plan for Green Banking



The core business model of MTB clearly expresses its sustainability towards environment and unveils its eco-friendly motives. The Bank's green Banking initiatives include online and paperless Banking, reduction of greenhouse gas emissions, mapping Bank's carbon footprint, efficient energy use, environment friendly projects, plant nursery, horticulture projects etc.

The prime benefit of the green Banking approach by MTB is the protection of the natural resources and the environment. Green Banking activities encourage MTBians to avoid paperwork to the optimum level and focus on electronic transactions like use of ATM, mobile Banking, online Banking etc. for various Banking transactions by the customers. Electronic transaction not only paves the way towards sustainability but also provides convenience to the customers as well as to MTB. Less paperwork denotes less cutting of trees. For implementing eco-friendly business, MTB has adopted environmental standards of lending as it improves the asset quality of the Bank.

The green activity of the MTB has a very significant influence on the environmental performance of MTB clients. This encourages the clients to perform in an environment friendly way. Apart from this, green Banking activities of MTB enhances the reputation of the Bank itself and helps MTB face the environmental regulations in successful way and eventually leads to better legal risk management by MTB. MTB, as a matter of fact grants green loan to the clients at a low rate of interest which promotes more and more entrepreneurs to start with environment friendly projects and thus it leads to more and more awareness on the environment protection activities in the economy as a whole. It is therefore a win-win approach by MTB as it not only benefits the environment but also the MTB & its customers.

MTB Green Office Guide

MTB's "Green Office Guide" deals with all the in-house environmental issues, responsible usage of energy (electricity) and water, consumption of paper and maintenance of a hygienic in-house office environment. The guide aims to provide its stakeholders with clear, concise information about environmental issues and a list of steps needed to follow to create a greener office environment and cut cost at the same time. "MTB Green Office Guide" comes with pictorial demonstration for better understanding of the readers. In order to promote green office practices all MTB employees follows basic 3R rule –

- Reduce
- Reuse
- Recycle



MTB's Green Marketing System

Green marketing is the marketing of products that are presumed to be environmentally safe. MTB will emphasize more on selling products and/or services based on environmental benefits. Several such products and services like Debit card, Credit Card, Internet Banking, Internet recharge for mobile, SWIFT, Call center, Online Banking, SMS Banking etc. will be promoted through vigorous advertisements in both the electronic media. The virtual world of communication will be used as the means of promoting the Bank's environment friendly products and services. Use of digital brochure, leaflet, banner, flag, festoon, dangler, Billboard and alike means of advertising will be used to popularize the green products of the Bank. MTB will use the occasion of opening ATM Booths and branches to popularize the MTB's environment friendly products and services. Clients will be encouraged to modify their product lines, set up modern machinery from the environmental viewpoint by MTB.

MTB's Green Marketing Communication Tools

Marketing through electronic media

- Marketing through Word-of-Mouth
- Marketing through SMS Banking
- Internet Banking & Mobile Banking Facilities
- Green Advertising
- MTB Green Events

MTB organizes green events like observing World Earth Day, World Environment Day in befitting manner for creating awareness regarding green Banking for its internal and external stakeholders.

MTB Green PIN Service

MTB Green PIN is a Contact Centre IVR based instant and secure PIN generation service for all MTB Cards. Moreover, this is a paperless "Go Green & Save the Planet," initiative to live better.



Anytime & anywhere, a Cardholder can generate PIN for his/her new card, change the old PIN as well as reset the old PIN in case he/she has forgotten.

Cardholders no longer need to visit any MTB premises to place requests for PIN, nor do they have to wait for PIN after placing the request; they will get their desired PIN instantly.

Fraud risk for Green PIN is minimal as customer's identity is verified and entire conversation is recorded in the system.

PIN generation is just a call away! Call MTB 24/7 Contact Centre @ 16219 to set your PIN.



Rainwater Harvesting at Branch

MTB has got one branch with rainwater harvesting which is-MTB Tower Branch.

Solar Powered Agent Outlets

As part of MTB's commitment to use renewable energy resources, MTB has got 16 solar powered agent Banking outlets among a total of 163 agent outlets.

Solar Powered Automated Teller Machine (ATM)

In 2020, total number of MTB ATM reached 301. Among which 7 ATMs are solar powered.

MTB also joined National Payment Switch Bangladesh (NPSB) network which enabled the cardholders of the Bank to enjoy cash withdrawal facility from other ATMs under NPSB Network.

Real Time Gross Settlement (RTGS)

MTB has successfully implemented and optimized Real Time Gross Settlement (RTGS) solution in branches. As a result, customers are enjoying real time fund settlement facility.

National Identity Card (NID) Verification System

National Identity Card (NID) verification service has enabled the option to verify the NID card of customers through online. As prior to opening of any account NID verification is mandatory thus by using this service our Bank has reduced the possibility of fraud forgery and improved the Banking service.

Video Conferencing

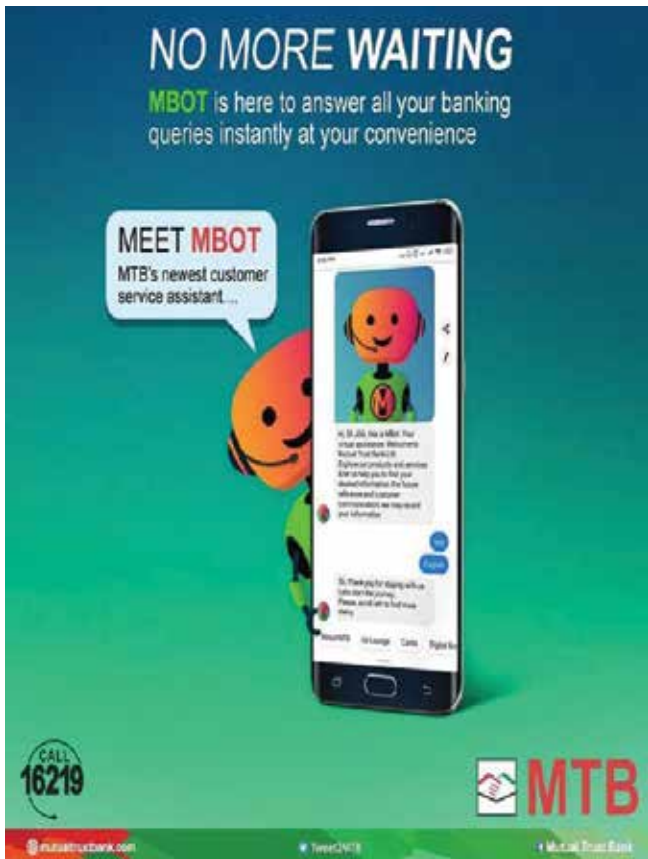
Video conferencing has been introduced among Head Office and other branch premises of the Bank in order to save business travel time and fuel by holding virtual meeting. MTB enhanced its use of video conferencing in 2020 in time of COVID-19 pandemic. From 2020, MTB has been conducting trainings, team meetings as well as Board meetings on virtual platform-such as on Microsoft Teams and Zoom platform.

MBOT: Mutual Trust Bank's Virtual Assistant

Keeping the customers' newfound desire to contact their Banks instantly across all platforms and devices and Bank's determination to ensure an excellent customer experience Mutual Trust Bank Ltd. has launched its very own AI powered virtual assistant "MBOT" on 21st July 2020. MBOT is currently available in social media platform "Face book" with Bank's plan to expand to other customer friendly platforms.

Benefits of MBOT

MTB is one of the pioneers in the Banking industry of Bangladesh to launch a conversational Chabot. The Bank



has a long-term plan for MBOT to make it the smartest and leading virtual assistant of the market. Mutual Trust Bank has only begun to scratch the surface with regard to the potential of AI, machine learning & virtual assistant through MBOT. At the foundation of all of these benefits of MBOT lies MTB's ability to collect insights and apply advanced analytics to benefit the consumer.

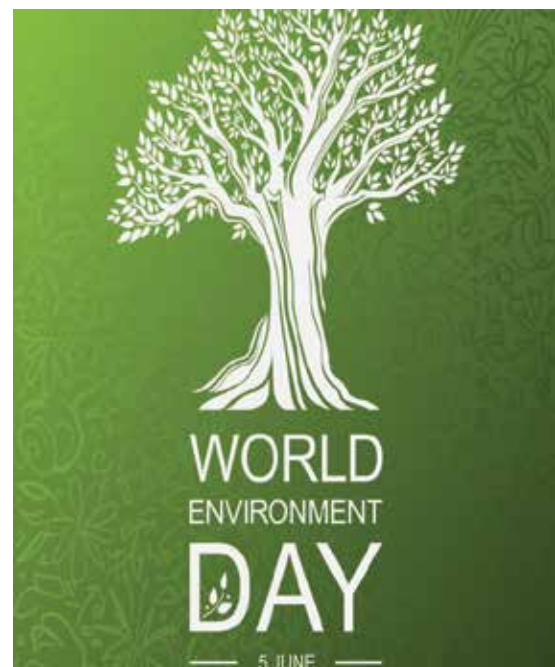
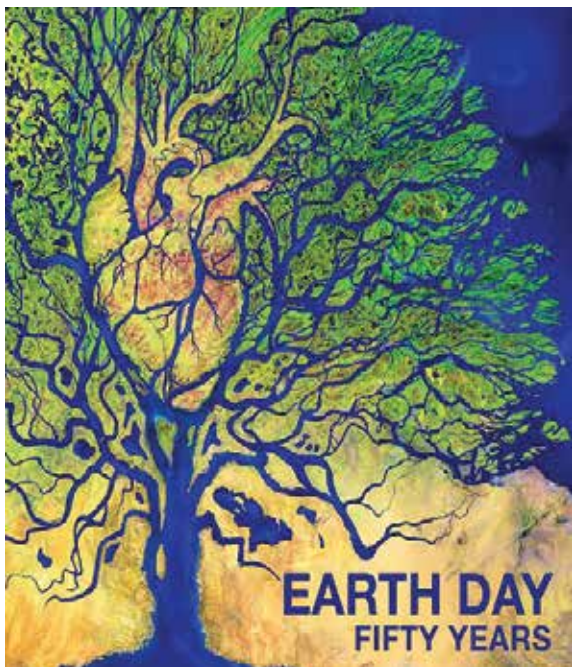


MTB Green Events

MTB organizes green events like observing World Earth Day, World Environment Day in befitting manner for creating awareness regarding green Banking for its internal and external stakeholders. Like every year, in 2020 MTB celebrated World Environment day 2020. In a short video shared in social media, MTB MD & CEO Syed Mahbubur Rahman wished every stakeholder of MTB and encouraged everyone to work hand in hand for building a sustainable future.

50 Years of Earth Day Celebration amid Pandemic

Amid the COVID-19 pandemic, MTB celebrated 50 years of Earth Day by raising awareness about climate action among employees of MTB. Syed Mahbubur Rahman, MTB MD and CEO circulated an in-house mail on the occasion.





Message from MD and CEO on Earth Day

Dear fellow MTBians,

We are going through a time which we have never experienced before. However, we need to move on. We also need to remember the days which are very important for our future.

Today, April 22, 2020 marks the day as the international mother Earth Day. Exactly 50 years ago, Earth Day 1970 gave a voice to an emerging public consciousness

about the state of our planet. The theme for Earth Day 2020 is "climate action". In 2020, Bangladesh was placed in the 10 most polluted countries in the world for its main environmental pollutants being air & water pollution, groundwater contamination, noise pollution and solid wastes. Perhaps as a global, the outcomes of our lax use of resources and irresponsible behavioral pattern may have wreaked havoc on us in the form of pandemic like COVID-19. At present we have two crises; one is the COVID-19 pandemic, the other is climate change. We can, will and must address both challenges via responsible Banking practices and walk the talk. By pondering that the world was not prepared for the COVID-19 but we still have time to prepare for the climate crisis.

Therefore, we should be more responsible towards our society and focus on values such as social empowerment, long term economic sustainability and environmental restoration as we conduct our business. Let us all embed the strong principles of our organization standing on the steadfast pillars of Commitment, Accountability, Agility and Trust. A day such as Earth Day is just a reminder for all that our activities can change the face of tomorrow. It can either help build a more resilient economy or leave a devastated future for our next generation. Let us be a change maker, develop/ adapt to digital ecosystem and finance the change for a better tomorrow!



World Environment Day 2020



Dear Customers, Well-wishers and MTBians,

Mankind is ever indebted to have such an illustrious dynasty called the Earth. Today is World Environment Day, a day to celebrate the divinity of our mother nature. This year the theme is 'Biodiversity,' – a call to revel the web of life. Biodiversity, or biological diversity, is the multitude of living things that make up life on Earth, encompasses around 8 million or so species on the planet—from plants and animals to fungi and bacteria—and the ecosystems that house them such as oceans, forests, mountain environments and coral reefs.

With the unprecedented crisis - COVID 19, humanity is facing the greatest existential threats of any generation. This crisis concerns and potentially affects all of us in terms of health, family, work, and community. The most vulnerable - women and children, people with disabilities, marginalized and displaced pay the highest price. It is devastating people and their livelihoods, disrupting supply chains and profoundly deepening inequalities. In the face of such adversity, we must move beyond business-as-usual and work together in solidarity to deliver the greatest impact for people, prosperity and the planet.

Nature is critical to our survival, it provides us with our oxygen, regulates our weather patterns, pollinates our crops, and produces our food. But it is under increasing stress. Human activity has altered almost 75% of the earth's surface, squeezing wildlife and nature into an ever-smaller corner of the planet.

Recent research has shown around 1 million animal and plant species are threatened with extinction, many within a decade. We know, every species draws from and contributes to the ecosystem in which it exists, in its own special ways. Imbalance in the ecosystem may lead to a pandemic like COVID-19.

Ecosystem disruption and the loss of biodiversity have major impacts on the emergence, transmission, and spread of many human infectious diseases. Research suggests, the health of our planet plays an important role in the emergence of zoonotic diseases such as COVID 19. As we continue to encroach on fragile ecosystems, we bring humans into ever-greater contact with wildlife, enabling pathogens in wildlife to spill over to livestock and humans, increasing the risk of disease emergence and amplification.

To respond, we are required to act in socially and economically disruptive ways. The magnitude of the response must match the scale of the crisis. We must intensify our strategies to address climate change, the deterioration of biodiversity, and issues of social inclusion. Initiatives like Green PIN, adapting digital solutions, streamlined WFH policy is a testament of our sincere commitment towards the environment and care for human wellbeing at times of crisis. Saving lives and livelihoods, and building a prosperous, inclusive and sustainable future, are at the heart of our efforts to recover from COVID-19. The coronavirus outbreak is a stark reminder of the fragility of our current economic system. It is imperative that we not only restart the world economy – but also reset it. It is time to build better, with due consideration to biodiversity, climate change and nature based solutions.

The pandemic has exposed many fragilities in our economies, and deepened existing inequalities, while highlighting the need for resilience, innovation and cooperation. Everything we do during and after this COVID-19 crisis must have a strong focus on building more fairer, equal, inclusive and sustainable economies and societies that are more resilient in the face of pandemics and climate change by ensuring a healthy environment that backs healthy people.

Let's Build A Better World!

Syed Mahbubur Rahman
Managing Director & CEO
Mutual Trust Bank Limited

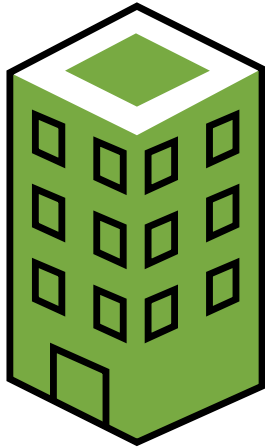


মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

MTB Green Building

MTB has designed its two corporate office buildings - "MTB Centre" and "MTB Tower" - as fully green buildings with motion sensor lighting system. Lights are automatically turned off if there is no human movement in the room.



Solar power system has 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. MTB Tower has rain-water harvesting facility and eco-friendly carpet made of wool, a natural fiber processed without using any chemical treatment. The state-of-the-art rain water

harvesting plant has a capacity of 10,000 liters.

MTB Smart Banking App

To serve its customers better, MTB is continuously working to offer new and improved services. As part of this endeavor, MTB has introduced MTB Smart Banking App for Smartphone devices, which allows constant access to Bank accounts. MTB Smart Banking App is a type of green service provided by MTB for the customers and other relevant stakeholders. This value-added service enables a customer to make selected financial transactions through mobile phone, from anywhere in the world. During 2020, MTB updated its smart Banking app for both android and iOS users.

MTB customers can now get 24/7 access to MTB account information and services from their phones. MTB Smart Banking is a free service offered to all the MTB customers.

MTB Internet Banking



Table: MTB Green Banking Initiatives

Automated Banking	2020	2019
Number of ATM	301	302
Number of MTB's POS Machines on Market	3,198	3101
Number of branches with online Banking	118	118
Number of SMS Banking users	404,384	190,498
Number of Internet Banking users	40,009	29,712
Number of MTB Mobile App Users	23,223	14,202
Number of branches powered by solar energy	9	9
Number of ATM Booths powered by solar energy	7	7

Environmental Performance

Environmental Performance means considerations including the use of renewable resources, improved energy and water efficiency, the reduction of air contaminants and greenhouse gas emissions, increased reuse and recycling, and the reduction of hazardous waste and toxic pollutants.



Energy

Energy Consumption within Organization

The Bank consumed 73 million mega joules of energy in 2020 by using electricity and octane as fuels. In Banking business, there is no scope as of date to calculate consumption of energy outside organization's premises.

Table: Energy Consumption of MTB in 2020

Fuel/Source Type	Total Unit	Mega Joules
Electricity (KWH)	18,625,969	67,053,488.36
Fuel-Octane (LTR)	188,427	6,067,348.315
Total	18,814,396	73,120,836.67

Conversion Standards:

<https://convertlive.com/u/convert/kilowatt-hours/to/megajoules>

<https://www.extension.iastate.edu/agdm/wholefarm/pdf/c6-87.pdf>

Table: Per Employee Energy Consumption in Mega Joules

Energy Items	2020
Electricity	28,388.44
Fuel-Octane (LTR)	2,568.733
Total	30,957.17

Table: Per day Power Consumption in Mega Joules

Energy Items	2020
Electricity	183,708.2
Fuel-Octane (LTR)	16,622.87
Total	200,331.1

MTB's Solar Power Capacity

MTB has installed solar power panels at its Corporate Head Office, branches and ATM booths. By 2020, total capacity installed is 44.6 KW of solar panels that reduce total power consumption by the Bank.

Table: Solar Power Capacity of Branches in 2020

Branch	Solar Power Capacity
MTB Centre	5000 W
MTB Tower	36000 W
MTB Ishwardi SME/Agri Branch	720 W
MTB Belkuchi SME/Agri Branch	720 W
MTB Hasnabad SME/Agri Branch	720 W
MTB Sarulia SME/Agri Branch	720 W
MTB Syedpur SME/Agri Branch	720 W
Total	44600 W



Reductions in Energy Requirements of Products and Services

Banking through SMS

SMS Banking service provides instant notification about clients' transactions as and when those take place. It helps them to keep a watch on their accounts with a round-the-clock service. Every debit or credit in their accounts is disclosed by SMS. MTB SMS Banking offers basic Banking services to customers for a very little use of energy. This enabled MTB to send and its customers to get their account information by using little energy compared to the traditional way of getting account information by visiting branches.

Table: SMS Sent for Information

SMS Sent for Information	2020	2019
Number of Balance Check Messages Sent	25,442	28,243
Number of Transaction Alert Messages Sent	6,011,860	5,328,704
Number of Mini Statement Check Messages Sent	4,941	4,796

Internet Banking Facilities



MTB Internet Banking enables its customers to avail various services such as fund transfer to MTB as well as other Banks, credit card bill payment, utility bill payment, account statement checking etc. through the Bank's website. Our internet Banking platform is secured by state-of-the-art two factor authentication (2FA) system. MTB has its own app for internet Banking through smart phones that run on both android and apple operating systems. The app is freely available for download at Google Play Store and iTunes. Apart from fund transfer, the app enables the customers to pay bills and recharge mobile balance, which reduces energy consumption remarkably compared to traditional methods.

Table: Internet Banking

Topic	2020	2019
Internet Banking Users	40,009	29,712
MTB Smart Phone App-based Banking Users on Mobile & Tab	23,223	14,202

Table: E-Statement

Topic	2020	2019
Number of E-statements Delivered to Customers through Email instead of Using of Papers Traditionally	2,94,835	1,96,424

Automation towards Green Banking

Total Number of Accounts		Total	Number of Online Branches		Total
Rural	Urban		Rural	Urban	
257,877	725,258	983,135	35	83	118

Enhancement of the Corporate Intranet

The Bank has an exclusive and very effective intranet system, M-Net, for internal communication, information sharing, employee education and electronic recording process. It has features like e-notice board, online leave management facility, e-dispatch, and e-attendance for the employees. Circulars of Bangladesh Bank (BB) and MTB are instantly circulated through M-Net. Most of the communications within the Bank have become absolutely online. Electronic communication substantially reduces paper consumption, thereby reduces deforestation.

To further reduce paper consumption, various information is posted on the intranet with the aim to increase employee awareness on the subjects. All MTB outlets across the country send e-cards during festivals, e-statement, electronic format of vouchers and other necessary documents through e-mails. MTB encourages its clients to communicate and to send documents through e-mails with a view to avoiding papers. MTB Corporate Intranet was officially launched on August 21, 2007 and holds various applications.

Table: Various Green Facilities Provided By M-Net

Name of the Facilities	Name of the Facilities
Retail Business Dashboard	AML and CFT Screening
Bangladesh Bank Circular	Online Requisition
Training Calendar	Event Photo Album
E-Nomination	Branch Homepage
Dictionary	MTB Trivia (Quiz)
Training Attendance	Utilities
Training Invitation	MTB News
Training MIS	E-Attendance
Auxiliary Staff Bill Management	MTB E-Learning
MTB Notice Board	Forex Rate
Department Homepage	My Deposit Contribution
My Profile	Suggested Quote
The Holy Quran	iMail with Message Readability Tracking
Lien Marketing	Interest Rate Change
Daily Forex rate	UN Sanction Screening
Fresh Deposit Tracker	Dashboards of Staff Anniversary, Staff on Leave, BACH-EFT Dashboard, EFT Pending etc
News Headlines	Info & Archives
Recent Transfers & Releases	CBS
Retail Business Dashboard	SME Business Dashboard
MAB Business Dashboard Internet Banking	Ask & Learn. Finance Glossary
Remittance	Bill Collection
SMS Banking	MTBian's News
Out of Office (OD/OT Marking)	Doctor's Requisition
Ongoing Campaign	Subsidiaries
Ready Reference	M-tracker
Downloads	MTB Policies & Guidelines



Table: In-house Green Banking Practices

In-house Green Banking Practices (in million Taka)	2020	2019
Electricity Consumption in 2020 per employee	0.04069	0.00440
Water Consumption in 2020 per employee	0.00120	0.00224
Paper Usage in 2020 per employee	0.00672	0.00674
Transport expenses for official purpose in 2020 per employee	0.00710	0.00803

Emission



Direct Greenhouse Gas (GHG) Emissions

Table: Metric Tons of CO2 (Carbon dioxide Equivalent) Emitted

Energy	2020
Electricity	13,169
Octane	442
Natural Gas	-
Total	13,611

Conversion Standards:

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<http://www.convertworld.com/en/>

Table: Per Employee GHG Emissions (in Metric Tons of CO2)

Energy Items	2020
Electricity	5.57536
Octane (LTR)	0.18713
Total	5.762489

Table: Greenhouse gas (GHG) Emission Intensity

Category	2020
M Tons of CO2 Emissions/ Employee	5.762489
M Tons of CO2 Emissions/ Day	37.29041

Water Consumption

Water consumption is the portion of water use that is not returned to the original water source after being withdrawn. Understanding both water use, and consumption is critical to evaluating water stress. Measures of water usage indicate the level of competition and dependency on water resources.

Additionally, water is rarely returned to a watershed in perfect condition after being used by industry, agriculture, and other users, and change in quality contributes to water stress levels. Water consumption estimates help gauge the impact of water use on downstream water availability and are essential to evaluating water shortages and scarcity at the watershed level, including impacts to aquatic ecosystems.

Table: Water Consumption in MTB

Category	2020	2019
Water (LTR)	19,571.23	36,307.05

MTB has been fully aware of water conservation and thus limits use of water strictly for drinking and sanitary purpose. In 2020, 16,735.82 LTR of less water was consumed in MTB in comparison with 2019.

Waste Management

The process involves dealing with the daily waste generated from Banking activities, food consumption, physical wear & tear of computer and office equipment, obsolete furniture & fixture and newspapers. Being a financial institution, MTB does not deal with any hazardous waste but puts substantial effort in reducing unnecessary waste. Both sides of papers are used and wasted papers are collected using bins after shredding. Besides, toner, cartridges and newspapers disposed of through community cleaners.



Shareholders' Information



Financial Capital

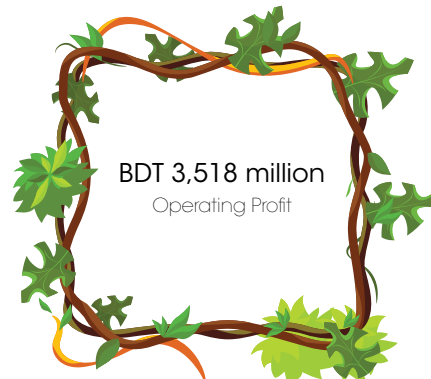
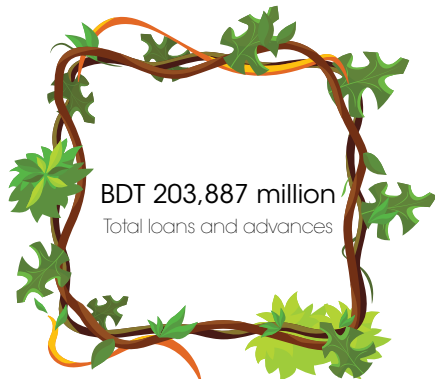
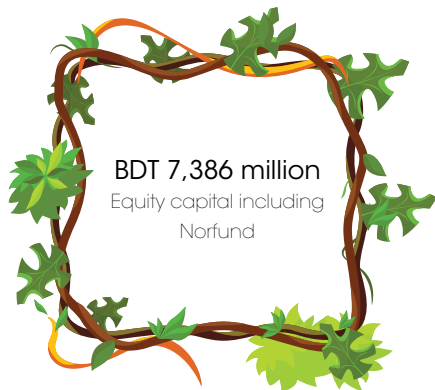
Financial capital is broadly understood as the pool of funds available to an organization, consisting of both debt and equity finance. This form of capital is a medium of exchange that releases its value through conversion into other forms of capital. While not all capitals can be purchased, other capitals are considered the way in which non-monetary variables, in a business sense, are monetized and commoditized to measure the impacts of utilization of financial capital. Debt capital consists of borrowing in various forms, i.e. deposits, bonds, loans taken from other institutions etc., whereas equity capital is the cash received in a business from investors in exchange for shares.

Overview

At MTB, financial capital is a pool of funding generated from different sources, such as clients, shareholders and bondholders, as well as earnings generated by the Group.

Funds placed with the Bank are converted into financial products and services to be offered to our customers. Credits, loans, leasing, investments all are generated from the financial capital raised. The Group operating activities are also funded by the financial capital. The safety of funds and effective utilization are the key aspect of capital management.

Financial capital is utilized and deployed in order to address the financial needs of our clients, create new jobs, make a major contribution to local taxes and levies, which drives economic growth. The Bank is always cognizant to strengthen the capital position and stability of the Group. As a company listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE), the Bank makes continuous efforts to generate shareholder value.



Highlight

Creating Value

The financial capital is converted financial products and services. MTB provides clients with funding in the form of loans, guarantees and leasing services through operational activities. Clients can use these products to finance their ventures, manage savings, make transactions and import or export business materials. The Bank enabled clients to fulfil various needs – ranging from housing, consumption and investment needs to self-fulfillment.

MTB is supporting the economy and the society by helping to create new jobs and contributing to economic growth whose visible expression are taxes paid by the clients and by the Bank.

The Bank is listed on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) and focuses on creating value for shareholders, e.g. by putting a constant emphasis on reinforcing the strength and stability of the Group. The current results of the Group are an effect of economic revival fuelled by consumption and consistent implementation of business strategy.

How We Manage Our Manufacturing Capital



Challenges

- Stiff competition in getting a hold on the asset and liability market share.
- Meeting the regulatory requirements for capital adequacy ratio and reaching the optimum level of financial leverage.
- Maintaining interest rates at the prescribed rate by Bangladesh Bank while keeping the source of fund flow unaffected.
- Managing operating expenses while reaching the right level of operating leverage.

Receipt Of Funds From Strategic Investor Norfund

Norwegian Investment Fund for Developing Countries (Norfund) was established by the Norwegian Government in 1997. The objective of Norfund is to contribute to economic and social development by providing equity and other risk capital, to sustainable businesses, in underdeveloped as well as developing countries.

Norfund receives its investment capital from the Norwegian state budget. Its priority sectors are clean energy, financial institutions, food and agribusiness. It also supports small and medium enterprises in the developing countries. In May 28, 2018, Norfund has signed an agreement with MTB to provide a term loan of USD 20 million for long term investment in the economic development of Bangladesh. This loan has since been fully drawn down for financing MTB customers. In 2019, Norfund became the largest single shareholder of MTB with 9.53% of total shares. Norfund is represented in the Board of Directors of MTB and supports the Bank with TA funds.

Responses

- Re-engineering product mix, targeting shifting market trends and demands.
- Maintaining strong control on AD ratio, constant monitoring of NPL to keep it at the lowest possible point.
- Initiating re-pricing of loan assets and enhanced management of liability basket through prudent resource allocation
- Enhancing operational efficiency through initiating process re-engineering

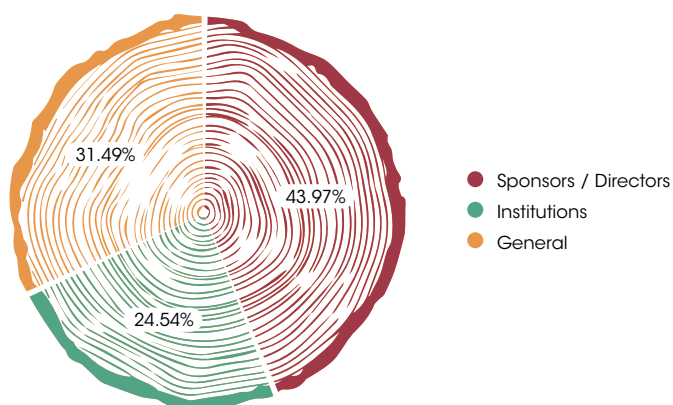
MTB Shareholding Structure

Name of Directors and their shareholdings as at December 31, 2020

Name of Directors	Status	31 December 2020		
		No. of Shares held	BDT	Holding %
Mr. Md. Wakiluddin	Chairman	14,892,436	148,924,360	2.0162%
Mr. Md. Abdul Malek	Vice Chairman	14,838,793	148,387,930	2.0092%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	24,641,450	246,414,500	3.3361%
Mr. Md. Hedayetullah	Director	15,004,469	150,044,690	2.0314%
Mrs. Khwaja Nargis Hossain	Director	15,130,642	151,306,420	2.0485%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	22,275,105	222,751,050	3.0157%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	33,412,696	334,126,960	4.5236%
Mr. M. A. Rouf, JP	Director	14,881,603	148,816,030	2.0148%
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	16,706,293	167,062,930	2.2618%
Mr. Tarik ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director	46,595,493	465,954,930	6.3083%
Mr. Daniel Donald De Lange (Representing NORFUND)	Director	70,377,797	703,777,970	9.5281%
Ms. Nasreen Sattar	Independent Director	-	-	-
Mr. M. Mokammel Haque	Independent Director	-	-	-
Total		288,756,777	2,887,567,770	39.0934%

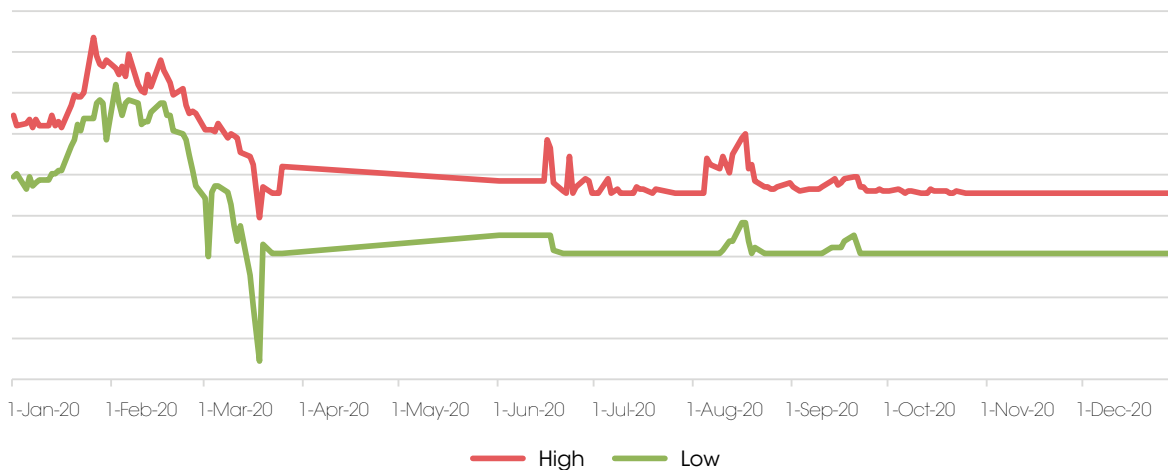
SL. No.	Types of Owner	No. of shares	Value of shares in BDT	Holding %
1	Sponsors / Directors	324,791,505	3,247,915,050	43.97%
2	Institutions	181,270,714	1,812,707,140	24.54%
3	General	232,570,199	2,325,701,990	31.49%
	Total	738,632,418	7,386,324,180	100.00%

Percentage of Shareholding

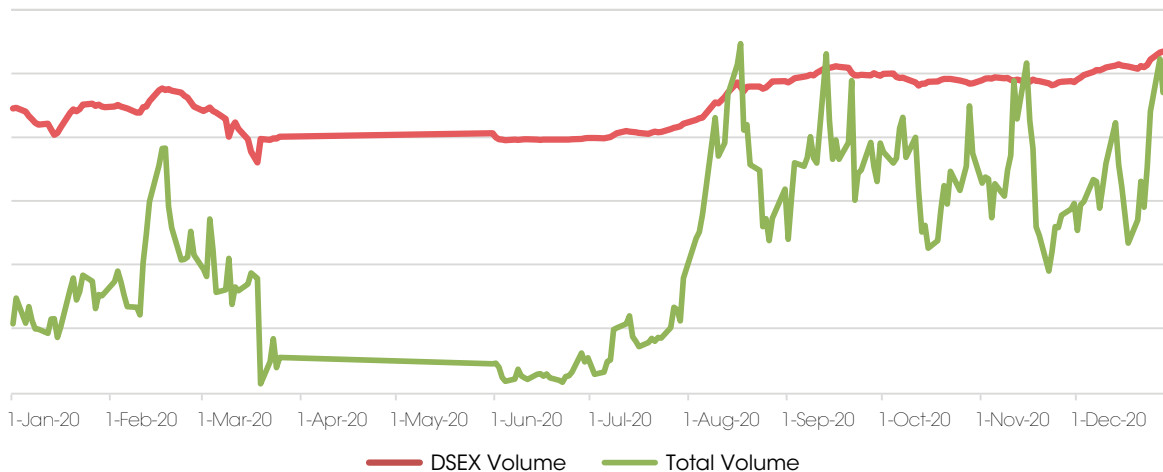


MTB Market Share Information

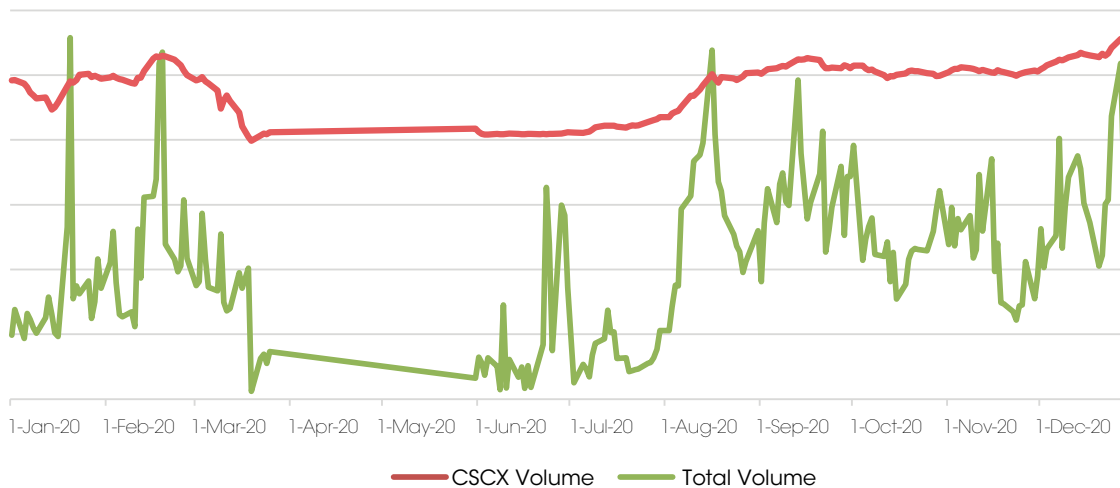
MTB SHARE TRANSACTION



DSEX TRADE



CSCX TRADE



Financial Summary

MTB & GROUP

BDT in Million

Particulars	MTB		Changes (%)	Group		Changes (%)
	2020	2019		2020	2019	
Performance during the year						
Interest income	15,471.89	18,275.21	-15.34%	15,565.02	18,394.01	-15.38%
Operating profit	3,323.40	5,028.13	-33.90%	3,518.46	5,239.84	-32.85%
Provision for loans and assets	1,595.55	2,048.38	-22.11%	1,689.55	2,140.38	-21.06%
Profit after provision before tax	1,727.85	2,979.75	-42.01%	1,828.91	3,099.46	-40.99%
Tax including deferred tax	828.53	1,716.04	-51.72%	858.53	1,761.67	-51.27%
Profit after tax	899.32	1,263.71	-28.83%	970.39	1,337.79	-27.46%
At the year end						
Total shareholders' equity	16,571.93	15,920.97	4.09%	17,011.16	16,289.87	4.43%
Deposits	190,607.26	191,369.29	-0.40%	190,120.48	190,947.70	-0.43%
Loans and advances	200,991.92	186,768.62	7.62%	203,887.32	189,729.72	7.46%
Investments	35,381.95	33,194.75	6.59%	36,656.70	34,199.54	7.18%
Fixed Assets	4,830.77	4,228.35	14.25%	4,896.31	4,301.13	13.84%
Total asset	267,913.21	256,056.00	4.63%	269,269.26	256,913.17	4.81%
Statutory Ratios (%)						
Cash Reserve Ratio	4.02%	6.07%	-2.05%	4.02%	6.07%	-2.05%
Statutory Liquidity ratio	16.90%	17.14%	-0.24%	16.90%	17.14%	-0.24%
Capital to risk weighted assets ratio	12.75%	12.86%	-0.11%	12.92%	12.91%	0.01%
Tier-1 Capital to RWA	8.08%	7.66%	0.42%	8.17%	7.76%	0.41%
Tier-2 Capital to RWA	4.66%	5.20%	-0.54%	4.75%	5.15%	-0.40%
Share Information						
Earning per share (Taka)(Restate)	1.22	1.71	-28.83%	1.31	1.81	-27.46%
Stock & Cash Dividend (%)	10.00%	10.00%	0.00%	10.00%	10.00%	0.00%
Net asset value per share (Taka)	22.44	21.55	4.09%	23.03	22.05	4.43%
Profit available after appropriation	1,779.20	1,937.90	-8.19%	2,166.25	2,253.89	-3.89%
Ratios (%)						
Non performing loans	4.67%	5.48%	-0.81%	4.60%	5.39%	-0.78%
Return on average shareholders' fund	5.54%	8.73%	-3.19%	5.83%	9.03%	-3.21%
Return on average assets	0.34%	0.53%	-0.19%	0.37%	0.56%	-0.19%
Cost to income/Efficiency ratio	65.33%	53.53%	11.80%	64.66%	53.25%	11.41%

Horizontal Analysis

For The Last Five Years

Consolidated Balance Sheet

Particulars	2020	2019	2018	2017	2016
Property and Assets					
Cash	105%	129%	109%	116%	100%
In Hand (Including Foreign Currency)	143%	145%	127%	110%	100%
With Bangladesh Bank and its agent Bank(s) (Including Foreign Currency)	96%	126%	105%	117%	100%
Balance with Other Banks & Financial Institutions	62%	42%	39%	34%	100%
In Bangladesh	46%	9%	12%	14%	100%
Outside Bangladesh	198%	318%	269%	205%	100%
Money at Call and Short Notice	113%	21%	160%	474%	100%
Investments	167%	156%	125%	114%	100%
Government	167%	158%	124%	116%	100%
Others	164%	134%	128%	103%	100%
Loans and Advances	178%	166%	145%	127%	100%
Loans, Cash Credit, Overdrafts, etc.	180%	167%	146%	128%	100%
Bills Purchased and Discounted	76%	120%	120%	95%	100%
Fixed Asset including Premises, Furniture & Fixture	156%	137%	100%	102%	100%
Other Assets	107%	191%	158%	132%	100%
Non-Banking Asset	-	-	-	-	-
Total Property and Asset	163%	155%	135%	122%	100%
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	354%	249%	226%	189%	100%
Deposits and Other Accounts	145%	145%	127%	116%	100%
Current Deposits & Other Accounts	156%	133%	115%	119%	100%
Bills Payable	114%	94%	97%	120%	100%
Savings Bank Deposits	153%	126%	119%	116%	100%
Fixed Deposits	137%	163%	138%	120%	100%
Special Notice Deposits	132%	111%	110%	101%	100%
Deposit Products	156%	150%	124%	110%	100%
Other Liabilities	181%	187%	141%	122%	100%
Subordinated Debt	255%	160%	174%	188%	100%
Total Liabilities	162%	155%	134%	122%	100%
Capital/Shareholders' Equity					
Paid up Capital	167%	159%	129%	115%	100%
Statutory Reserve	158%	147%	128%	114%	100%
Share Premium	100%	100%	-	-	-
Revaluation Reserve on Investment in Securities	73%	58%	72%	95%	100%
Foreign Currency Translation gain/(loss)	44%	61%	69%	86%	100%
General Reserve	128%	128%	128%	100%	100%
Retained Earnings	258%	268%	259%	205%	100%
Total Shareholders' Equity	173%	166%	136%	120%	100%
Minority Interest	108%	106%	105%	102%	100%
Total Liabilities and Shareholders' Equity	163%	155%	135%	122%	100%
Off-Balance Sheet Items					
Contingent Liabilities					
Acceptances and endorsements	141%	154%	153%	123%	100%
Letter of Guarantee	375%	326%	207%	125%	100%
Irrevocable Letter of Credit	180%	157%	116%	117%	100%
Bills for Collection	221%	53%	52%	74%	100%
Total Off Balance Sheet Items including Contingent Liabilities	207%	183%	145%	118%	100%

Horizontal Analysis (Financial Position) :

Horizontal Analysis on Balance Sheet refers to the analysis of growth of each component of balance sheet items from the base period. Here base period is considered the year 2016 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. Here, assets, liabilities and capital components are showing consistent growth over the periods which symbolize sustainable overall balance sheet growth of the Bank as a whole.

Horizontal Analysis

For The Last Five Years

Consolidated Profit & Loss Account

Particulars	2020	2019	2018	2017	2016
Interest Income	137%	162%	138%	107%	100%
Interest paid on Deposits and Borrowings etc.	156%	173%	139%	105%	100%
Net Interest Income	100%	140%	135%	111%	100%
Income from Investments	172%	126%	117%	106%	100%
Commission, Exchange and Brokerage	157%	214%	137%	128%	100%
Other Operating Income	172%	154%	139%	119%	100%
Total Operating Income	132%	149%	131%	113%	100%
Less: Operating Expenditure:					
Salary and Allowances	161%	145%	120%	106%	100%
Rent, Tax, Insurance and Electricity etc.	95%	110%	115%	109%	100%
Legal Expenses	64%	140%	100%	104%	100%
Postage, Stamps and Telecommunication etc.	77%	191%	164%	127%	100%
Stationery, Printing and Advertisements etc.	93%	163%	150%	131%	100%
Managing Director's Remuneration	152%	134%	111%	106%	100%
Directors' Expenses	89%	98%	110%	114%	100%
Auditors' Fees	110%	96%	71%	69%	100%
Depreciation and Repair & Maintenance of assets	206%	162%	119%	110%	100%
Other Expenses	178%	164%	123%	126%	100%
Total Operating Expenses	157%	145%	120%	111%	100%
Profit Before Provision	103%	154%	143%	115%	100%
Less: Provision for Loans, Investment & Other					
Provision for Unclassified Loans and Advances	396%	3946%	1%	2133%	100%
Special General Provision - COVID-19	100%	-	-	-	-
Provision for Classified Loans and Advances	122%	25%	308%	62%	100%
Provision for Off-Balance Sheet Items	61%	157%	5%	137%	100%
Provision for Margin Loans and Investment in Shares	134%	137%	145%	219%	100%
Provision for Other Assets	693%	239%	91%	91%	100%
Total Provision	178%	226%	247%	175%	100%
Profit Before Tax	74%	126%	103%	92%	100%
Less: Income Tax Expenses	86%	177%	81%	28%	100%
Current Tax Expenses	89%	173%	109%	123%	100%
Deferred Tax Expenses/(Income)	5%	278%	-657%	-2461%	100%
Net Profit After Tax	66%	91%	119%	135%	100%

Horizontal Analysis (Comprehensive Income):

Horizontal Analysis on Income Statement refers to the analysis of growth of each component of income statement items from the base period. Here base period is considered the year 2016 giving value 100% and after that period value above 100% means positive growth and below 100% means negative growth compared to base year. The above table shows that total operating income, expenses and operating profit of Mutual Trust Bank Ltd. are growing consistently over the periods. On the other hand total provision has also decreasing over the year. The Provision for Loans, Investment & Other enhanced protection against risk assets of the Bank.

Vertical Analysis

For The Last Five Years

Consolidated Balance Sheet

Particulars	2020	2019	2018	2017	2016
Property and Assets					
Cash	4.38%	5.67%	5.53%	6.48%	6.81%
In Hand (Including Foreign Currency)	1.05%	1.12%	1.13%	1.09%	1.20%
With Bangladesh Bank and its agent Bank(s) (Including Foreign Currency)	3.32%	4.54%	4.40%	5.40%	5.61%
Balance with Other Banks & Financial Institutions	1.87%	1.32%	1.43%	1.39%	4.93%
In Bangladesh	1.23%	0.25%	0.39%	0.51%	4.41%
Outside Bangladesh	0.63%	1.07%	1.04%	0.88%	0.52%
Money at Call and Short Notice	0.41%	0.08%	0.71%	2.32%	0.60%
Investments	13.61%	13.31%	12.32%	12.44%	13.28%
Government	12.19%	12.09%	10.98%	11.25%	11.87%
Others	1.42%	1.22%	1.34%	1.19%	1.41%
Loans and Advances	75.72%	73.85%	74.68%	72.17%	69.15%
Loans, Cash Credit, Overdrafts, etc.	75.07%	72.78%	73.45%	71.09%	67.77%
Bills Purchased and Discounted	0.65%	1.07%	1.24%	1.08%	1.38%
Fixed Asset including Premises, Furniture & Fixture	1.82%	1.67%	1.41%	1.59%	1.90%
Other Assets	2.19%	4.10%	3.92%	3.60%	3.33%
Non-Banking Asset	-	-	-	-	-
Total Property and Asset	100.00%	100.00%	100.00%	100.00%	100.00%
Liabilities and Capital					
Borrowing from other Banks, Financial Institutions & Agents	11.46%	8.45%	8.83%	8.14%	5.26%
Deposits and Other Accounts	70.61%	74.32%	74.69%	75.23%	79.38%
Current Deposits & Other Accounts	7.13%	6.36%	6.33%	7.26%	7.44%
Bills Payable	0.74%	0.64%	0.77%	1.04%	1.06%
Savings Bank Deposits	13.45%	11.63%	12.69%	13.62%	14.34%
Fixed Deposits	28.47%	35.44%	34.63%	33.27%	33.74%
Special Notice Deposits	5.71%	5.03%	5.78%	5.81%	7.04%
Deposit Products	15.11%	15.21%	14.48%	14.23%	15.76%
Other Liabilities	7.59%	8.24%	7.16%	6.84%	6.85%
Subordinated Debt	4.03%	2.65%	3.33%	3.97%	2.57%
Total Liabilities	93.68%	93.66%	94.01%	94.17%	94.06%
Capital/Shareholders' Equity					
Paid up Capital	2.74%	2.74%	2.58%	2.53%	2.68%
Statutory Reserve	1.87%	1.83%	1.84%	1.80%	1.93%
Share Premium	0.41%	0.43%	-	-	-
Revaluation Reserve on Investment in Securities	0.20%	0.16%	0.24%	0.35%	0.44%
Foreign Currency Translation gain/(loss)	0.00%	0.00%	0.00%	0.00%	0.01%
General Reserve	0.29%	0.31%	0.35%	0.31%	0.37%
Retained Earnings	0.80%	0.88%	0.98%	0.85%	0.51%
Total Shareholders' Equity	6.32%	6.34%	5.99%	5.83%	5.94%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%
Total Liabilities and Shareholders' Equity	100.00%	100.00%	100.00%	100.00%	100.00%
Off-Balance Sheet Items					
Contingent Liabilities					
Acceptances and endorsements	27.43%	34.01%	42.66%	42.24%	40.42%
Letter of Guarantee	37.27%	36.74%	29.40%	21.77%	20.61%
Irrevocable Letter of Credit	27.52%	27.13%	25.33%	31.41%	31.66%
Bills for Collection	7.78%	2.12%	2.61%	4.58%	7.30%
Total Off Balance Sheet Items including Contingent Liabilities	100.00%	100.00%	100.00%	100.00%	100.00%

Vertical Analysis (Financial Position)

Vertical Analysis on Balance Sheet refers to the components of balance sheet items as a percentage of total Assets over the periods which would be termed as common sizing of balance sheet. In asset side, investment (13.61%) and loans and advances (75.72%) hold major portion. Investment and loans & advance shows increase trend as percentage of total assets over the years at the backdrop of political volatility and sluggish investment scenario of the country. In liability side, deposit holds major portion (70.61%) and showing decreasing trend over last five years.

Vertical Analysis

For The Last Five Years

Consolidated Profit & Loss Account

Particulars	2020	2019	2018	2017	2016
Interest Income	71.96%	76.10%	77.41%	74.42%	75.79%
Interest paid on Deposits and Borrowings etc.	53.97%	53.63%	51.50%	48.06%	49.96%
Net Interest Income	17.98%	22.46%	25.91%	26.36%	25.82%
Income from Investments	16.00%	10.49%	11.56%	13.02%	13.39%
Commission, Exchange and Brokerage	8.89%	10.88%	8.30%	9.66%	8.18%
Other Operating Income	3.16%	2.53%	2.72%	2.90%	2.65%
Total Operating Income	46.03%	46.37%	48.50%	51.94%	50.04%
Less: Operating Expenditure:					
Salary and Allowances	16.79%	13.55%	13.38%	14.70%	15.02%
Rent, Tax, Insurance and Electricity etc.	2.67%	2.78%	3.44%	4.07%	4.05%
Legal Expenses	0.01%	0.02%	0.02%	0.02%	0.02%
Postage, Stamps and Telecommunication etc.	0.03%	0.07%	0.07%	0.07%	0.06%
Stationery, Printing and Advertisements etc.	0.36%	0.56%	0.62%	0.67%	0.55%
Managing Director's Remuneration	0.12%	0.10%	0.09%	0.11%	0.12%
Directors' Expenses	0.01%	0.01%	0.02%	0.02%	0.02%
Auditors' Fees	0.01%	0.01%	0.01%	0.01%	0.02%
Depreciation and Repair & Maintenance of assets	3.72%	2.62%	2.29%	2.63%	2.60%
Other Expenses	6.03%	4.97%	4.47%	5.67%	4.88%
Total Operating Expenses	29.76%	24.69%	24.40%	27.98%	27.35%
Profit Before Provision	16.27%	21.68%	24.10%	23.96%	22.69%
Less: Provision for Loans, Investment & Other					
Provision for Unclassified Loans and Advances	0.78%	6.96%	0.00%	5.56%	0.28%
Special General Provision - COVID-19	1.89%	-	-	-	-
Provision for Classified Loans and Advances	4.07%	0.74%	10.97%	2.72%	4.81%
Provision for Off-Balance Sheet Items	0.28%	0.65%	0.03%	0.84%	0.67%
Provision for Margin Loans and Investment in Shares	0.44%	0.40%	0.51%	0.95%	0.47%
Provision for Other Assets	0.35%	0.11%	0.05%	0.06%	0.07%
Total Provision	7.81%	8.85%	11.56%	10.14%	6.30%
Profit Before Tax	8.45%	12.82%	12.54%	13.83%	16.39%
Less: Income Tax Expenses	3.97%	7.29%	3.98%	1.71%	6.64%
Current Tax Expenses	3.96%	6.87%	5.17%	7.22%	6.40%
Deferred Tax Expenses/(Income)	0.01%	0.42%	-1.19%	-5.51%	0.24%
Net Profit After Tax	4.49%	5.53%	8.56%	12.12%	9.75%

Vertical Analysis (Comprehensive Income)

Vertical Analysis on Income Statement refers to the components of income statement items as a percentage of total income over the periods which would be termed as common sizing of income statement. In income side, interest income (71.96%) and Income from Investments (16%) hold major portion. Interest income shows decreasing trend due to increase of Income from Investments as percentage of total income over the years. Operating expense as percentage of income is increasing over the periods due to network expansion and establishment of new departments in line with business model/strategies. Operating profit and provision is in decreasing trend and net profit shows increasing trend over the periods.

MTB Segment Report

Consolidated Balance Sheet

As at 31 December 2020

Particulars	Bank				Subsidiaries				2020	2019	
	Main Operation	OBU	Elimination	Sob	MTBSL	MTBCL	MTB Exchange (UK)	Elimination			Consolidated
Property and Asset											
Cash In Hand (With Bangladesh Bank and its agent Bank)	11,762,169,061	-	-	11,762,169,061	10,610,302	3,917	8,711,439	-	-	11,781,494,720	14,556,500,624
Balance with other Banks & Financial Institutions	4,608,289,684	47,698,873	-	4,655,988,556	843,199,205	18,554,835	-	486,776,659	-	5,090,965,937	3,385,060,274
Money at Call and Short Notice	1,114,100,000	-	-	1,114,100,000	-	-	-	-	-	1,114,100,000	206,800,000
Investments	35,381,949,449	-	-	35,381,949,449	1,011,754,622	262,994,112	-	-	-	36,656,698,182	34,199,538,201
Loans and Advances	185,394,296,315	15,597,625,016	-	200,991,921,331	2,758,173,678	291,557,048	-	154,329,988	-	203,887,322,069	189,729,715,862
Fixed Asset including Premises, Furniture & Fixture	4,880,768,592	-	-	4,880,768,592	61,828,914	3,708,919	-	-	-	4,896,306,425	4,301,132,697
Other Assets	13,370,947,801	238,397,976	4,433,029,189	9,176,316,589	228,183,883	65,451,617	1,495,061	3,569,074,907	-	5,902,372,242	10,534,428,577
Non-Banking Assets	-	-	-	-	-	-	-	-	-	-	-
Total Property and Assets	256,462,520,901	15,883,721,865	4,433,029,189	267,913,213,577	4,913,750,605	642,270,448	10,206,500	4,210,181,554	269,269,259,576	256,913,166,235	
Liabilities											
Borrowing from other Banks, Financial Institutions & Agents	19,681,397,128	15,439,932,111	4,274,020,800	30,847,308,439	20,708,246	133,621,742	-	154,329,988	-	30,847,308,439	21,701,177,487
Deposits and Other Accounts	190,585,044,953	2,221,620	-	190,607,261,173	-	-	-	486,776,659	-	190,120,484,514	190,947,704,349
Provision & Other Liabilities	18,774,146,330	421,573,533	159,008,389	19,036,711,475	1,273,034,237	131,320,069	39,787,475	40,679,107	-	20,440,174,149	21,174,287,508
Subordinated Debt	10,850,000,000	-	-	10,850,000,000	-	-	-	-	-	10,850,000,000	6,800,000,000
Total Liabilities	299,890,588,411	15,883,721,865	4,433,029,189	251,341,281,087	1,293,742,483	264,941,810	39,787,475	681,785,754	252,257,967,102	240,623,169,339	
Total Shareholders' Equity	16,571,932,490	-	-	16,571,932,490	3,620,008,122	377,328,638	(29,580,975)	3,528,395,800	17,011,292,474	16,289,996,895	
Total Liabilities and Shareholders' Equity	256,462,520,901	15,883,721,865	4,433,029,189	267,913,213,577	4,913,750,605	642,270,448	10,206,500	4,210,181,554	269,269,259,576	256,913,166,235	

MTB Segment Report

Consolidated Profit & Loss Account
For the year ended 31 December 2020

Particulars	Bank			Subsidiaries				2020	2019
	Main Operation	OBU	Elimination	Sob	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	Consolidated
Interest Income	14,75,351,524	696,533,669	91,854,969	15,380,030,225	91,308,510	22,893,511	-	15,011,345	18,394,013,962
Interest paid on Deposit and Borrowing etc.	11,171,440,917	518,869,528	91,854,969	11,598,455,476	2,702,519	3,352,742	-	15,011,345	12,964,301,101
Net Interest Income	3,603,910,607	177,664,142	-	3,781,574,749	88,605,991	19,540,769	-	-	5,429,712,862
Investment Income	3,388,576,110	-	-	3,388,576,110	59,671,993	12,784,445	-	-	3,461,032,548
Commission, Exchange and Brokerage	1,757,459,306	-	-	1,757,459,306	161,941,923	67,500	2,981,640	-	1,922,450,368
Other Operating Income	688,031,086	7,652	-	688,038,738	10,064,797	11,075,267	3,698,436	-	682,877,238
Total Operating Income	9,407,977,109	177,671,793	-	9,585,648,902	320,284,704	43,467,981	6,680,076	-	9,956,081,663
Salary and Allowances	3,631,820,176	-	-	3,631,820,176	83,982,337	12,520,445	3,618,406	-	3,631,941,364
Rent, Tax, Insurance and Electricity	540,460,541	-	-	540,460,541	29,205,619	3,487,392	5,123,342	-	578,276,894
Legal Expense	2,178,599	-	-	2,178,599	-	-	-	-	2,178,599
Postage, Stamps and Telephone	5,982,584	-	-	5,982,584	732,837	81,220	132,913	-	6,929,554
Printing, Stationery and Advertisement	76,181,943	-	-	76,181,943	670,529	199,243	207,514	-	77,259,229
Managing Director's Remuneration	26,266,028	-	-	26,266,028	-	-	-	-	26,266,028
Directors' Expenses	1,628,149	-	-	1,628,149	525,800	557,000	-	-	2,710,949
Audit Fee	2,267,500	-	-	2,267,500	69,000	69,000	438,700	-	2,844,200
Depreciation and Repair & Maintenance of assets	795,878,261	-	-	795,878,261	6,300,392	866,307	879,029	-	803,922,989
Other Expenditure	1,261,046,578	18,542,276	-	1,279,588,854	15,768,288	2,879,786	7,053,731	-	1,305,290,660
Total Operating Expenses	6,243,710,360	18,542,276	-	6,262,252,636	137,254,802	20,659,394	17,453,635	-	6,437,620,466
Profit Before Provision	3,164,266,749	159,129,517	-	3,323,396,267	183,029,902	22,808,587	(10,773,559)	-	3,518,461,197
Provision for Unclassified Loan and Advance	-	-	-	168,823,498	-	-	-	-	168,823,498
Special General Provision-COVID-19	-	-	-	408,639,000	-	-	-	-	408,639,000
Provision for Classified Loan and Advance	-	-	-	879,759,262	-	-	-	-	879,759,262
Provision for Off-Balance Sheet items (Expenses)	-	-	-	60,626,571	-	-	-	-	60,626,571
Provision for Investment in Share of Quoted Co.	-	-	-	1,500,000	90,000,000	4,000,000	-	-	95,500,000
Provision for Other Assets	-	-	-	76,200,000	-	-	-	-	76,200,000
Total Provision	1,595,548,331	-	-	1,595,548,331	90,000,000	4,000,000	-	-	1,689,548,331
Profit Before Tax	1,727,847,935	-	-	1,727,847,935	93,029,902	18,808,587	(10,773,559)	-	1,828,912,866
Tax including deferred tax	-	-	-	828,525,183	24,671,448	5,328,627	-	-	858,525,258
Net Profit After Tax	899,322,753	-	-	899,322,753	68,358,454	13,479,960	(10,773,559)	-	970,387,608

Evaluation of the Quarterly Financials by the Audit Committee and by the Board

BDT in Million

Particulars	As at March 30, 2020	As at June 30, 2020	As at September 30, 2020	Annually, As at December 31, 2020
Property and Assets				
Cash In Hand (With Bangladesh Bank and its Agent Bank)	14,193.56	11,688.63	12,691.40	11,781.49
Balance with other Banks & Financial Institutions	4,011.57	3,589.04	4,301.60	5,030.97
Money at Call and Short Notice	-	189.10	2,890.00	1,114.10
Investments	31,731.72	34,057.05	35,464.02	36,656.70
Loans and Advances	192,663.74	200,893.03	202,332.27	203,887.32
Fixed Asset including Premises, Furniture & Fixture	5,089.92	5,003.95	4,925.60	4,896.31
Other Assets	11,377.98	11,975.10	13,383.47	5,902.37
Non-Banking Assets				
Total Property and Assets	259,068.48	267,395.90	275,988.36	269,269.26
Liabilities and Capital				
Borrowing from other Banks, Financial Institutions & Agents	25,101.68	25,679.71	27,371.84	30,847.31
Deposits and Other Accounts	184,530.17	190,206.76	194,907.17	190,120.48
Provision & Other Liabilities	23,040.07	24,077.96	25,671.10	20,440.17
Subordinated Debt	9,500.00	10,200.00	10,800.00	10,850.00
Total Liabilities	242,171.93	250,164.43	258,750.11	252,257.97
Total Capital & Shareholders' Equity	16,896.42	17,231.34	17,238.12	17,011.16
Minority Interest	0.13	0.13	0.13	0.13
Total Liabilities and Shareholders' Equity	259,068.48	267,395.90	275,988.36	269,269.26
Total Off-Balance Sheet Items including Contingent Liabilities	91,579.93	88,832.59	98,218.15	93,595.97
Profit and Loss Account				
	For the period ended March 31, 2020	For the period ended June 30, 2020	For the period ended September 30, 2020	For the year ended December 31, 2020
Interest Income	4,678.04	8,451.08	12,033.80	15,565.02
Interest paid on Deposits and Borrowings etc.	3,315.05	6,405.76	9,218.49	11,675.30
Net Interest Income	1,363.00	2,045.32	2,815.32	3,889.72
Investment Income	810.46	1,891.82	2,730.21	3,461.03
Commission, Exchange and Brokerage	445.84	780.89	1,262.99	1,922.45
Other Operating Income	130.90	294.52	438.95	682.88
Total Operating Income	2,750.20	5,012.55	7,247.47	9,956.08
Total Operating Expenses	1,530.84	3,010.75	4,562.05	6,437.62
Profit Before Provision	1,219.36	2,001.81	2,685.42	3,518.46
Total Provision for Loans, Investment & Other	338.87	505.37	811.98	1,689.55
Tax Including Deferred Tax	345.99	408.03	629.70	858.53
Net Profit After Tax	534.50	1,088.41	1,243.74	970.39

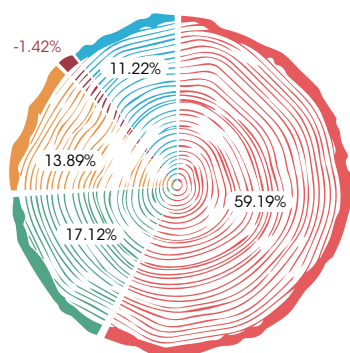
Value Added Statement

The value added statement provides a detailed account of total value addition and the distribution of the value created by the organization. Mutual Trust Bank Limited contributes positively to social-economic development by empowering employees through the payment of salaries and allowances; by paying attractive and consistent dividend to the providers of capital; by assisting the regulatory capacities through paying taxes and of course keeping in mind company's continuous expansion and growth.

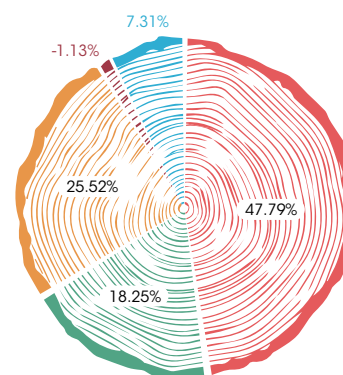
BDT in Million

Particulars	2020		2019	
	Amount	%	Amount	%
Value Added				
Interest Income	15,565.02	71.96%	18,394.01	76.10%
Interest paid on Deposits and Borrowings etc.	3,461.03	16.00%	2,535.63	10.49%
Commission, Exchange and Brokerage	1,922.45	8.89%	2,629.78	10.88%
Other Operating Income	682.88	3.16%	612.06	2.53%
Sub-Total (a)	21,631.38	100.00%	24,171.48	100.00%
Less Cost of service rendered:				
Interest Expenses	11,675.30	75.56%	12,964.30	75.08%
Cost of services & supplies	2,085.99	13.50%	2,162.59	12.52%
Provision for Loans, Investment, Off B/S Items & etc.	1,689.55	10.93%	2,140.38	12.40%
Sub-Total (b)	15,450.84	100.00%	17,267.28	100.00%
Total Value added by Banking services (a-b)	6,180.54		6,904.20	
Distribution of value addition				
To Employees				
As salaries and allowances	3,658.21	59.19%	3,299.70	47.79%
To Providers of Capital				
As dividend to Shareholders & Reserve	1,058.02	17.12%	1,259.84	18.25%
To Government				
As Income Tax Expenses	856.55	13.86%	1,659.74	24.04%
As Deferred Tax Expenses/(Income)	1.98	0.03%	101.93	1.48%
Income Tax expenses (netting off deferred tax)	858.53	13.89%	1,761.67	25.52%
To Expansion and Business Growth				
Retained profit	(87.63)	-1.42%	77.95	1.13%
Depreciation	693.42	11.22%	505.04	7.31%
Total Distribution	6,180.54	100%	6,904.20	100%

Total Distribution-2020



Total Distribution-2019



Economic Value Added Statement (EVA)

Economic Value Added (EVA) is the financial performance measure that attempts to measure that true economic profit of an organization. It provides a measurement of the Bank(s) economic success (or failure) over a period of time. Such a metric is useful for investors who wish to determine how well the Bank has added value for its investors and it can be compared against Bank(s) peers for a quick analysis of how well the Bank is operating in its industry. Economic value added is calculated by taking the Bank(s) net profit after tax, adding with it, the amount of provision charged against profit to absorb the losses inherent in the investments. EVA is calculated as under:

EVA = NPAT – Cost of average equity

NPAT = NPAT is the net profit after tax plus the provision for doubtful losses charged against profit.

Equity = Shareholder's equity is the total amount of equity the year end plus accumulated provision charged against profit for doubtful losses.

Cost of equity = It is the opportunity cost i.e. Next Year's Annual Dividend divided Current Stock Price plus Dividend Average Growth Rate has been assumed to be the cost of equity.

BDT in Million

For the Year Ended	2020	2019	2018	2017	2016
Shareholders' Equity at Year End	6,571.93	16,289.87	13,326.94	11,761.96	9,818.26
Add: Cumulative Provision for Loans, Investment, off B/S Items & etc.	8,393.45	7,675.20	5,891.31	5,090.33	3,686.80
Total	24,965.38	23,965.06	19,218.25	16,852.29	13,505.06
Average Shareholders' Equity	16,430.90	14,808.40	12,544.45	10,790.11	9,373.73
Add: Average Cumulative Provision for Loans, Investment, Off B/S Items & etc.	8,034.32	6,783.25	5,490.82	4,388.57	3,260.65
Average Equity of Shareholders	24,465.22	21,591.66	18,035.27	15,178.68	12,634.38
Average Cost of Equity	4.42%	7.05%	6.41%	6.85%	9.77%

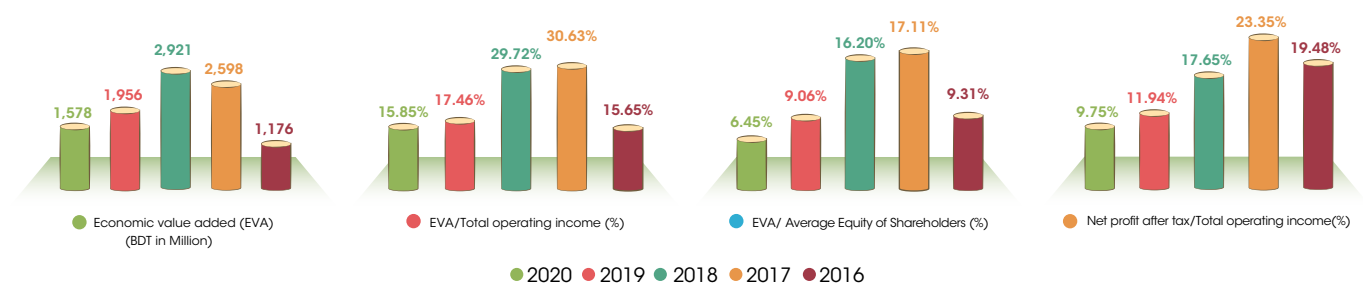
Earnings:

Net Profit after Tax	970.39	1,337.79	1,734.45	1,980.34	1,463.59
Add: Provision for Loans, Investment, Off B/S Items & etc.	1,689.55	2,140.38	2,342.46	1,656.25	946.63
Net Profit after Tax (Before Provision)	2,659.94	3,478.17	4,076.91	3,636.59	2,410.23
Cost of Average Equity	1,082.18	1,521.68	1,155.67	1,039.04	1,234.06
Economic Value Added (EVA)	1,577.76	1,956.49	2,921.23	2,597.55	1,176.17
Growth over Last Year	-19.36%	-33.03%	12.46%	120.85%	141.05%

Total Operating Income	9,956.08	11,207.18	9,829.12	8,479.29	7,514.88
Net Profit After Tax	970.39	1,337.79	1,734.45	1,980.34	1,463.59

Key Ratios:

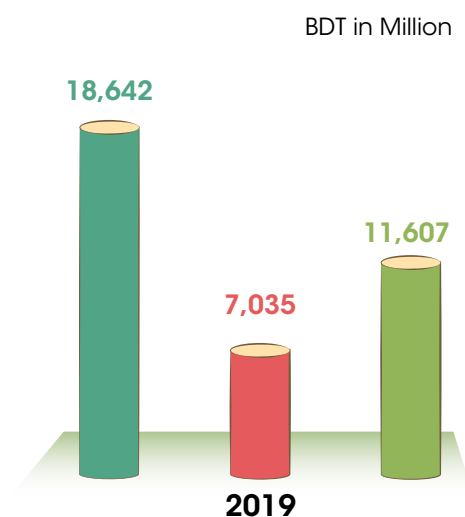
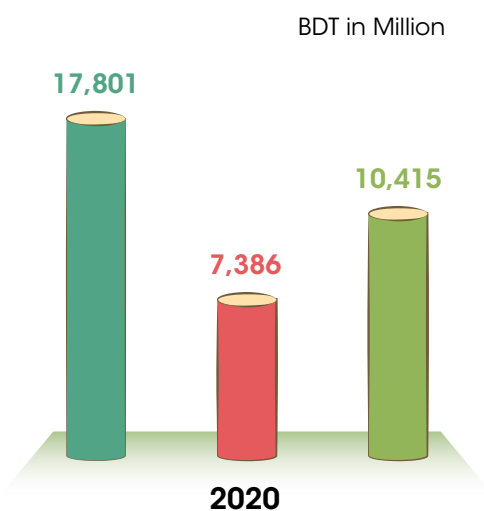
Eva/Total Operating Income (%)	15.85%	17.46%	29.72%	30.63%	15.65%
Eva/ Average Equity of Shareholders (%)	6.45%	9.06%	16.20%	17.11%	9.31%
Net Profit After Tax/Total Operating Income(%)	9.75%	11.94%	17.65%	23.35%	19.48%



Market Value Added Statement

Unlike EVA, which measures internal performance, market value added (MVA) is a measure of external performance that indicate how the market has evaluated the company's performance in terms of market value of quoted shares compared to book value of this shares. Market Value Added (MVA) is the difference between the current market value of the Bank and the capital contributed by investors. If MVA is positive, the Bank has added value. If it is negative, the Bank has destroyed value. The amount of value added needs to be greater than the Bank's investors could have achieved investing in the market portfolio, adjusted for the leverage of the Bank relative to the market. A high MVA denotes that the Bank has maximized the wealth for the shareholders. The calculation of market value added is tabled below.

Particulars	Number of Shares	Value per Share	Total Value 2020	BDT in Million
				Total Value 2019
Market Value of shares outstanding	738,632,418	BDT 24.10	17,801	18,642
Book Value of shares outstanding	738,632,418	BDT 10.00	7,386	7,035
Market value added		BDT 14.10	10,415	11,607

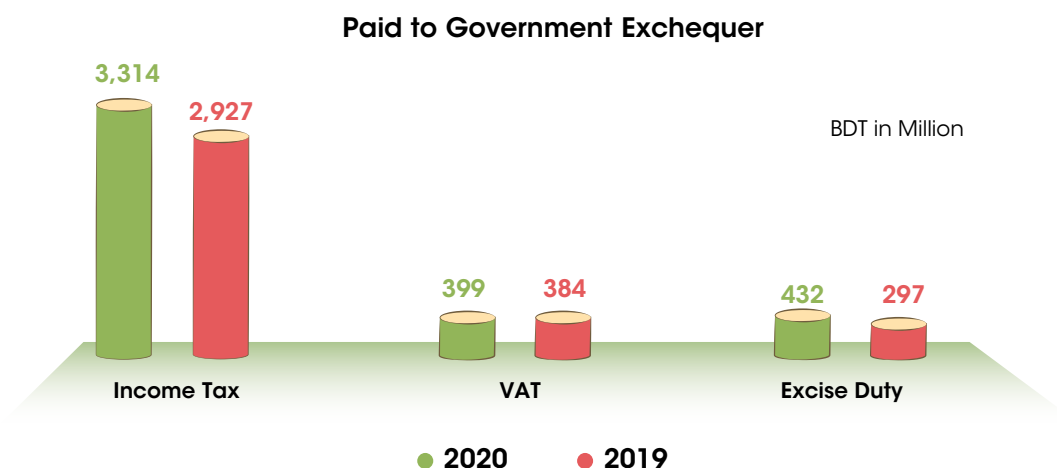


- Market Value of shares outstanding
- Book Value of shares outstanding
- Market value added

Contribution to National Economy

Management discussion and analysis statement on contribution to Government Exchequer. Government is considered as one of the most important stakeholders which play a critical role in the economic development of the country. Mutual Trust Bank Ltd. contributes to the economy by paying due corporate income Tax and Value Added Tax (VAT) as per the prevailing law and regulations. For the year 2020, Mutual Trust Bank Ltd. and its subsidiaries made a handsome contribution to government exchequer composed of income Tax, VAT, and Excise duty. MTB also pay VAT @ 15% on the fees and commission income of the Bank. On the other hand, MTB collect Tax and VAT at source while paying various bills and ensure payment of source withholding Tax and VAT to the Government Exchequer.

Particulars	Amount in BDT	
	2020	2019
Income Tax		
Salary and Allowances	195,666,224	187,364,118
Interest on Deposit	1,436,398,044	1,142,425,563
Interest on Bond	42,905,682	37,036,917
Advance Corporate Tax	1,100,000,000	900,000,000
Payment on Supplier and Parties Bill	85,128,031	147,332,543
Source Tax on Commission	105,509,048	110,706,199
Source Tax on Others	347,985,440	402,180,940
Sub Total	3,313,592,469	2,927,046,280
VAT		
House Rent	67,374,752	60,237,172
Legal Expenses	284,165	616,125
Directors' Fees	353,602	388,648
LC Commission	58,456,112	29,839,640
Procurement of Goods and Service	80,315,484	42,437,515
VAT at Source	23,305,992	97,095,778
VAT on Banking Service	169,120,465	153,159,025
Sub Total	399,210,571	383,773,903
Excise Duty	431,746,750	297,332,350
Total paid to Government Exchequer	4,144,549,791	3,608,152,533



Capital Adequacy Ratio

Financial Institutions (FIs) are required to maintain a minimum capital adequacy ratio of 10%. As per the Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, At the end of 2020, capital adequacy ratio of the group stood at 12.92%.

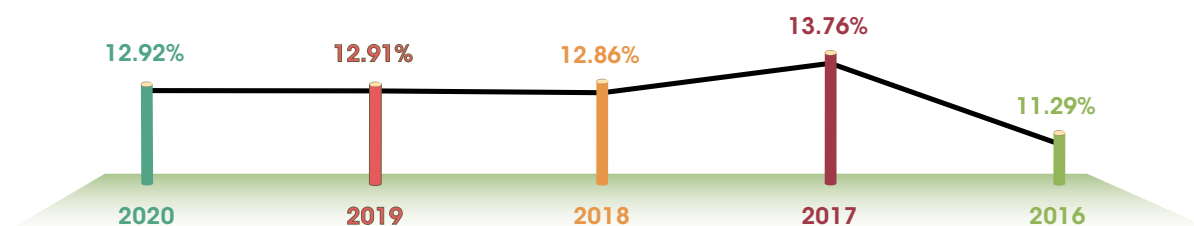
BDT in Million

Particulars	2020		2019	
	Consolidated	Solo	Consolidated	Solo
Common Equity Tier-1 (Going-Concern Capital):				
Paid-up Capital	7,386.32	7,386.32	7,034.59	7,034.59
Statutory Reserves	5,037.52	5,037.52	4,691.95	4,691.95
Share Premium	1,095.30	1,095.30	1,095.30	1,095.30
General Reserves	786.78	786.78	786.78	786.78
Minority Interest	0.13	-	0.13	-
Retained Earnings	2,166.25	1,779.20	2,253.89	1,937.90
Total	16,472.31	16,085.13	15,862.65	15,546.53
Regulatory Adjustments:				
Goodwill and all other Intangible Assets	177.59	177.59	220.27	220.27
Deferred Tax Assets (95% of DTA as per BB Guideline)	987.03	987.03	1,104.13	1,104.13
Reciprocal Crossholdings in the CEF-1 Capital of Banking, Financial and Insurance Entities	-	-	0.22	0.22
Total	1,164.62	1,164.62	1,324.61	1,324.61
Total Common Equity Tier -1 (Going-Concern Capital)	15,307.69	14,920.50	14,538.04	14,221.91
Additional Tier-1 Capital	650.00	650.00	-	-
Total Tier-1 Capital	15,957.69	15,570.50	14,538.04	14,221.91
Tier-2 Capital (Gone-Concern Capital) :				
General Provision including Off Balance Sheet items	4,009.08	4,009.08	4,450.29	4,450.29
Revaluation Reserve on Investment in Securities	-	-	260.14	260.14
Subordinated Debt	5,258.33	4,973.17	5,200.00	5,200.00
Total	9,267.41	8,982.25	9,910.43	9,910.43
Regulatory Adjustments:				
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	-	-	260.14	260.14
Total Tier-2 Capital (Gone-Concern Capital)	9,267.41	8,982.25	9,650.29	9,650.29
A. Total Regulatory Capital (Tier-1+Tier-2)	25,225.11	24,552.75	24,188.33	23,872.20
B. Risk Weighted Assets				
Credit Risk on				
Balance Sheet Exposure	150,008.14	149,838.42	148,147.70	148,163.12
Off Balance Sheet Exposure	23,269.68	23,269.68	19,160.41	19,160.41
	173,277.82	173,108.11	167,308.11	167,323.53
Market Risk	5,519.20	3,653.21	6,104.70	4,955.30
Operational Risk	16,477.93	15,858.40	13,944.69	13,333.79
Total Risk Weighted Assets	195,274.95	192,619.72	187,357.50	185,612.62
C. Required Capital on Risk Weighted Assets	19,527.49	19,261.97	18,735.75	18,561.26
D. Capital Surplus/(Shortfall) (A-C)	5,697.61	5,290.78	5,452.58	5,310.94
Capital to Risk-weighted Assets Ratios (CRAR) (%)	12.92%	12.75%	12.91%	12.86%
Tier- 1 Capital	8.17%	8.08%	7.76%	7.66%
Tier- 2 Capital	4.75%	4.66%	5.15%	5.20%

The calculation of CRAR under Basel III has been made as per " Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD circular # 18, dated 21 December 2014.

Consolidated Capital to Risk-weighted Assets Ratios (CRAR)

in Percent

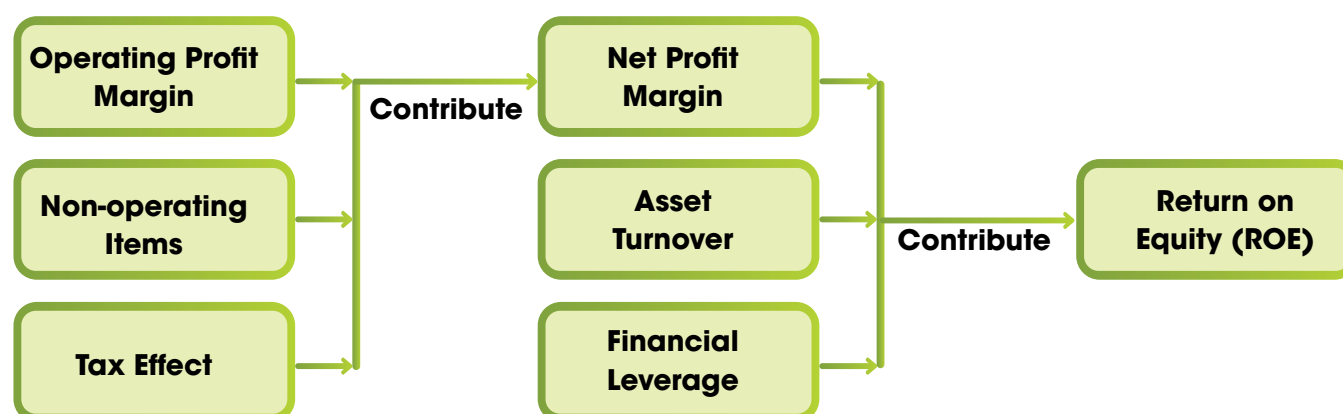


Dupont Analysis

Five Factors Model

DuPont analysis is a useful technique used to decompose the different drivers of return on equity (ROE). Decomposition of ROE allows investors to focus on the key metrics of financial performance individually to identify strengths and weaknesses.

There are three major financial metrics that drive return on equity (ROE): operating efficiency, asset use efficiency and financial leverage. Operating efficiency is represented by net profit margin or net income divided by total sales or revenue. Asset use efficiency is measured by the asset turnover ratio. Leverage is measured by the equity multiplier, which is equal to average assets divided by average equity.



Particulars	2020	2019	2018	2017	2016
Return on Equity (ROE)	5.83%	9.03%	13.83%	18.35%	15.61%
Net Profit Margin	4.49%	5.53%	8.56%	12.12%	9.75%
Contribution on Net Profit Margin:					
a) Operating Profit Margin	9.75%	11.94%	17.65%	23.33%	19.48%
b) Non-operating Items	7.81%	8.85%	11.56%	10.14%	6.30%
c) Tax Effect	3.97%	7.29%	3.98%	1.71%	6.64%
Asset Turnover (times)	0.05	0.07	0.10	0.09	0.10
Financial Leverage (times)	15.80	16.19	16.94	17.01	16.61

The higher the value of all components of DuPont analysis, the higher the negative impact on Return on Equity. The combined effects of these three components resulted in decreases of Net Profit Margin to 4.49% in 2020 compared to 5.53% of last year.

The Operating Profit Margin of 2020 decreases to 9.75% compared to that of 11.94% in 2019 for negative growth of net interest income which was 28.36% over previous year. The effect on Non-operating items include loan loss and other provision which decreased to 7.81% from 8.85% for the decreased of provision by 21.06%. The Tax Effect decreased to 3.97% from 7.29% in 2019.

Efficiency of utilization of assets as implied by average total Assets Turnover was lower than previous year that resulted from reprising of loans and advances. The Financial Leverage decreased to 15.80 from last year 16.19 for the lower growth of assets.

Sustainable Growth Rate

The Sustainable Growth Rate (SGR) is the greatest pace of development that an organization can support without financing development with extra equity or debt. The SGR includes expanding deals and income development without increasing financial leverage. Accomplishing the SGR can enable an organization to prevent being over-leveraged and avoid financial distress.

Formula for the Sustainable Growth Rate (SGR):

$$\text{SGR} = \frac{\text{Return on Equity} \times \text{Retention Rate}}{1 - (\text{Return on Equity} \times \text{Retention Rate})}$$

Retention Rate = (NPAT – Dividends paid) / NPAT

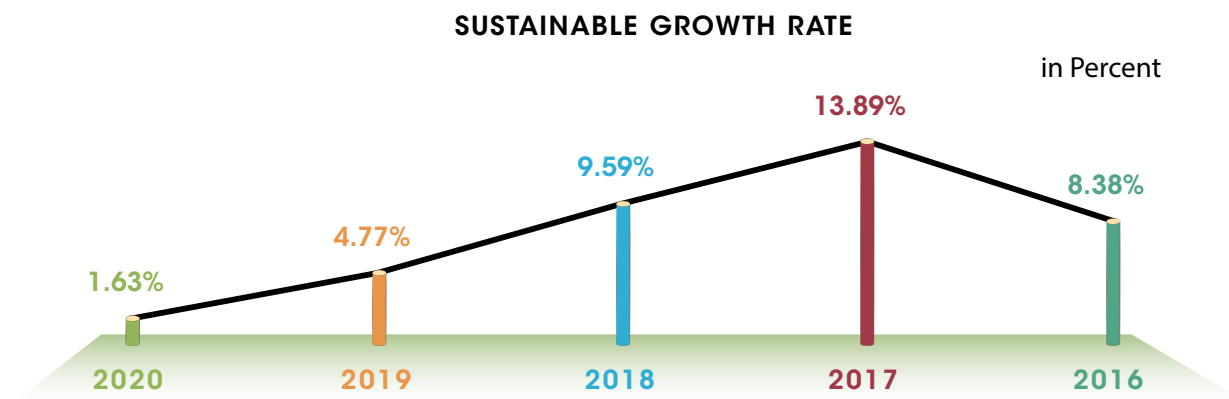
Return on Equity = NPAT / Shareholder's Equity

Calculation of SGR for Mutual Trust Bank Ltd.:

BDT in Million

Particulars	2020	2019	2018	2017	2016
Total Operating Income	9,956.08	11,207.18	9,829.12	8,479.29	7,514.88
Net Profit After Tax	970.39	1,337.79	1,734.45	1,980.34	1,463.59
Dividend paid	703.46	663.89	637.07	664.77	738.63
Statutory Reserve & Fund	354.56	595.95	473.78	434.46	466.62
Adding to retained earnings	(87.63)	77.95	623.60	881.11	258.34
Total Assets	269,269.26	256,913.17	222,464.15	201,753.93	165,370.69
Total Liabilities	252,257.97	240,623.17	209,137.08	189,991.85	155,552.30
Paid-up Capital	7,386.32	7,034.59	5,733.63	5,096.56	4,431.79
Other Reserves	7,458.59	7,001.38	5,417.50	4,943.18	4,545.35
Retained Earnings	2,166.38	2,254.02	2,175.94	1,722.35	841.24
Total Financing	269,269.26	256,913.17	222,464.15	201,753.93	165,370.69
Funds needed	-	-	-	-	-
Shareholder's Equity	5.83%	9.03%	13.83%	18.35%	15.61%
Sustainable Growth Rate	1.63%	4.77%	9.59%	13.89%	8.38%

Recommendation: The Bank can grow at a sustained average rate of 7.65% per year. Any growth rate beyond that level will require outside financing.



MTB Credit Rating Reaffirmed

**STRONG CAPACITY &
HIGH QUALITY**

AA

The Bank completed its Credit Rating by **Credit Rating Information and Services Limited (CRISL)** based on the Audited Financial Statements of 31 December 2020 and was awarded "AA" (Double A) in the Long Term and "ST-2" in the Short Term.

Persistent Stable outlook for consecutive 5 (five) years

Particulars	Current Rating	Previous Rating			
	2020	2019	2018	2017	2016
Long Term	AA(Double A)	AA(Double A)	AA(Double A)	AA(Double A)	AA(Double A)
Short Term	ST - 2	ST - 2	ST - 2	ST - 2	ST - 2
Based on Financials	31-Dec-2020	31-Dec-2019	31-Dec-2018	31-Dec-2017	31-Dec-2016
Date of Rating	23-May-2021	15-Jul-2020	13-May-2019	30-Apr-2018	17-May-2017
Validity Date	22-May-2022	14-Jul-2021	15-Jul-2020	29-Apr-2019	16-May-2018
Outlook	Stable	Developing	Stable	Stable	Stable

Definitions used by CRISL for entity (MTB) rating

AA (Double A)	<p>High Safety</p> <p>Bank rated in this category are adjudged to be of high quality, offer higher safety and have high credit quality. This level of rating indicates a corporate entity with a sound credit profile and without significant problems. Risks are modest and may vary slightly from time to time because of economic conditions.</p>
ST-2	<p>High Grade</p> <p>High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.</p>

Five Years at a Glance

BDT in Million

PARTICULARS	2020	2019	2018	2017	2016
A. BALANCE SHEET MATRIX					
1 Authorized Capital	10,000	10,000	10,000	10,000	10,000
2 Paid-up Capital	7,386	7,035	5,734	5,097	4,432
3 Total Shareholder's Equity	17,011	16,290	13,327	11,762	9,818
4 Total Reserve Fund & Surplus	9,625	9,255	7,593	6,665	5,386
5 Total Deposits	190,120	190,948	166,160	151,776	131,272
6 Total Loans and Advances	203,887	189,730	166,145	145,607	114,356
7 Total Borrowing	30,847	21,701	19,641	16,418	8,706
8 Total Investments	36,657	34,200	27,408	25,106	21,942
9 Total Fixed Assets	4,896	4,301	3,128	3,211	3,141
10 Total Assets	269,269	256,913	222,464	201,754	165,371
11 Earning Assets	235,591	214,555	187,041	170,163	139,590
12 Non-Interest Earning Assets	33,678	42,358	35,423	31,591	25,780
13 Liquid Assets	17,928	18,150	17,059	20,567	20,403
14 Current Asset	166,105	152,884	134,505	120,134	97,105
15 Current Liabilities	159,095	152,370	133,287	116,271	98,695
16 Total Liabilities	252,258	240,623	209,137	189,992	155,552
17 Capital Employed	110,175	104,543	89,178	85,483	66,676
18 Total Off-Balance Sheet Items	93,596	82,569	65,632	60,805	45,134
19 A) Net Asset Value (Nav) Per Share (Original)	23.03	23.16	23.24	23.08	22.15
B) Net Asset Value (Nav) Per Share (Previous Years Re-Styled)	23.03	22.05	18.04	15.92	13.29
B. INCOME STATEMENT MATRIX					
1 Interest Income	15,565	18,394	15,687	12,161	11,381
2 Interest Expenses	11,675	12,964	10,436	7,853	7,503
3 Net Interest Income (NIM)	3,890	5,430	5,251	4,308	3,878
4 Investment Income	3,461	2,536	2,343	2,127	2,011
5 Non-Interest Income	2,605	3,232	2,235	2,044	1,626
6 Total Operating Income	9,956	11,197	9,829	8,479	7,515
7 Non-Interest Expenses	6,438	5,958	4,945	4,564	4,107
8 Total Income	21,631	24,162	20,265	16,332	15,018
9 Total Expenditure	18,113	18,922	15,381	12,416	11,610
10 Profit Before Provision and Tax	3,518	5,240	4,884	3,916	3,408
11 Provision for Loans, Investment and Other Assets	1,690	2,140	2,342	1,656	947
12 Profit Before Tax	1,829	3,099	2,542	2,259	2,461
13 Provision for Deferred and Current Tax	859	1,762	807	279	998
14 Net Profit After Tax	970	1,338	1,734	1,980	1,464
15 A) Earnings Per Share (Eps) (Original)	1.31	2.03	3.03	3.89	3.30
B) Earnings Per Share (Eps) (Previous Years Re-Styled)	1.31	1.81	2.35	2.68	1.98
C. FOREIGN EXCHANGE BUSINESS					
1 Import Business	102,400	119,002	117,918	105,030	78,420
2 Exports Business	57,828	64,318	60,062	59,075	49,935
3 Foreign Remittance (USD-Million)	442	582	571	313	191
4 Guarantee Business (Outstanding)	13,180	11,143	6,110	3,178	1,385
D. CAPITAL MEASURES					
1 Total Risk Weighted Assets under Basel III	195,275	187,358	163,644	138,224	121,556
2 Tier-I Capital (Going-Concern Capital)	15,958	14,538	11,578	10,067	9,009
3 Tier-II Capital (Gone-Concern Capital)	9,267	9,650	9,464	8,949	4,716
4 Total Regulatory Capital (Going+Gone Concern)	25,225	24,188	21,042	19,016	13,725
5 Minimum Capital Requirement (MCR)	19,527	18,736	16,364	13,822	12,156
6 Capital Surplus/(Deficit)	5,698	5,453	4,678	5,194	1,570

Five Years at a Glance

BDT in Million

PARTICULARS		2020	2019	2018	2017	2016
7	Capital to Risk Weighted Assets Ratio (CRAR)	12.92%	12.91%	12.86%	13.76%	11.29%
8	Tier-I Capital Ratio	8.17%	7.76%	7.08%	7.28%	7.41%
9	Tier-II Capital Ratio	4.75%	5.15%	5.78%	6.47%	3.88%
10	Leverage Ratio (As per BB Basel III guideline)	5.07%	4.79%	4.41%	4.24%	4.80%
11	Internal Capital Generation Ratio	13.01%	15.22%	17.35%	15.96%	8.97%
12	Risk Weighted Assets to Total Assets	72.52%	72.93%	73.56%	68.51%	73.50%
E. CREDIT QUALITY						
1	Classified Loans and Advances	9,388	10,227	8,951	6,268	4,983
2	Provision for Classified Loans	4,181	3,099	3,183	2,398	2,051
3	Provision for Un-Classified Loans	3,197	3,699	2,017	2,016	1,108
4	Provision for Off-Balance Sheet Items	812	752	595	589	589
5	Provision for Investment	674	578	481	378	480
6	Provision for Other Asset	141	65	41	31	21
7	Total Provision Maintained	9,005	8,193	6,317	5,413	4,249
8	Percentage of NPLs to Total Loans and Advances	4.60%	5.39%	5.39%	4.30%	4.36%
9	Gross NPL Coverage	44.54%	30.30%	35.56%	38.26%	41.16%
F. SHARES INFORMATION MATRIX						
1	Number of Shareholders	6,368	6,084	6,533	7,361	10,016
2	Number of Shares Outstanding	739	703	573	510	443
3	Market Value per Share	24.10	26.50	35.10	35.00	23.10
4	Market Value addition	14.10	16.50	25.10	25.00	13.10
5	Operating Profit per Share	4.76	7.45	8.52	7.68	7.69
6	Total Dividend:	10.00%	10.00%	11.00%	12.50%	15.00%
	Cash	-	5.00%	-	-	-
	Stock	10.00%	5.00%	11.00%	12.50%	15.00%
7	Dividend Payout Ratio	76.12%	52.58%	36.36%	32.17%	45.42%
8	Market Capitalization (At close of the year)	17,801	18,642	20,125	17,838	10,237
9	Effective Book Value per Share	23.59	25.52	24.61	24.69	24.17
10	Market Value Book Value Multiple	1.02	1.04	1.43	1.42	0.96
11	Price Earning Ratio (PE) (Times)	18.34	13.03	11.60	9.01	6.99
12	Price Equity Ratio	1.05	1.14	1.51	1.52	1.04
13	Dividend Coverage Ratio	1.31	1.90	2.75	3.11	2.20
14	a) Net Operating Cash Flow Per Share (Original)	(0.11)	12.62	0.28	0.05	7.22
	b) Net Operating Cash Flow Per Share (Previous Years Re-Styled)	(0.11)	12.02	0.21	0.04	4.33
G. OPERATING PERFORMANCE RATIO						
1	Net Interest Margin (NIM) Ratio	2.00%	3.02%	3.34%	3.09%	3.55%
2	Net Interest Margin on Earning Assets	1.73%	2.70%	2.94%	2.78%	2.92%
3	Cost to income/Efficiency Ratio	64.66%	53.21%	50.31%	53.82%	54.65%
4	Interest Income to Total Income	71.96%	76.13%	77.41%	74.46%	75.79%
5	Non Interest Income to Total Income	28.04%	23.87%	22.59%	25.54%	24.21%
6	Net Interest Income to Net Operating Income	39.07%	48.49%	53.43%	50.80%	51.61%
7	Interest Expenses to Total Expenses	64.46%	68.51%	67.85%	63.25%	64.63%
8	Operating Profit Ratio	16.27%	21.69%	24.10%	23.98%	22.69%
9	Other Operating Expenses to Income Ratio	27.92%	23.80%	22.53%	25.27%	24.40%
10	Expense Coverage	83.73%	78.31%	75.90%	76.02%	77.31%
11	Net Profit Margin	9.75%	11.95%	17.65%	23.35%	19.48%
13	Operating Profit as Percentage (%) of Earning Assets	1.56%	2.61%	2.73%	2.53%	2.57%
12	Net Profit as Percentage (%) of Earning Assets	0.43%	0.67%	0.97%	1.28%	1.10%
14	Lending -Deposit Ratio (As per BB Asset-Liability Guideline)	83.90%	83.38%	82.83%	83.45%	77.69%
15	Cost of Deposit	5.34%	6.52%	5.96%	5.00%	5.51%

Five Years at a Glance

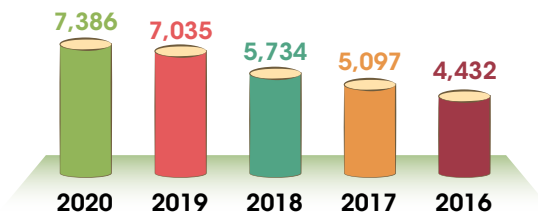
BDT in Million

PARTICULARS	2020	2019	2018	2017	2016
16 Cost of Deposit & Borrowing	5.22%	6.54%	5.96%	5.08%	5.70%
17 Cost of Administrative	2.70%	2.75%	2.67%	2.80%	3.01%
18 Cost of Fund	7.92%	9.29%	8.63%	7.88%	8.71%
19 Yield on Loans and Advances	8.13%	10.50%	10.07%	9.50%	10.73%
20 Interest Spread	2.80%	3.97%	4.12%	4.50%	5.22%
21 Net Spread	0.21%	1.21%	1.45%	1.61%	2.02%
22 Asset Utilization Ratio	8.22%	10.08%	9.55%	8.90%	9.64%
23 Return on Average Assets (ROAA)	0.37%	0.56%	0.82%	1.08%	0.94%
24 Return on Risk Weighted Assets	0.50%	0.71%	1.06%	1.43%	1.20%
25 Return on Average Equity (ROE)	5.83%	9.03%	13.83%	18.35%	15.61%
26 Return on Investments (ROI)	9.77%	8.23%	8.92%	9.04%	8.34%
27 Return on Capital Employed	3.19%	5.01%	5.48%	4.58%	5.11%
28 Cash Reserve Ratio (CRR)	4.01%	5.57%	5.68%	7.22%	6.61%
29 Statutory Liquidity Ratio (SLR)	16.90%	17.14%	17.13%	18.07%	16.41%
30 Current Ratio	1.04	1.00	1.01	1.03	0.98
31 Debt to Equity Ratio	14.83	14.77	15.69	16.15	15.84
32 Debt to Total Assets Ratio	93.68%	93.66%	94.01%	94.17%	94.06%
33 Assets Turnover Ratio	8.03%	9.40%	9.11%	8.10%	9.08%
34 Burden Coverage	94.23%	96.81%	92.58%	91.41%	88.55%
H. MANAGEMENT EFFICIENCY RATIO					
1 Deposits per Employee	80.59	81.60	78.38	75.74	69.49
2 Loans and Advances per Employee	86.43	81.08	78.37	72.66	60.54
3 Assets per Employee	114.15	109.79	104.94	100.68	87.54
4 Operating Income per Employee	4.22	4.79	4.64	4.23	3.98
5 Operating Expenses per Employee	2.73	2.55	2.33	2.28	2.17
6 Operating Profit per Employee	1.49	2.24	2.30	1.95	1.80
7 Profit Before Tax per Employee	0.78	1.32	1.20	1.13	1.30
8 Net Profit After Tax per Employee	0.41	0.57	0.82	0.99	0.77
9 Operating Profit per Branch	24.27	42.60	42.84	35.28	30.98
10 Human Capital Expenses	56.83%	55.30%	55.22%	53.11%	55.52%
11 Staff Expenses to Income ratio	36.74%	29.44%	27.78%	28.55%	30.25%
12 Average Branch wise Manpower	16	19	19	18	17
I. OTHER INFORMATION					Numbers
1 Credit Rating:					
a) Long Term	AA	AA	AA	AA	AA
b) Short Term	ST-2	ST-2	ST-2	ST-2	ST-2
2 Number of Branches	145	123	114	111	110
a) Urban	77	77	75	73	73
b) Rural	27	27	25	24	23
c) SME & Agriculture	14	14	14	14	14
d) SUB-Branch	27	5	-	-	-
3 Agent Banking	162	140	100	50	10
4 Number of Employees	2,362	2,340	2,120	2,004	1,889
5 Number of Customer's Accounts	981,587	935,863	857,127	786,676	729,316
a) Number of Deposit Accounts	944,031	898,129	821,828	754,714	701,543
b) Number of Loan Accounts	37,556	37,734	35,299	31,962	27,773
6 Number of Point of Sale (POS) Machines	3,137	3,101	3,140	2,953	2,818
7 Number of ATM Network	306	302	268	246	226
8 Number of Credit Card	75,071	55,490	40,654	29,689	21,637
9 Number of Debit Card	373,128	297,875	266,103	237,314	209,393
10 Number of Global Correspondents	597	600	602	589	548

Graphical Review

PAID-UP CAPITAL

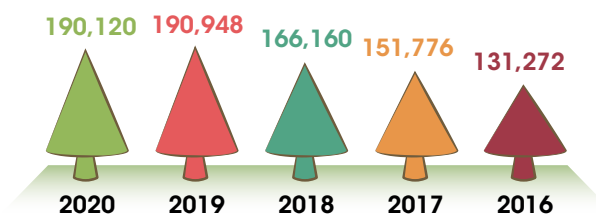
BDT in million



Consistent Paid-up Capital growth in balance sheet, creating a strong base for the bank

DEPOSITS

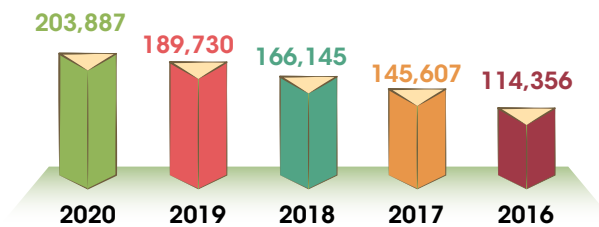
BDT in million



Deposits have decreased slightly from 2019 due to decrease in high cost deposits in the year 2020

LOANS AND ADVANCES

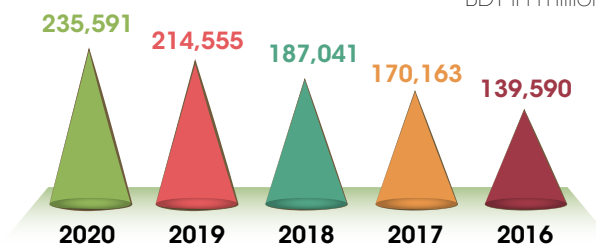
BDT in million



Steady growth in loans and advances depicting balance sheet growth

EARNING ASSETS

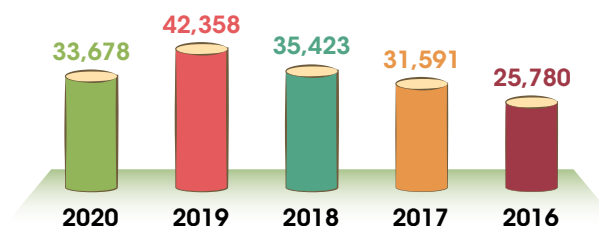
BDT in million



Earning Assets growing with overall growth of balance sheet and these assets keep earnings rolling in for the bank

NON-INTEREST EARNING ASSETS

BDT in million

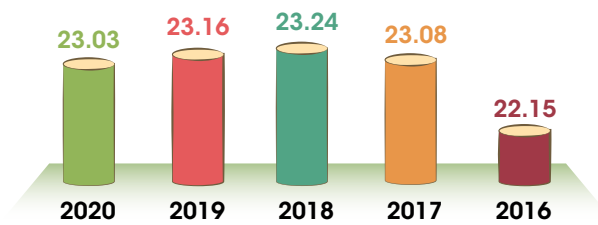


Non-Interest Earning Assets decreased despite overall growth of balance sheet

Graphical Review

NET ASSET VALUE (NAV) PER SHARE (ORIGINAL)

in BDT

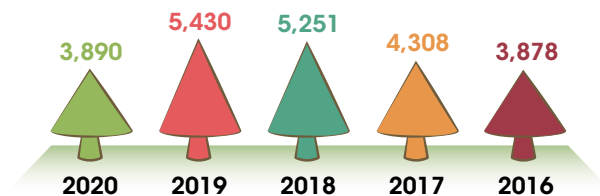


The bank has maintained stable Net Asset Value Per Share over the years

Net Interest Income (NIM) decreased as single digit rate was implemented, immediately lowering income from risk assets while deposit rate was still high due to maturity gap

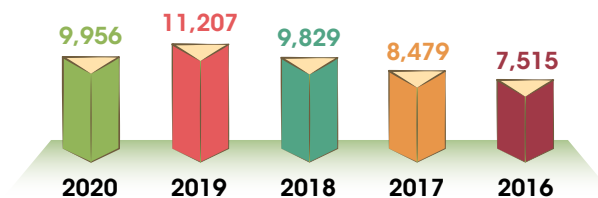
NET INTEREST INCOME (NIM)

BDT in million



TOTAL OPERATING INCOME

BDT in million

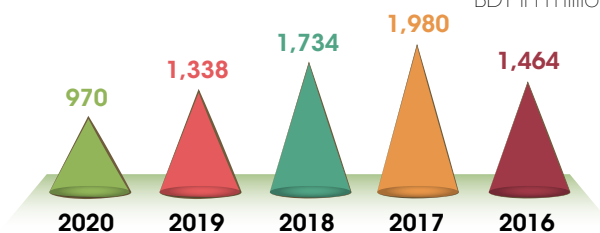


Total Operating Income decreased slightly due to decrease in NIM and Other Operating Income

Net Profit after Tax decreased in 2020 due to increased provision maintenance for loans and advances

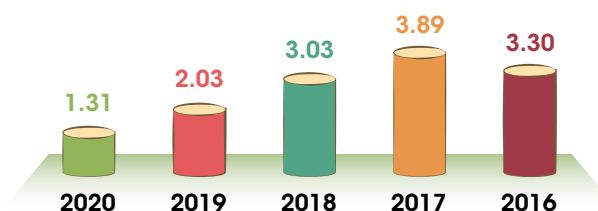
NET PROFIT AFTER TAX

BDT in million



EARNINGS PER SHARE (EPS) (ORIGINAL)

in BDT

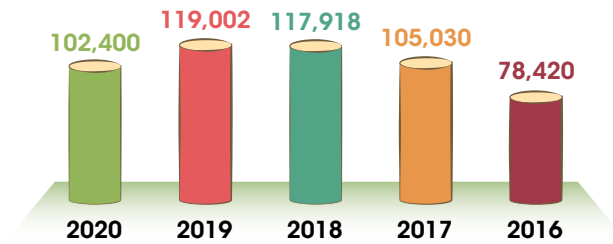


Lower scope for profitability in 2020 created pressure on EPS to move downward

Graphical Review

IMPORT BUSINESS

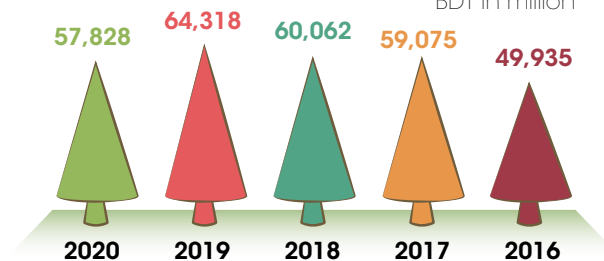
BDT in million



Decrease in import business is a reflection of less moving economic activities

EXPORT

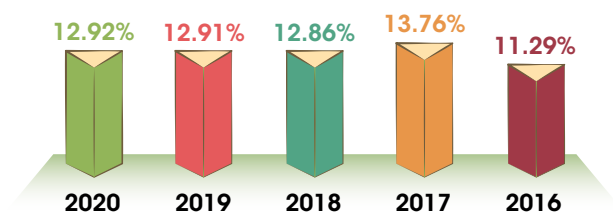
BDT in million



Decrease in export business as the whole economy suffered from lockdown and business activities were on halt for a significant period of time

CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)

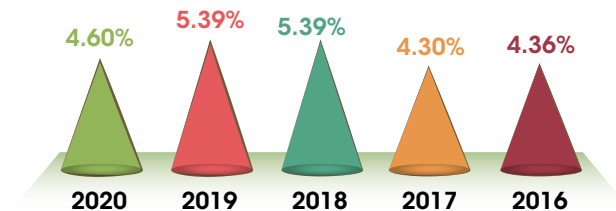
in Percent



Regulatory compliance for capital requirement met every year, depicting a strong base for the bank

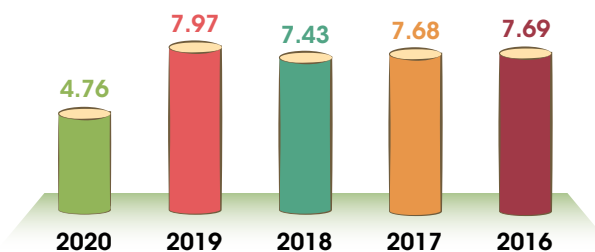
PERCENTAGE OF NPLS TO TOTAL LOANS AND ADVANCES

NPL ratio at the same level compared to previous year, much lower rate than industry average



OPERATING PROFIT PER SHARE

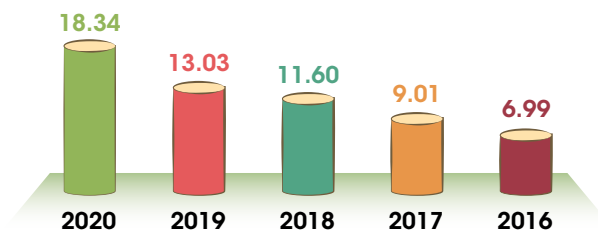
in BDT



Stress on operational performance due to overall economic and COVID-19 situation reflected as decrease in Operating Profit per Share

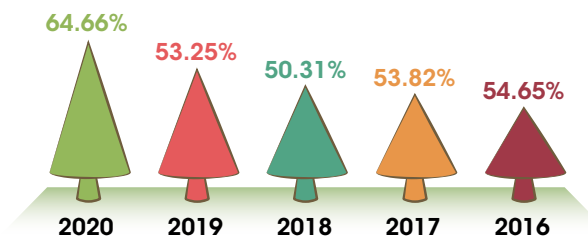
Graphical Review

PRICE EARNING RATIO (PE) (TIMES)



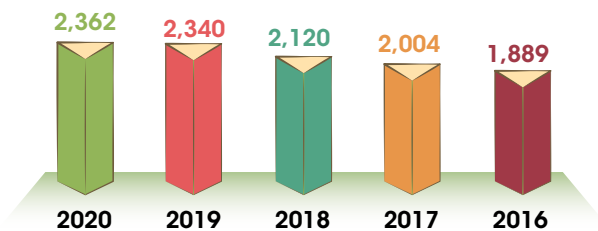
Increasing trend in Price Earning (PE) Ratio depicts confidence of investors on the bank

COST TO INCOME/EFFICIENCY RATIO



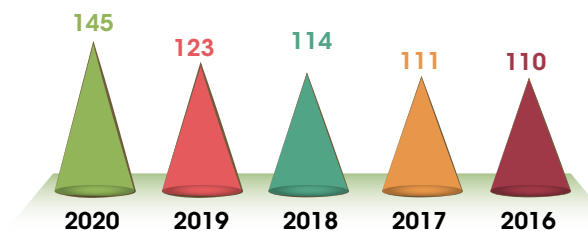
Cost to Income ratio moved upwards in 2020 as the NIM decreased while costs being mostly fixed nature remain at the same level as previous

NUMBER OF EMPLOYEES



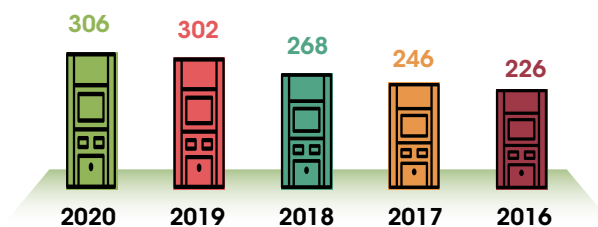
Number of employees increased by only 19 in the bank, during 2020. The bank has one of the highest retention rate and best morals for employees

NUMBER OF BRANCHES



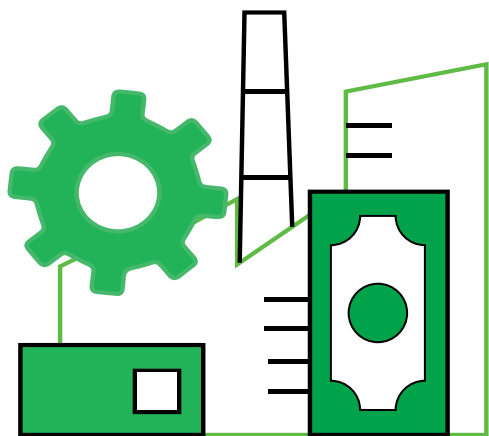
22 new branches and sub-branches opened in 2020, reaching efficiency of service delivery through cost-benefit analysis of new branch opening

NUMBER OF ATM NETWORK



13 new ATM opened in 2020, expanding reach of the bank's ATM with efficiency to the banking customers

Report on Going Concern



Each Organization requires to evaluate its capacity to proceed as a Going Concern. The Board of Directors of Mutual trust Bank Ltd. has made yearly evaluation about whether there exists any material uncertainty which may provide reason to feel ambiguous about striking uncertainty the Bank's capacity to proceed as Going Concern. The director's evaluation of whether the Bank is a going concern substance includes making suitable requests including audit of budget plan and future result of characteristic vulnerabilities in presence.

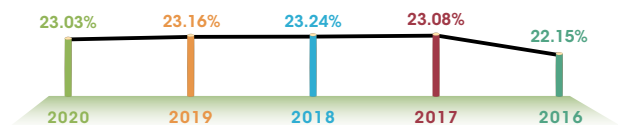
The Board of Directors are convinced from the following indication, which give reasonable assurance as to Bank's continuance as a Going Concern for the projected future.

Financial indications

Positive key financial ratios:

During the year 2020 Mutual Trust Bank's earning asset increased by 9.80 percent, Advances by 7.46 percent, Shareholders' Equity by 4.43 percent and Investment Income increased by 36.50 percent. The Bank has an extremely

NET ASSET VALUE (NAV) PER SHARE (ORIGINAL)



financial ratio as evident from financial highlights and graphical presentation of financial position given independently in this Annual Report. Such positive financial ratios indicate Bank's sound financial strength and appropriate predictions.

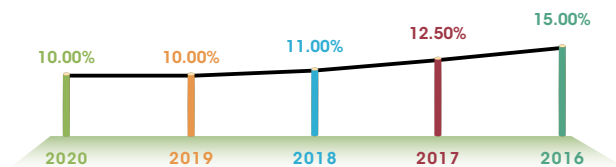
EARNINGS PER SHARE (EPS) (ORIGINAL)



Consistent payment of dividends:

The Bank has been disbursing consistent dividend to its shareholders over many years which reflects company's long-term vision and strong commitment to its owners.

DIVIDEND



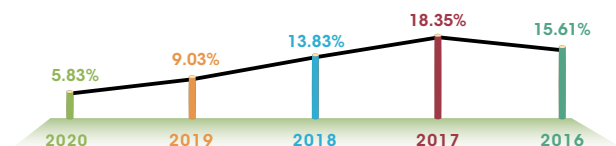
Credibility in payment of obligations:

The Bank has strong credibility in terms of payment of its commitments to the lenders. The Bank is very particular in fulfilling the terms of repayment agreement without any exception.

Performance growth:

Mutual Trust Bank Ltd. has first-rate growth in its operating performance. MTB's total asset has increased from BDT 256,913 million to BDT 269,269 million indicating a growth of 4.81 percent over last year. All these indicators Bank's continuance in foreseeable periods.

RETURN ON EQUITY (ROE)



Cash Flow Analysis:

Mutual Trust Bank's cash flow analysis represents strength about its ability to reply its obligation, ability to adapt in changing circumstances and generate sufficient cash and cash equivalent which will lead the Bank to the projected future.

Operating cash flow before adjustment of increase/ decrease in operating assets and liabilities in BDT 1,419.00 million as against BDT 5,736.29 million of previous year.

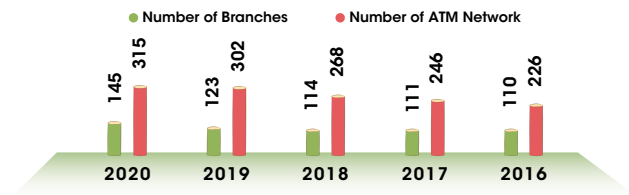
NET OPERATING CASH FLOW PER SHARE (ORIGINAL)



However net operating cash flow after adjustment of increase/ decrease in operating assets and liabilities shows net outflow of BDT (83.83) million as against net outflow of BDT 8,875.70 million of previous year. Such outflow indicates to cautious expansion of loans & advances of the Bank.

Expansion of Business:

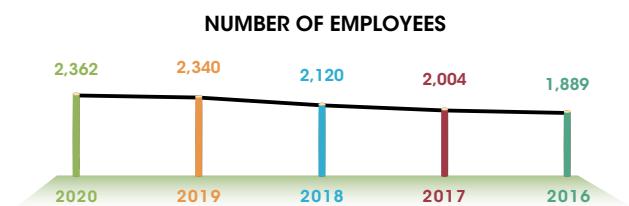
MTB has expended its region geographically by opening new branches in different places considering the financial implication. During last five years MTB opened 35 (thirty five) new branches & sub branches at different places in Bangladesh, new ATM has also been connected during last five years tenure. Total Number of branches & sub branches 145 and ATMs 315 as on December 2020 (2019: 123 branches & sub branches and 302 ATMs).



Mutual Trust Bank also gives due importance on expansion of various innovative and customer oriented products and services which is being done in a continuous manner. In addition to that MTB has 3 (three) subsidiaries as on the date of reporting namely; MTB Securities Ltd, MTB Capital Ltd. and MTB Exchange UK Ltd. MTBSL, MTBCL & MTBUK has been formed with the vision of carrying full-fledged business operation as a brokerage house, merchant Bank & exchange house activities in all over the Bangladesh and overseas. The Bank obtained the Off-shore Banking Unit (OBU) permission for provide all kinds of commercial Banking services to its customers in foreign currencies. Above diversification also represent Bank's intention for perpetuity.

Corporate environment and employees' satisfaction:

There exists a very good corporate environment in the Bank. MTB is an excellent work place with friendly environment communication among the employees is very excellent. The Bank activities to be honest and practices fair treatment to all employees which ensure good corporate environment. MTB pays a competitive compensation package and there exists a good number of employees' benefits like provident fund, gratuity fund, life insurance (health benefit), incentive bonus, transport facility to the eligible employees. Pay scale are frequently revised to give effect of inflation as well as to align with the industry level. Those all factors are to be considered as effective for employees' satisfaction.

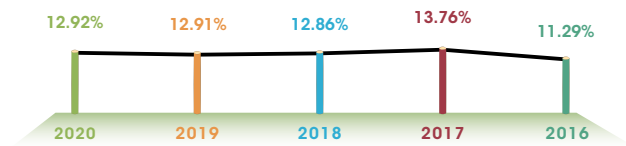


Maintenance of sufficient Capital:

As on 31 December 2020, the Bank's total equity stands at BDT 17,011.16 million as against BDT 16,289.87 million of 31

December 2019. On the other hand, as on the date of the reporting the paid up capital of the Bank is BDT 7,386.32 million as against Bangladesh Bank requirement of minimum paid up capital BDT 4,000 million.

CAPITAL TO RISK WEIGHTED ASSETS (CRAR)



Moreover, as per BASEL-III, a Bank should maintain total capital at least @ 10 percent of RWA. MTB maintains above the required level consistently. As on 31 December 2020 Banks CRAR is 12.92% and maintained total regulatory capital BDT 25,225.11 million. All the above situation also indicates to its ability and intention to continue for the foreseeable future and long term vision.

Satisfactory credit rating:

Mutual Trust Bank Ltd. has been rated as **AA** (pronounced as Double A) the long term credit rating and **ST-2** short term based on audited financial as on 31 December 2020 and other available information up to the date of rating declaration. The outlook on the rating is Stable. The ratings are consistent with CRISL's methodology for this type of company. CRISL considered financial performance, capital base, asset quality, liquidity position, management experience and prospect of the industry while assigning the rating. An institution rated AA has a very strong capacity for timely servicing of financial obligations offering high safety. Such institutions carry very low risk. An institution rated ST-2 has a strong capacity for timely payment of financial commitments and carry lowest credit risk.

Current Rating 2020	Long Term	Short Term
MTB Rating	AA (Double A)	ST - 2
Based on Financials	31-Dec-2020	
Date of Rating	23-May-2021	
Validity Date	22-May-2022	
Outlook	Stable	

Changes in Government policy:

Management Anticipates on significant change in legislation or government policy, which may materially affect the business of the Bank.

In view of the above sign, directors feel it appropriate to adopt Going Concern assumption and there is no material vulnerability exists in preparing the financial statements. Adequate disclosures have been made in the financial statements and different sections of the Annual Report to understand the appropriateness of Going Concern basis in preparing financial statements.

Financial Calendar

Financial Calendar 2020	Date
1 st Quarter Results published on	July 09, 2020
Half Yearly Financial Statement published on	July 29, 2020
3 rd Quarter Results published on	October 20, 2020
Audited Financial Statements for 2020 signed on	May 04, 2021
22 nd Annual General Meeting held on	June 24, 2021
10% as Final Dividend for 2020 payable on	June 24, 2021

Proposed Financial Calendar 2021	Date
1 st Quarter Results published on	May 12, 2021
Half Yearly Financial Statement to be published on	July 2021
3 rd Quarter Results to be published on	October 2021
Audited Financial Statements for 2021 to be signed on	February/March, 2022
23 rd Annual General Meeting to be held on	March, 2022

Glimpse of the 21st Annual General Meeting



21st Annual General Meeting 2020 Held on Virtual Platform

Financial Statements



Report on the MD & CEO'S and CFO'S Responsibilities

Date: 04 May 2021

To

The Board of Directors

Mutual Trust Bank Ltd.

Subject: Declaration on Financial Statements for the year ended on December 31, 2020

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No.BSEC/CMRRCD/2006-158/207/ Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Mutual Trust Bank Ltd. for the year ended on 31 December 2020 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on 31 December 2020 and that to the best of our knowledge and belief:
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Syed Mahbubur Rahman
Managing Director & CEO



Mohammad Aminul Haque FCA
Group Chief Financial Officer

Independent Auditor's Report

To the Shareholders of Mutual Trust Bank Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Mutual Trust Bank Limited and its subsidiaries (the "Group") as well as the separate financial statements of Mutual Trust Bank Limited (the "Bank"), which comprise the consolidated and separate balance sheets as at 31 December 2020 and the consolidated and separate profit and loss accounts, cash flow statements and statements of changes in equity for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Bank as at 31 December 2020, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International

Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
Measurement of Provision for Loans and Advances	
<p>The process of estimating provision for loans and advances associated with credit risk is judgmental and complex. While estimating such provisions certain judgmental factors need to be considered including:</p> <ul style="list-style-type: none"> • Future business performance of the borrower; • Key assumptions relating to further business performance of the borrower; • Market value of the collateral; • Ability to repossess collateral; and • Recovery rates <p>Furthermore, these provisions are processed manually using the voluminous data extracted from the IT system of the Bank and following the instructions of Bangladesh Bank (the central Bank of Bangladesh) issued time to time.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Credit monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; and • Review of quarterly Classification of Loans (CL) <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the general and specific provisions in line with related Bangladesh Bank guidelines;

<p>Due to high level of judgment involved and using some manual process in estimating the provision for loans and advances, we considered this to be a key audit matter.</p> <p>At year end the Group and the Bank reported total gross loans and advances of BDT 203.89 billion (2019: BDT 189.73 billion) and BDT 200.99 billion (2019: BDT 186.77 billion) respectively and provision for loans and advances of BDT 7.32 billion (2019: BDT 7.14 billion) and BDT 6.97 billion (2019: BDT 6.80 billion) respectively.</p> <p>See note # 2.2.3, 7, 12.01 and 12.a.1 to the financial statements.</p>	<ul style="list-style-type: none"> Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; Tested a selection of loans and advances to examine the validity of the recorded amounts, loan documentation, examined the statement of accounts, indicators of impairment, provision for non-performing loans and compliance with relevant Bangladesh Bank guidelines; and Finally, assessed the appropriateness of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
<p>Valuation of Treasury Bill and Treasury Bond</p>	
<p>The classification and measurement of treasury bonds require judgment and complex estimates.</p> <p>In the absence of a quoted price in an active market, the fair value of treasury bills and treasury bonds is determined using complex valuation techniques which may take into consideration direct or indirect unobservable market data and complex pricing models which require an elevated level of judgment.</p> <p>See note # 2.2.2 and 6 to the financial statements.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the classification and measurement of treasury bills and treasury bonds.</p> <p>We tested a sample of the valuation models and the inputs used in those models, using a variety of techniques applicable in the circumstances.</p> <p>Finally, we have assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>
<p>Recognition and subsequent measurement of IFRS 16 Leases</p>	
<p>IFRS 16 Leases became effective for annual reporting beginning on or after 01 January 2019 which replaced IAS 17 Leases. The application of the lease standard resulted in the recognition and subsequent measurement, a right-of-use (ROU) asset at BDT 1,325.99 million (net present value) (2019: BDT 599.09 million) and lease liabilities at BDT 1,096.76 million (2019: BDT 503.54 million).</p> <p>The recognition and subsequent measurement of IFRS 16 Leases is considered a key audit matter, as the balances recorded are material, management had to apply several judgments and estimates such as lease period, incremental borrowing rate, measurement basis among others and consider a significant data analysis to summarize the lease information used in their lease calculation model.</p> <p>See note # 2.2.8, 8.a, 12.a.8, 24.a and 35.a to the financial statements.</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of key controls pertaining to the determination of the IFRS 16 Leases impact on the financial statements of the Bank; Assessed the appropriateness of the incremental borrowing rate; Verified the accuracy of the underlying lease data by agreeing to original contract and checked the accuracy of the IFRS 16 calculations through recalculation of the expected IFRS 16 adjustment and; Assessed the disclosures given in the financial statements. <p>For identifying the individual lease contract as 'low value item' the Bank has applied a threshold of Tk 20 million for each lease and also considered the probability of exercising non-renewal option of those lease contract.</p>
<p>Legal and Regulatory Matters</p>	
<p>We focused on legal and regulatory matters because the Bank and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p>	<p>We tested the design and operating effectiveness of key controls over the legal provision and contingencies process.</p> <p>We inquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We inquired of the Bank's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports.</p>

<p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p>	<p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group's provisions and contingent liabilities disclosure.</p>
<p>IT systems and controls</p>	
<p>Our audit procedures have a focus on IT systems and controls due to the business environment and changes to the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p> <p>Our areas of audit focus included user access management, developer access to the production environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>We tested the design and operating effectiveness of the Bank's IT access controls over the information systems that are critical to financial reporting. We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included:</p> <ul style="list-style-type: none"> • testing that requests for access to systems were appropriately reviewed and authorized • testing the Bank's periodic review of access rights • inspecting requests of changes to systems for appropriate approval and authorization

Other Matter

The consolidated financial statements of the Group and separate financial statements of the Bank as at and for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those statements on 30 June 2020.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated and separate financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Bank.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements of the Bank in accordance with IFRSs as explained in note # 2, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Bank Company Act, 1991 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Bank. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying

transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Bank Company Act, 1991 and the rules and regulations issued by Bangladesh Bank, we also report that:

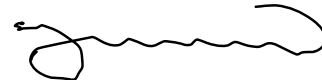
- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) to the extent noted during the course of our audit work performed on the basis stated under the Auditor's Responsibility section in forming the above opinion on the consolidated financial statements of the Group and the separate financial statements of the Bank and considering the reports of the Management to Bangladesh Bank on anti-fraud internal controls and instances of fraud and forgeries as stated under the Management's Responsibility for the financial statements and internal control:

- a. internal audit, internal control and risk management arrangements of the Group as disclosed in the financial statements appeared to be materially adequate;
- b. nothing has come to our attention regarding material instances of forgery or irregularity or administrative error and exception or anything detrimental committed by employees of the Group and the Bank (other than matters disclosed in these financial statements);
- iii) consolidated financial statements of Mutual Trust Bank Limited's subsidiaries namely, MTB Securities Limited and MTB Capital Limited have been audited by Shafiq Basak & Co., Chartered Accountants and MTB Exchange (UK) Limited has been audited by Jahan & Co. Certified Management Accountants and have been properly reflected in the consolidated financial statements. The auditors have expressed an unqualified opinion for both companies.
- iv) in our opinion, proper books of accounts as required by law have been kept by the Group and the Bank so far as it appeared from our examination of those books;
- v) the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- vi) the consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- vii) the expenditures incurred were for the purpose of the Group's and the Bank's business for the year;
- viii) the consolidated financial statements of the Group and the separate financial statements of the Bank have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- ix) subject to the content of note # 7.a.8, adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- x) the information and explanations required by us have been received and found satisfactory;
- xi) we have reviewed over 80% of the risk weighted assets of the Bank and spent over 6,800 person hours; and
- xii) Capital to Risk-weighted Asset Ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

The engagement partner on the audit resulting in this independent auditor's report is Hasan Mahmood FCA.

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A



Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Property and Assets			
Cash	3.00	11,781,494,720	14,556,500,624
In Hand (Including Foreign Currency)		2,839,955,309	2,886,876,110
With Bangladesh Bank and its Agent Bank(s) (Including Foreign Currency)		8,941,539,411	11,669,624,514
Balance with other Banks & Financial Institutions	4.00	5,030,965,937	3,385,050,274
In Bangladesh		3,322,877,323	647,783,394
Outside Bangladesh		1,708,088,615	2,737,266,881
Money at Call & Short Notice	5.a	1,114,100,000	206,800,000
Investments	6.00	36,656,698,182	34,199,538,201
Government		32,826,020,472	31,064,307,864
Others		3,830,677,710	3,135,230,337
Loans and Advances	7.00	203,887,322,069	189,729,715,862
Loans, Cash Credits, Overdrafts, etc.		202,140,630,692	186,991,247,910
Bills Purchased and Discounted		1,746,691,377	2,738,467,951
Fixed Asset including Premises, Furniture & Fixtures	8.00	4,896,306,425	4,301,132,697
Other Assets	9.00	5,902,372,242	10,534,428,577
Non-Banking Assets		-	-
Total Property and Assets		269,269,259,576	256,913,166,235
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.00	30,847,308,439	21,701,177,487
Deposits and Other Accounts	11.00	190,120,484,514	190,947,704,349
Current Deposits & Other Accounts		19,206,638,034	16,350,528,300
Bills Payable		1,988,092,081	1,643,542,846
Savings Deposits		36,213,389,752	29,884,510,508
Fixed Deposits		76,661,077,357	91,060,961,747
Special Notice Deposits		15,370,530,851	12,933,757,149
Deposit Products		40,680,756,438	39,074,403,799
Other Liabilities	12.00	20,440,174,149	21,174,287,503
Bond	13.a	10,850,000,000	6,800,000,000
Perpetual Bond		650,000,000	-
Subordinated Debts		10,200,000,000	6,800,000,000
Total Liabilities		252,257,967,102	240,623,169,339
Capital/Shareholders' Equity			
Paid up Capital	14.a	7,386,324,180	7,034,594,460
Statutory Reserve	15.a	5,037,523,366	4,691,953,779
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	17.00	535,041,698	421,956,410
Foreign Currency Translational Gain/(Loss)		3,937,871	5,392,239
General Reserve	18.a	786,777,324	786,777,324
Retained Earnings	19.00	2,166,251,505	2,253,888,060
Total Shareholders' Equity		17,011,160,723	16,289,867,050
Minority Interest	20.00	131,752	129,845
Total Liabilities and Shareholders' Equity		269,269,259,576	256,913,166,235
Net Asset Value (NAV) per share (2019 Restated)		23.03	22.05

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Balance Sheet

As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Off-Balance Sheet Items			
Contra & Contingent Assets & Liabilities:	21.a		
Acceptances and endorsements		25,672,241,302	28,080,703,195
Letter of guarantee		34,887,687,852	30,336,492,151
Irrevocable letters of credit		25,753,147,769	22,398,091,176
Bills for collection		7,282,893,368	1,753,276,921
Other contingent liabilities		-	-
Total Off- Balance Sheet Items		93,595,970,291	82,568,563,443
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the Bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchayapatra on Hand		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		93,595,970,291	82,568,563,443

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


•Director

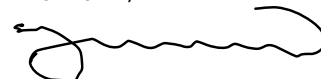

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A



Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Profit and Loss Account

For the year ended 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Interest Income	23.00	15,565,020,609	18,394,013,962
Interest paid on Deposits and Borrowings etc.	24.00	11,675,299,100	12,964,301,101
Net Interest Income		3,889,721,509	5,429,712,862
Income from Investments	25.00	3,461,032,548	2,535,625,925
Commission, Exchange and Brokerage	26.00	1,922,450,368	2,629,783,073
Other Operating Income	27.00	682,877,238	612,055,850
		6,066,360,154	5,777,464,848
Total Operating Income		9,956,081,663	11,207,177,710
Less: Operating Expenses:			
Salary & Allowances	28.00	3,631,941,364	3,276,437,927
Rent Taxes Insurance Electricity etc.	29.00	578,276,894	671,277,258
Legal Expenses	30.00	2,178,599	4,723,622
Postage Stamps and Telecommunication etc.	31.00	6,929,554	17,071,946
Stationery Printing and Advertisements etc.	32.00	77,259,229	135,711,109
Managing Director's Remuneration	28.a.1	26,266,028	23,266,806
Director's Expenses	33.00	2,710,949	2,979,633
Auditor's Fees	34.00	2,844,200	2,469,799
Depreciation and Repair & Maintenance of Assets	35.00	803,922,989	632,918,334
Other Expenses	36.00	1,305,290,660	1,200,477,023
		6,437,620,466	5,967,333,458
Profit Before Provision		3,518,461,197	5,239,844,252
Less: Provision for Loans, Investment & Other	37.00		
Provision for Unclassified Loans and Advances		168,823,498	1,681,603,942
Special General Provision - COVID-19		408,639,000	-
Provision for Classified Loans and Advances		879,759,262	178,272,083
Provision for Off-Balance Sheet Items		60,626,571	157,028,766
Provision for Margin Loans and Investment in Shares		95,500,000	97,232,333
Provision for Other Assets		76,200,000	26,246,000
		1,689,548,331	2,140,383,124
Profit Before Tax		1,828,912,866	3,099,461,128
Less: Income Tax Expenses		858,525,258	1,761,672,176
Current Tax Expenses	38.00	856,546,014	1,659,743,356
Deferred Tax Expenses/(Income)	38.01	1,979,243	101,928,820
Net Profit After Tax		970,387,608	1,337,788,952
Shareholders' of the Bank		970,385,702	1,337,787,557
Minority Interest		1,906	1,395
		970,387,608	1,337,788,952
Retained Surplus Brought Forward		2,253,888,060	2,175,943,964
		3,224,273,762	3,513,731,521
Appropriations:			
Bonus Shares Issued during the year		351,729,720	663,894,040
Cash Dividend Paid during the year		351,729,722	-
Transferred to Statutory Reserve		345,569,587	595,949,421
Transferred to Start-Up Fund		8,993,228	-
		1,058,022,257	1,259,843,461
Retained Surplus, Carried Forward		2,166,251,505	2,253,888,060
Earnings Per Share (EPS) (2019 Restated)	39.00	1.31	1.81

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director

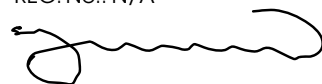

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A


Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS77203

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Statement of Changes in Equity

As at 31 December 2020

Particulars	Amount in BDT									
	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	Total	Minority Interest	Total
Balance as at January 01, 2020	7,034,594,460	4,691,953,779	1,095,304,778	421,956,410	5,392,239	786,777,324	2,253,888,060	16,289,867,050	129,845	16,289,996,895
Bonus Share issued during the year	351,729,720	-	-	-	-	-	(351,729,720)	-	-	-
Cash Dividend Paid during the year	-	-	-	-	-	-	(351,729,722)	(351,729,722)	-	(351,729,722)
Currency Translation differences	-	-	-	-	(1,454,368)	-	-	(1,454,368)	-	(1,454,368)
Transferred to Start-Up Fund	-	-	-	-	-	-	(8,993,228)	(8,993,228)	-	(8,993,228)
Revaluation Reserve transferred during the year	-	-	-	113,085,288	-	-	-	113,085,288	-	113,085,288
Net Profit for the period after Tax	-	-	-	-	-	-	970,385,702	970,385,702	1,906	970,387,608
Appropriation made during the year	-	-	345,569,587	-	-	-	(345,569,587)	-	-	-
Balance as at 31 December 2020	7,386,324,180	5,037,523,366	1,095,304,778	535,041,698	3,937,871	786,777,324	2,166,251,505	17,011,160,723	131,752	17,011,292,474
Balance as at 31 December, 2019	7,034,594,460	4,691,953,779	1,095,304,778	421,956,410	5,392,239	786,777,324	2,253,888,060	16,289,867,050	129,845	16,289,996,895

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

Dated, Dhaka
04 May 2021

Signed as per annexed report on even date

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A



Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Statement of Cash Flow

For the year ended 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
A) Cash Flows From Operating Activities:			
Interest Income		15,384,712,586	20,554,495,659
Interest paid on Deposits and Borrowings etc.		(10,761,122,434)	(12,032,879,915)
Dividend Income		25,751,994	66,713,331
Fees & Commission Income		1,922,450,368	2,629,783,073
Recoveries of Loans & Other advances previously written off		34,559,987	44,570,800
Cash Paid to Employees as Salaries and Allowances		(3,658,207,392)	(3,299,704,733)
Cash Paid to Suppliers		(77,259,229)	(135,711,109)
Advance Income Tax Paid		(1,220,193,713)	(1,082,227,232)
Cash Received from Other Operational Income	40.00	1,749,082,836	986,873,688
Cash Paid for Other Operational Expenses	41.00	(1,980,771,392)	(1,995,623,190)
Cash Flow from Operating Activities before Changes in Net Current Assets:		1,419,003,612	5,736,290,371
Loans & Advances		(11,142,011,713)	(23,562,878,428)
Other Assets		150,550,723	(485,750,630)
Bank Deposits		(5,499,850,000)	(5,399,825,000)
Customers' Deposits		3,932,204,336	29,288,120,261
Borrowing from Other Banks, Financial Institutions & Agents		9,146,130,952	2,060,354,439
Other Liabilities		1,910,146,353	1,239,391,350
Net Cash Flows from Operating Activities		(83,825,737)	8,875,702,363
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(1,842,834,059)	(7,078,485,436)
Investments in Shares & Bonds		(695,447,373)	(148,809,103)
Purchase of Fixed Assets (Net)		(1,296,556,181)	(1,689,250,861)
Net Cash Flow from Investing Activities		(3,834,837,614)	(8,916,545,400)
C) Cash Flow from Financing Activities:			
Issue of new share with premium		-	1,732,374,818
Subordinated debts & Perpetual Bond		4,050,000,000	(600,000,000)
Dividend Paid		(351,729,722)	-
Net Cash Flow from Financing Activities		3,698,270,278	1,132,374,818
D) Net Increase in Cash and Cash Equivalents		(220,393,073)	1,091,531,781
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		(1,454,368)	(751,026)
F) Opening Cash and Cash Equivalents		18,150,276,998	17,059,496,243
Closing Cash and Cash Equivalents (D+E+F)		17,928,429,557	18,150,276,998
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,839,955,309	2,886,876,110
Balance with Bangladesh Bank and its Agent Bank		8,941,539,411	11,669,624,514
Balance with Other Banks & Financial Institutions		5,030,965,937	3,385,050,274
Money at Call and Short Notice		1,114,100,000	206,800,000
Prize Bond		1,868,900	1,926,100
		17,928,429,557	18,150,276,998
Net Operating Cash Flows Per Share (2019 Restated)		(0.11)	12.02

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director

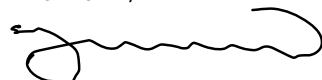

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A


Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203


Mutual Trust Bank Limited and Its Subsidiaries

Consolidated Liquidity Statement

As at 31 December 2020

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
ASSETS :						
Cash	3,505,013,720	-	-	-	8,276,481,000	11,781,494,720
Balance with other Banks and Financial Institutions	3,105,768,304	1,359,723,018	480,851,951	44,038,086	40,584,579	5,030,965,937
Money at Call & Short notice	1,114,100,000	-	-	-	-	1,114,100,000
Investments	898,137,974	1,300,890,878	5,920,500,867	12,679,527,082	15,857,641,381	36,656,698,182
Loans and Advances	23,530,865,047	44,910,964,567	76,496,454,170	51,191,607,937	7,757,430,348	203,887,322,069
Premises and Fixed Assets	54,472,914	108,945,828	490,256,228	2,614,699,883	1,627,931,571	4,896,306,425
Other Assets	1,019,223,128	406,345,123	1,402,294,236	2,928,031,060	146,478,695	5,902,372,242
Non-Banking Assets	-	-	-	-	-	-
Total Assets	33,227,581,087	48,086,869,414	84,790,357,452	69,457,904,049	33,706,547,574	269,269,259,576
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	3,445,289,456	8,657,098,675	11,330,407,129	6,236,452,680	1,178,060,499	30,847,308,439
Deposit and Other Account	26,341,568,707	35,386,171,670	68,105,302,849	52,707,317,557	7,580,123,730	190,120,484,514
Provision & Other Liabilities	726,430,384	225,119,218	3,077,209,969	4,143,401,334	12,268,013,244	20,440,174,149
Subordinated Debts	-	-	1,800,000,000	8,050,000,000	1,000,000,000	10,850,000,000
Total Liabilities	30,513,288,548	44,268,389,563	84,312,919,947	71,137,171,571	22,026,197,473	252,257,967,102
Net Liquidities	2,714,292,539	3,818,479,852	477,437,505	(1,679,267,522)	11,680,350,101	17,011,292,474

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

Mutual Trust Bank Limited

Balance Sheet

As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Property and Assets			
Cash	3.a	11,762,169,061	14,544,242,195
In Hand (Including Foreign Currency)		2,820,629,650	2,874,617,681
With Bangladesh Bank and its Agent Bank(s) (Including Foreign Currency)		8,941,539,411	11,669,624,514
Balance with other Banks & Financial Institutions	4.a	4,655,988,556	3,238,932,109
In Bangladesh		2,947,899,942	501,983,663
Outside Bangladesh		1,708,088,615	2,736,948,447
Money at Call & Short Notice	5.a	1,114,100,000	206,800,000
Investments	6.a	35,381,949,449	33,194,745,597
Government		32,826,020,472	31,064,307,864
Others		2,555,928,977	2,130,437,734
Loans and Advances	7.a	200,991,921,331	186,768,615,074
Loans, Cash Credits, Overdrafts, etc.		199,245,229,954	184,030,147,123
Bills Purchased and Discounted		1,746,691,377	2,738,467,951
Fixed Asset including Premises, Furniture & Fixtures	8.a	4,830,768,592	4,228,351,649
Other Assets	9.a	9,176,316,589	13,874,313,597
Non-Banking Assets		-	-
Total Property and Assets		267,913,213,577	256,056,000,222
Liabilities and Capital			
Borrowing from other Banks, Financial Institutions & Agents	10.a	30,847,308,439	21,701,177,487
Deposits and Other Accounts	11.a	190,607,261,173	191,369,293,195
Current Deposits & Other Accounts		19,213,690,821	16,351,289,150
Bills Payable		1,988,092,081	1,643,542,846
Savings Deposits		36,213,389,752	29,884,510,508
Fixed Deposits		76,761,077,357	91,160,961,747
Special Notice Deposits		15,750,254,723	13,254,585,144
Deposit Products		40,680,756,438	39,074,403,799
Other Liabilities	12.a	19,036,711,475	20,264,557,270
Bond	13.a	10,850,000,000	6,800,000,000
Perpetual Bond		650,000,000	-
Subordinated Debts		10,200,000,000	6,800,000,000
Total Liabilities		251,341,281,087	240,135,027,952
Capital/Shareholders' Equity			
Paid up Capital	14.a	7,386,324,180	7,034,594,460
Statutory Reserve	15.a	5,037,523,366	4,691,953,779
Share Premium	16.a	1,095,304,778	1,095,304,778
Revaluation Reserve on Investment in Securities	17.a	486,928,408	373,843,120
Foreign Currency Translational Gain/(Loss)		(121,129)	603,743
General Reserve	18.a	786,777,324	786,777,324
Retained Earnings	19.a	1,779,195,562	1,937,895,066
Total Shareholders' Equity		16,571,932,490	15,920,972,270
Total Liabilities and Shareholders' Equity		267,913,213,577	256,056,000,222
Net Asset Value (NAV) per share (2019 Restated)		22.44	21.55

Mutual Trust Bank Limited

Balance Sheet

As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Off-Balance Sheet Items			
Contra & Contingent Assets & Liabilities:	21.a		
Acceptances and endorsements		25,672,241,302	28,080,703,195
Letter of guarantee		34,887,687,852	30,336,492,151
Irrevocable letters of credit		25,753,147,769	22,398,091,176
Bills for collection		7,282,893,368	1,753,276,921
Other contingent liabilities		-	-
Total Off- Balance Sheet Items		93,595,970,291	82,568,563,443
Other Commitments			
Documentary credits and short term trade related transactions		-	-
Forward asset purchased and forward deposit placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Claim against the Bank not acknowledged as debt		-	-
Litigation pending against Bank		-	-
Other Memorandum Items			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchayapatra on Hand		-	-
		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		93,595,970,291	82,568,563,443

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director

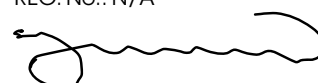

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A



Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited

Profit and Loss Account

For the year ended 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Interest Income	23.a	15,471,885,194	18,275,209,756
Interest paid on Deposits and Borrowings etc.	24.a	11,690,310,445	12,990,077,845
Net Interest Income		3,781,574,749	5,285,131,911
Income from Investments	25.a	3,388,576,110	2,480,613,492
Commission, Exchange and Brokerage	26.a	1,757,459,306	2,470,700,371
Other Operating Income	27.a	658,038,738	584,488,448
Total Operating Income		5,804,074,154	5,535,802,311
		9,585,648,902	10,820,934,222
Less: Operating Expenses:			
Salary & Allowances	28.a	3,531,820,176	3,177,470,280
Rent Taxes Insurance Electricity etc.	29.a	540,460,541	633,255,964
Legal Expenses	30.a	2,178,599	4,723,622
Postage Stamps and Telecommunication etc.	31.a	5,982,584	15,857,195
Stationery Printing and Advertisements etc.	32.a	76,181,943	133,856,048
Managing Director's Remuneration	28.a.1	26,266,028	23,266,806
Director's Expenses	33.a	1,628,149	1,766,400
Auditor's Fees	34.a	2,267,500	1,943,500
Depreciation and Repair & Maintenance of Assets	35.a	795,878,261	624,703,789
Other Expenses	36.a	1,279,588,854	1,175,960,389
Total Operating Expenses		6,262,252,636	5,792,803,992
Profit Before Provision		3,323,396,267	5,028,130,229
Less: Provision for Loans, Investment & Others	37.a		
Provision for Unclassified Loans and Advances		168,823,498	1,681,603,942
Special General Provision - COVID-19		408,639,000	-
Provision for Classified Loans and Advances		879,759,262	178,272,083
Provision for Off-Balance Sheet Items		60,626,571	157,028,766
Provision for Investment in Shares		1,500,000	5,232,333
Provision for Other Assets		76,200,000	26,246,000
Total Provision		1,595,548,331	2,048,383,124
Profit Before Tax		1,727,847,935	2,979,747,105
Less: Income Tax Expenses		828,525,183	1,716,041,049
Current Tax Expenses	38.a	826,244,660	1,614,341,025
Deferred Tax Expenses/(Income)	38.a.1	2,280,523	101,700,024
Net Profit After Tax		899,322,753	1,263,706,056
Retained Surplus Brought Forward		1,937,895,066	1,934,032,471
		2,837,217,818	3,197,738,527
Appropriations:			
Bonus Shares Issued during the year		351,729,720	663,894,040
Cash Dividend Paid during the year		351,729,722	-
Transferred to Statutory Reserve		345,569,587	595,949,421
Transferred to Start-Up Fund		8,993,228	-
		1,058,022,257	1,259,843,461
Retained Surplus, Carried Forward		1,779,195,562	1,937,895,066
Earnings Per Share (EPS) (2019 Restated)	39.a	1.22	1.71

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director

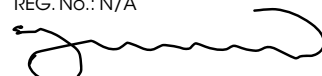

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A


Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited

Statement of Changes in Equity

As at 31 December 2020

Particulars	Amount in BDT							Total
	Paid-up Capital	Statutory Reserve	Share Premium	Revaluation Reserve on Investment in Securities	Foreign Currency Translation Gain/(Loss)	General Reserve	Retained Earnings	
Balance as at 01 January 2020	7,034,594,460	4,691,953,779	1,095,304,778	373,843,120	603,743	786,777,324	1,937,895,066	15,920,972,270
Bonus Share issued during the year	351,729,720	-	-	-	-	-	(351,729,720)	-
Cash Dividend Paid during the year	-	-	-	-	-	-	(351,729,722)	(351,729,722)
Currency Translation differences	-	-	-	-	(724,872)	-	-	(724,872)
Transferred to Start-Up Fund	-	-	-	-	-	-	(8,993,228)	(8,993,228)
Revaluation Reserve transferred during the year	-	-	-	113,085,288	-	-	-	113,085,288
Net Profit for the year after tax	-	-	-	-	-	-	899,322,753	899,322,753
Appropriation made during the year	-	345,569,587	-	-	-	-	(345,569,587)	-
Balance as at 31 December 2020	7,386,324,180	5,037,523,366	1,095,304,778	486,928,408	(121,129)	786,777,324	1,779,195,562	16,571,932,490
Balance as at 31 December 2019	7,034,594,460	4,691,953,779	1,095,304,778	373,843,120	603,743	786,777,324	1,937,895,066	15,920,972,270

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman

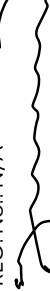

Director


Director


Managing Director & CEO

Dated, Dhaka
04 May 2021

Signed as per annexed report on even date

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A

Hasah Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

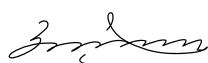
Mutual Trust Bank Limited

Statement of Cash Flow

For the year ended 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
A) Cash Flows From Operating Activities:			
Interest Income		15,291,577,171	20,435,691,452
Interest paid on Deposits and Borrowings etc.		(10,776,133,779)	(12,058,656,659)
Dividend Income		4,229,268	39,182,275
Fees & Commission Income		1,757,459,306	2,470,700,371
Recoveries of Loans & Other advances previously written off		34,559,987	44,570,800
Cash Paid to Employees as Salaries and Allowances		(3,558,086,204)	(3,200,737,086)
Cash Paid to Suppliers		(76,181,943)	(133,856,048)
Advance Income Tax Paid		(1,202,006,907)	(1,041,656,123)
Cash Received from Other Operational Income	40.a	1,673,310,625	931,824,909
Cash Paid for Other Operational Expenses	41.a	(1,915,279,331)	(1,929,367,172)
Cash Flow from Operating Activities before Changes in Net Current Assets:		1,233,448,192	5,557,696,719
Loans & Advances		(11,207,711,762)	(23,465,186,944)
Other Assets		198,304,592	(522,284,494)
Bank Deposits		(5,499,850,000)	(5,399,825,000)
Customers' Deposits		3,997,392,149	29,169,009,566
Borrowing from Other Banks, Financial Institutions & Agents		9,146,130,952	2,060,354,439
Other Liabilities		1,540,413,987	1,348,639,161
		(1,825,320,083)	3,190,706,728
Net Cash Flows from Operating Activities		(591,871,890)	8,748,403,447
B) Cash Flow from Investing Activities:			
Investments in T. Bills, T. Bonds and other		(1,842,834,059)	(7,078,485,436)
Investments in Shares & Bonds		(425,491,243)	37,839,119
Purchase of Fixed Assets (Net)		(1,295,122,101)	(1,687,511,624)
Net Cash Flow from Investing Activities		(3,563,447,403)	(8,728,157,941)
C) Cash Flow from Financing Activities:			
Issue of new share with premium		-	1,732,374,818
Subordinated debts & Perpetual Bond		4,050,000,000	(600,000,000)
Dividend Paid		(351,729,722)	-
Net Cash Flow from Financing Activities		3,698,270,278	1,132,374,818
D) Net Increase in Cash and Cash Equivalents		(457,049,015)	1,152,620,324
E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents		(724,872)	228,463
F) Opening Cash and Cash Equivalents		17,991,900,404	16,839,051,618
Closing Cash and Cash Equivalents (D+E+F)		17,534,126,517	17,991,900,404
The above closing Cash and Cash Equivalents include:			
Cash in Hand		2,820,629,650	2,874,617,681
Balance with Bangladesh Bank and its Agent Bank		8,941,539,411	11,669,624,514
Balance with Other Banks & Financial Institutions		4,655,988,556	3,238,932,109
Money at Call and Short Notice		1,114,100,000	206,800,000
Prize Bond		1,868,900	1,926,100
		17,534,126,517	17,991,900,404
Net Operating Cash Flows Per Share (2019 Restated)		(0.80)	11.84

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director

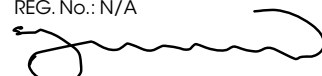

Director


Managing Director & CEO

Signed as per annexed report on even date

Dated, Dhaka
04 May 2021

M. J. Abedin & Co.
Chartered Accountants
REG. No.: N/A


Hasan Mahmood FCA
Enrolment no. 564
DVC: 2105050564AS777203

Mutual Trust Bank Limited

Liquidity Statement

As at 31 December 2020

Particulars	Amount in BDT					Total
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	
ASSETS :						
Cash	3,485,688,061	-	-	-	8,276,481,000	11,762,169,061
Balance with other Banks and Financial Institutions	3,006,625,743	1,194,485,416	370,254,733	44,038,086	40,584,579	4,655,988,556
Money at Call & Short notice	1,114,100,000	-	-	-	-	1,114,100,000
Investments	706,925,664	854,728,821	5,410,601,373	12,552,052,209	15,857,641,381	35,381,949,449
Loans and Advances	23,408,875,818	44,849,969,952	76,223,821,856	50,185,196,797	6,324,056,907	200,991,921,331
Premises and Fixed Assets	54,063,314	108,126,628	486,569,826	2,595,039,072	1,586,969,752	4,830,768,592
Other Assets	991,233,468	350,365,804	1,231,811,762	2,928,031,060	3,674,874,495	9,176,316,589
Non-Banking Assets	-	-	-	-	-	-
Total Assets	32,767,512,067	47,357,676,621	83,723,059,551	68,304,357,225	35,760,608,113	267,913,213,577
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	3,445,289,456	8,657,098,675	11,330,407,129	6,236,452,680	1,178,060,499	30,847,308,439
Deposit and Other Account	26,348,621,494	35,986,171,670	68,985,026,721	51,707,317,557	7,580,123,730	190,607,261,173
Provision & Other Liabilities	599,126,961	184,440,110	2,135,732,695	4,104,005,313	12,013,406,396	19,036,711,475
Subordinated Debts	-	-	1,800,000,000	8,050,000,000	1,000,000,000	10,850,000,000
Total Liabilities	30,393,037,911	44,827,710,455	84,251,166,545	70,097,775,550	21,771,590,626	251,341,281,087
Net Liquidities	2,374,474,156	2,529,966,165	(528,106,994)	(1,793,418,325)	13,989,017,488	16,571,932,490

The annexed accounting policies and other notes form an integral part of these financial statements


Chairman


Director


Director


Managing Director & CEO

Mutual Trust Bank Limited

Notes to the Financial Statements

For the year ended 31 December 2020

Corporate Profile and Significant Accounting Policies

1.00 The Bank and its activities

1.01 Legal form of Mutual Trust Bank Limited

Mutual Trust Bank Limited (MTBL) was incorporated in Bangladesh in the year 1999 as a Banking Company under the Companies Act, 1994 as a Public Limited Company. All types of commercial Banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (and amendment thereon) and directive as received from the Bangladesh Bank from time to time. Registered office of the Bank is at MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212. The Bank started its commercial business from 24 October 1999. The Bank is listed with the Dhaka and Chittagong Stock Exchanges Limited. Authorized capital of the Bank is BDT 10 billion. The Bank has 118 (One hundred eighteen) Branches including 14 (Fourteen) SME/Agri Branches all over the Bangladesh, 163 (One Hundred Sixty Three) Agent Banking Centres, 27 (Twenty Seven) Sub Branches, 04 (Four) Air Lounges and 02 (Two) Booths located at Hazrat Shahjalal International Airport, Dhaka.

1.02 Principal activities and nature of operation of Mutual Trust Bank Limited

The principal activities of the Bank are to provide all kinds of commercial Banking and related services such as accepting deposits, lending loans to customers, trade and services, issuing letter of Credit, treasury functions, inter Bank borrowing and lending, dealing in government securities, equity shares, cash management, issuing debit and credit cards, SMS Banking, internet Banking, call centre, securities and custody services, remittance services, privilege Banking services, etc.

1.03 Off-Shore Banking Unit (OBU)

The Bank obtained the Off-shore Banking Unit Permission vide Letter # BRPD (P-3)744(105)/2009-4470 dated 03 December 2009. The Bank commenced operation of this unit from 07 December 2009. This unit is governed under the policy, rules and guidelines of Bangladesh Bank vide reference no BRPD Circular no. 02, 25 February 2019 and amendment thereon BRPD Circular no. 09 dated 27 May 2019 & BRPD Circular no. 31 dated 18 June 2020. The principal activities of the unit are to provide all kinds of commercial Banking services to its customers in foreign currencies. Separate Financial Statements of Off-shore Banking Unit has been drawn up in Annexure G.

1.04 Agent Banking

The Bank obtained permission from Bangladesh Bank on 07/01/2016 vide reference no BRPD (P-3) 745 (51)/2016-142 to start the operation of Agent Banking and subsequently started its commercial operation on 06/06/2016. Till December 31, 2020 there are 163 agent outlets launched around the country. The services that are currently being offered includes- Account Opening (Savings), Cash deposit & withdrawal (Agent Banking A/C), Cash Deposit in Branch A/C, Inward foreign remittance disbursement, Collections of bills/utility bills, Payment of social benefits, Transfer of funds, Payment of salaries, Generation and issuance of Bank statements, SME Loan repayment collection, Balance inquiry, Internet Banking & SMS Banking, Corporate Bill/Distributor fee collection, Insurance Premium Collection etc.

1.05 Subsidiaries

1.5.1 MTB Securities Limited (MTBSL)

MTB Securities Limited was incorporated in Bangladesh as a private limited company on 01 March 2010 vide its registration No. 82868/10 and converted into public limited company in the year 2015 under the Companies Act, 1994. The company has started its commercial operation on 23 September 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

MTBSL is engaged in buying and selling of securities for its customers and margin loan is extended to the customers against their margin for investment in the listed companies. The required margin level is monitored daily and margin loan is provided as per established guidelines. Separate Financial Statements of MTB Securities Limited has been drawn up in the reports.

1.5.2 MTB Exchange (UK) Limited (MTB UK)

Bangladesh Bank vide their letter # BRPD (M)204/25/2010-289 dated 19 August 2010 has accorded approval to the Bank for opening a fully owned subsidiary company in the name of MTB Exchange (UK) Limited. The Company was incorporated on 14 June 2010 under the Companies Acts 2006 of UK with the registration number 7282261 as a private company limited by shares. The registered office is located at 25 White Chapel Road, London.

The main activities of the exchange house are to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried on or undertaken by remittance and exchange houses. Separate Financial Statements of MTB Exchange (UK) Limited has been drawn up in the reports.

1.5.3 MTB Capital Limited (MTBCL)

The Bank obtained permission to embark upon Merchant Banking from the Bangladesh Securities and Exchange Commission (BSEC) vide its Certificate No. MB-55/2010 dated 06 December 2010 under the Securities and Exchange Commission Act, 1993. The operation was started as on 17 April 2011. Separate financial statements have been drawn up in the reports.

MTBCL offers the following services to the market:

- a. Discretionary and Non-Discretionary Portfolio Management services to both the retail and institutional investors under different product lines.
- b. Issue management services to medium and large corporate houses to manage their Initial Public Offering (IPO), secondary offering, debt issuance and rights issuance.
- c. Underwriting services for both debt and equity issues.

Besides, MTBCL develops various investment schemes suiting varying objectives and constraints of different investor classes.

2.0 Significant accounting policies and basis of preparation of financial statements

2.1 Basis of preparation

The separate financial statements of the Bank as at and for the year ended 31 December 2020 comprise those of Domestic Banking Unit (Main operations) and Offshore Banking Unit (OBU), and the consolidated financial statements of the group comprise those of 'the Bank' (Parent company) and its subsidiaries (together referred to as 'the Group' and individually referred to as 'Subsidiaries'). There was no significant change in the nature of principal business activities of the Bank and the subsidiaries during the financial period.

2.1.1 Statement of Compliance

The consolidated financial statements of the Group and separate financial statements of the Bank and its subsidiaries as at and for the year ended 31 December 2020 have been prepared under the historical cost convention and in accordance with the "First Schedule" (section-38) of the Bank Companies Act, 1991 (and amendment thereon), BRPD Circular no. 14 dated 25 June 2003, other Bangladesh Bank circulars, International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) adopted by the Financial Reporting Council of Bangladesh (FRC). In addition to this, the Bank complied with the requirements of following laws and regulations from various Governments bodies:

- i) The Bank Company Act, 1991 and amendment thereon;
- ii) The Companies Act, 1994;
- iii) Rules, regulations and circulars issued by Bangladesh Bank from time to time;
- iv) Bangladesh Securities and Exchange ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Bangladesh Securities and Exchange Act 1993 and Bangladesh Securities and Exchange Commission (Public Issue) Rules 2015;
- v) The Income Tax ordinance 1984 and amendment thereon;
- vi) The Value Added Tax and Supplementary Duty Act 2012;
- vii) Financial Reporting Act 2015;
- viii) Dhaka Stock Exchange (DSE), Chattogram Stock Exchange (CSE) and Central Depository Bangladesh (CDBL) rules and regulations.

Departures from IAS/IFRS:

Where the requirement of provisions and circulars issued by Bangladesh Bank differ with those of the regulatory authorities and accounting standards, the provisions and circulars issued by Bangladesh Bank shall prevail. As such the Group and the Bank has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

i) Presentation of financial statements

IFRS: As per IAS 1, a complete set of financial statements comprises a statement of financial position, a statement of profit or loss and other comprehensive income, a statement of changes in equity, a statement of cash flows, notes comprising a summary of significant accounting policies and other explanatory information and comparative information. IAS 1 has also stated the entity to disclose assets and liabilities under current and non-current classification separately in its statement of financial position.

Bangladesh Bank: A format of financial statements (i.e. balance sheet, profit and loss account, cash flows statement, changes in equity, liquidity statement) is prescribed in the "First Schedule" of section 38 of the Bank Company Act 1991 (and amendment thereon) and BRPD Circular no. 14 dated 25 June 2003 of Bangladesh Bank. Assets and liabilities are not classified under current and non-current heading in the prescribed format of financial statements.

ii) Investment in shares and securities

IFRS: As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit or loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per Banking Regulation & Policy Department (BRPD) Circular no. 14 dated 25 June 2003 of Bangladesh Bank, Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investments; otherwise investments are recognized at cost. As such Mutual Trust Bank Limited measures and recognizes Investment in Quoted and Unquoted shares at cost if the year-end Market value (for Quoted shares) and book value (Unquoted shares) are higher than the cost.

iii) Revaluation gain/loss on Government securities

IFRS: As per requirement of IFRS 9: Financial Instruments, where securities will fall under the category of fair value through profit or loss account, any change in the fair value of assets is recognized through the profit and loss account. Securities designated as amortized cost are measured at effective interest rate method and interest income is recognized through the profit and loss account.

Bangladesh Bank: According to Department of Offsite Supervision (DOS) Circular # 05 dated 26 May 2008 and subsequent clarification in DOS Circular # 05 dated 28 January 2009 of Bangladesh Bank, loss on revaluation of Government securities (T-bill/T-bond) which are categorized as held for trading will be charged through Income accounts, but any gain on such revaluation should be recorded under revaluation reserve accounts. However, at the year-end if there is any revaluation gain for any particular held for trading T-bill/T-bond, such gain can be used to the extent of any revaluation loss for that particular held for trading T-bill/T-bond. T-bill/T-bond designated as held to maturity are measured at amortized cost method but interest income/gain should be recognized through revaluation reserve.

iv) Provision on loans and advances

IFRS: As per IFRS 9: Financial Instruments, an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses that may result from default events on such loans and advances that are possible within 12 months after reporting date.

Bangladesh Bank: As per BRPD Circular # 63 dated 31 December 2020, BRPD Circular # 59 dated 30 December 2020, BRPD Circular # 56 dated 10 December 2020, BRPD Circular # 52 dated 20 October 2020, BRPD Circular # 17 dated 28 September 2020, BRPD Circular # 16 dated 21 July 2020, BRPD Circular # 13 dated 15 June 2020, BRPD Circular # 03 dated 21 April 2019, BRPD Circular # 01 dated 20 February 2018, BRPD Circular # 15 dated 27 September 2017, BRPD Circular # 08 dated 02 August 2015, BRPD Circular # 16 dated 18 November 2014, BRPD Circular # 05 dated 29 May 2013, BRPD Circular # 19 dated 27 December 2012, BRPD Circular # 14 dated 23 September 2012, and a general provision at 0.25% to 2% under different categories of unclassified loans (standard and SMA loans) has to be maintained regardless of objective evidence of impairment. Also, provision for sub-standard loan, doubtful loans and bad losses, should be provided at 5%, 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Again as per BRPD Circular # 10 dated 18 September 2007, BRPD Circular # 01 dated 03 January 2018, BRPD Circular # 07 dated 21 June 2018, and BRPD Circular # 13 dated 18 October 2018 a general provision at 1% should be provided for all off-balance sheet exposures except general provision against the LC for First Track Power Supply Projects, 'bills for collection' and 'guarantees' where the counter guarantees have been issued by Multilateral Development Bank (MDB)/International Bank having BB rating grade '1' equivalent outlined in the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III). Such provision policies are not specifically in line with those prescribed by IFRS 9.

v) Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9: Financial Instruments and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.

Bangladesh Bank: As per BRPD Circular # 14 dated 23 September 2012, once a loan is classified as impaired, interest on such loan is not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as a liability in the balance sheet.

vi) Other comprehensive income

IFRS: As per IAS 1, Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single other comprehensive income statement.

Bangladesh Bank: Bangladesh Bank has issued templates for financial statements which will strictly be followed by all Banks. The templates of financial statements issued by Bangladesh Bank neither include Other Comprehensive Income nor are the elements of Other Comprehensive Income allowed to be included in a single Other Comprehensive Income (OCI) Statement. However, elements of OCI, if any, are shown in the statement of changes in equity.

vii) Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categories, recognize, measure and present financial instruments differently from those prescribed in IFRS 9: Financial Instruments. As such full disclosure and presentation requirements of IFRS 7: Financial Instrument- Disclosures and IAS 32: Financial Instruments-Presentation cannot be made in the accounts.

viii) Repo and reverse repo transactions

IFRS: As per IFRS 9: Financial Instruments, when an entity sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO), the arrangement is treated as a loan and the underlying asset continues to be recognized at amortized cost in the entity's financial statements. The difference between selling price and repurchase price will be treated as interest expense. The same rule applies to the opposite side of the transaction (reverse repo).

Bangladesh Bank: As per DOS Circular Letter # 06 dated 15 July 2010 & subsequent clarification in DOS Circular # 02 dated 23 June 2013, when a Bank sells a financial asset and simultaneously enters into an agreement to repurchase the asset (or a similar asset) at a fixed price on a future date (REPO or stock lending), the arrangement is accounted for as normal sales transactions and the financial assets are derecognized in the seller's book and recognized in the buyer's book.

ix) Financial guarantees

IFRS: As per IFRS 9: Financial Instruments, financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantee liabilities

are recognized initially at their fair value plus transaction cost that are directly attributable to the issue of the financial liabilities. The financial guarantee liability is subsequently measured at the higher of the amount of loss allowance for expected credit losses as per impairment requirement and the amount initially recognized less, income recognized in accordance with the principles of IFRS 15. Financial guarantees are included within other liabilities.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognized for the guarantee except the cash margin and 1% general provision for all contingent liabilities.

x) Cash and cash equivalents

IFRS: Cash and cash equivalents items should be reported as cash item as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, Cash and Cash-equivalents consist of cash with Bangladesh Bank, with its agent Bank(s), government securities (prize bond) and deposits with other Banks. Some cash and cash equivalent items such as money at call and on short notice, treasury bills, Bangladesh Bank bills and prize bond are not shown as cash and cash equivalents. Money at call and on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.

xi) Non-Banking assets

IFRS: No indication of non-Banking assets is found in any IFRS.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, there should exist a face item named non-Banking assets.

xii) Cash flow statement

IFRS: Cash flow statement can be prepared using either the direct method or the indirect method as per IAS 7 of Statement of Cash Flows. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, cash flow should be a mixture of direct and indirect method.

xiii) Balance with Bangladesh Bank: (CRR)

IFRS: Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day-to-day operations as per IAS 7: Statement of Cash Flows.

Bangladesh Bank: Balance with Bangladesh Bank should be treated as cash and cash equivalents.

xiv) Presentation of intangible assets

IFRS: Intangible assets must be identified and recognized, and the disclosure must be given as per IAS 38: Intangible Assets.

Bangladesh Bank: There is no regulation for intangible assets in BRPD Circular # 14 dated 25 June 2003.

xv) Off-balance sheet items

IFRS: There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, off balance sheet items must be disclosed separately on the face of the balance sheet. Accordingly, the Bank has recognized the following of balance sheet items:

- Acceptances and endorsements
- Letters of guarantee
- Irrevocable letters of credit
- Bills for collection
- Foreign exchange contracts

xvi) Disclosure of appropriation of profit

IFRS: There is no requirement to show appropriation of profit on the face of statement of comprehensive Income.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, an appropriation of profit should be disclosed in the face of profit and loss account.

xvii) Loans and advance net of provision

IFRS: Loans and advances should be presented net of provisions.

Bangladesh Bank: As per BRPD Circular # 14 dated 25 June 2003, provision on loans and advances should be presented separately as liability and cannot be netted off against loans and advances. [Also refer to Note 2.16 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)]

xviii) Provision on undrawn loan commitments

IFRS: As per IFRS 9 Bank shall recognize credit losses on undrawn loan commitments such as Letter of Credit (L/C), Letter of guarantee (L/G) etc. as the present value of the difference between the contractual cash flow that are due by the customer if the commitment is drawn down and the cash flows that Bank expects to receive.

Bangladesh Bank: As per BRPD Circular # 07 dated 21 June 2018 and BRPD Circular # 14 dated 23 September 2012, the Bank is required to maintain provision at 1% rate against off-balance sheet exposures (which includes all types of undrawn loan commitments).

xix) Uniform Accounting Policy

In several case Bangladesh Bank and Bangladesh Securities and Exchange Commission guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 10. As such some disclosure, presentation and measurement requirements of IFRS 10 cannot be made in financial statements. [Also refer to Note 2.16 Compliance of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs)].

2.1.2 Basis of consolidation

The financial statements of the Company and its subsidiaries, as mentioned in note no. 1.05 has been consolidated in accordance with IAS 27: Separate Financial Statements and IFRS 10: Consolidated Financial Statements. The Consolidation of the Financial Statement has been made after eliminating all material intercompany balance, income and expenses arising from intercompany transactions.

The total profit of the Company and its subsidiaries are shown in the Consolidated Profit & Loss Account with the proportion of profit after taxation. All assets and liabilities of the Company and of its subsidiaries are shown in the consolidated Balance Sheet. The consolidated financial statements are prepared to a common financial year ended 31 December 2020.

Conversion Policy

The conversion policy of Off-shore Banking Unit (OBU) and MTB Exchange (UK) Limited is given below.

Details	Price	Rate of GBP for MTB UK	Rate of USD for OBU
For assets & liabilities	Closing price	112.9200	84.8020
For income & expenses	Average price	108.5891	84.8666

Transactions eliminated on consolidation

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Profit and losses resulting from transactions between groups are also eliminated on consolidation.

2.1.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

- Government Treasury Bills and Bonds designated as 'Held for Trading (HFT)' at present value using marking to market concept with gain credited to revaluation reserve but loss charged to income statement.
- Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- Land & Buildings is recognized at cost at the time of acquisition and subsequently measured at fair value as per IAS 16: Property, Plant & Equipment.

The accounting policies, unless otherwise stated have been consistently applied by the company and consistent with those of the previous year.

2.1.4 Going concern

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The accompanying financial statements do not include any adjustments should the Bank be unable to continue as a going concern.

2.1.5 Functional and presentation currency

The financial statements are presented in Bangladeshi Taka (BDT) currency, which is the Bank's functional currency. All financial information presented in BDT has been rounded to the nearest BDT.

2.1.6 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

The most perilous estimates and judgments are applied to the Provision for impairment of loans & investments and Employees benefits.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.1.7 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Bank has a legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the period.

2.1.8 Comparative information

The accounting policies have been consistently applied by the Bank and are consistent with those used in the previous year. Comparative information is reclassified and rearranged wherever necessary to conform to the current presentation.

2.1.9 Foreign currency transaction and commitments

a) Foreign currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates, i.e. the functional currency. The financial statements of the group and the Bank are presented in BDT which is the Bank's functional and presented currency.

b) Foreign currencies translation

Foreign currency transactions are converted into equivalent BDT using the ruling exchange rates on the dates of respective transactions as per IAS 21: The Effects of Changes in Foreign Exchange Rates. Foreign currency balances held in US Dollar are converted into BDT at weighted average rate of inter-Bank market as determined by Bangladesh Bank on the closing date of every month. Balances held in foreign currencies other than US Dollar are converted into equivalent US Dollar at buying rates of New York closing of the previous day and converted into equivalent BDT. The resulting exchange transaction gains and losses are included in the profit and loss account.

c) Commitments

Commitments / Contingent liabilities for outstanding forward foreign exchange contracts disclosed in the consolidated financial statements and financial statements of Bank have been translated at contracted rates. Contingent liabilities/commitments for letter of credit, letter of guarantee and acceptance denominated in foreign currencies have been expressed in BDT at the rate of revaluation rate.

2.1.10 Statement of cash flows

Statement of cash flows has been prepared in accordance with IAS 7: Statement of Cash Flows and under the guideline of Bangladesh Bank BRPD Circular # 14 dated 25 June 2003. The Statement shows the Structure of Changes in cash and cash equivalents during the financial period.

2.1.11 Statement of changes in equity

The statement of changes in equity reflects information about the increase or decrease in net assets or wealth. Statement of changes in equity has been prepared in accordance with IAS 1: Presentation of Financial Statements and relevant guidelines of Bangladesh Bank & BRPD Circular # 14 dated 25 June 2003.

2.1.12 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the period as per following basis.

- a) Balance with other Banks and financial institutions, money at call and short notice etc. are on the basis of their maturity term.
- b) Investments are on the basis of their repayment schedule.
- c) Loans and advances/investments are on the basis of their repayment schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their realization/amortization.
- f) Borrowing from other Banks, financial institutions and agents etc. are as per their maturity/repayment terms.
- g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.
- h) Provision and other liabilities are on the basis of their payments/adjustments schedule.

2.1.13 Accounting for contingent liabilities and contingent assets

The Bank recognized provisions only when it has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the obligation can be made. No provision is recognized for:

- a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Bank; or
- b) Any present obligation that arises from past events but is not recognized because
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - A reliable estimate of the amount of obligation cannot be made.

2.1.14 Reporting period

These financial statements of the Bank and its subsidiaries cover the period from 01 January to 31 December 2020.

2.2 Assets and basis of their valuation

2.2.1 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank and highly liquid financial assets which are subject to insignificant risk of changes in their fair value, and are used by the Bank management for its short-term commitments.

2.2.2 Investments

All investment in securities is initially recognized at cost, being fair value of the consideration given, including acquisition charges associated with the investment. Premiums are amortized and discounts accreted, using the effective yield method and are taken to discount income. The valuation methods of investments used are:

a) Held to maturity (HTM)

Investments which have 'fixed or determinable payments' and are intended to be 'held to maturity' other than those that meet the defined of 'held at amortized cost', are classified as held to maturity (HTM). These investments are subsequently measured at present value as per Bangladesh Bank guideline.

b) Held for trading (HFT)

Investments classified in this category are acquired principally for the purpose of selling or repurchasing in short trading or if designated as such by the management. After initial recognition, investments are measured at fair value and any change in the fair value is recognized in the statement of income for the period in which it arises.

c) Revaluation

As per the DOS Circular letter # 05 dated 26 May 2008 & subsequent amendment DOS Circular # 05 dated 28 January 2009 and DOS Circular # 21 dated 27 October 2009, HFT securities are revalued on weekly basis and HTM securities are amortized on yearly basis. The HTM securities are also revalued if they are reclassified to HFT category with the Board's approval. Any gain or loss on revaluation of HTM securities is recognized in the statement of changes in equity. Gain/loss on revaluation of HFT securities is recognized in the profit and loss account on weekly basis and gain on revaluation is transferred to statement of changes in equity on monthly basis.

Valuation of investments has been shown as under Government treasury bills and bonds (HTM) at present value (using amortization concept), Government treasury bills and bonds (HFT) at present value (using making to market concept).

d) Investment in listed securities

These securities are bought and held primarily for the purpose of selling them in future or held for dividend income which are reported at cost. Unrealized gains are not recognized in the profit and loss statement. But provision was made for diminution in value of investment.

e) Investment in unquoted securities

Investment in unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

As per Bangladesh Bank DOS Circular # 04 dated 15 June 2010 and DOS Circular # 04 dated 24 November 2011, provision for diminution in value of investment was made by netting of unrealized gain/ loss of shares from market price/ book value less cost price.

Besides, the Bank complied with BRPD Circular # 14 dated 25 June 2003 as follows, "All investments in shares and securities (both dealing and investment) should be revalued at the year-end. The quoted shares should be valued as per market price in the stock exchange(s) and unquoted shares as per book value of last audited balance sheet. Provision should be made for any loss arising from diminution in value of investments."

f) Investment in subsidiary

Investment in subsidiary is accounted for under the cost method of accounting in the Bank's financial statements in accordance with the IAS 27: Separate Financial Statements, IFRS 3: Business Combination, IFRS 36: Impairment of Assets and IFRS 10: Consolidated Financial Statements.

g) Value of investments has been shown as under:

Investment class	Initial recognition	Measurement after recognition	Recording of change
Government treasury bills (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bills (HTM)	Cost	Amortized cost	Loss transferred to profit and loss account and gain transferred to revaluation reserve.
Government treasury bonds (HFT)	Cost	Marking to market/ fair value	Loss transferred to profit and loss account and income transferred to revaluation reserve.
Government treasury bonds (HTM)	Cost	Amortized cost	Amortized gain/loss transferred to revaluation reserve.
Zero coupon bond	Cost	Amortized cost	None
Prize bond	Cost	None	None
Debentures	Cost	At cost price	None
Unquoted shares and debenture	Cost	None	Loss transferred to profit and loss account but no unrealized gain recorded.
Quoted shares	Cost	Cost	Loss transferred to profit and loss account but no unrealized gain recorded.

2.2.3 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans & off-balance sheet exposures, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision against classified loans and advances is made on the basis of quarter end review by the management and instruction contained in BRPD Circular # 63, 59, 56, 52, 17, 16, 13, 03, 01, 15, 08, 16, 05, 19, 14, 10, 01, 07 & 13 dated 31 December 2020, 30 December 2020, 10 December 2020, 20 October 2020, 28 September 2020, 21 July 2020, 15 June 2020, 21 April 2019, 20 February 2018, 27 September 2017, 02 August 2015, 18 November 2014, 29 May 2013, 27 December 2012, 23 September 2012, 18 September 2007, 03 January 2018, 21 June 2018, 18 October 2018 respectively.

Interest on loans and advances

Interest is calculated on daily product basis but debited to the party's loan account quarterly. No interest is charged on loans and advances which are classified as bad and loss. Interest is calculated on unclassified loans and advances (only standard) and recognized as income during the period. Interest calculated on classified loans and advances (including special mention accounts) as per Bangladesh Bank circulars is kept in interest suspense account and credited to income on realization. Interest suspense and penal interest (if any) calculated on classified loans and advances are taken into income in the period of its receipt from the defaulting borrowers.

Commission and discounts on bills purchased and discounted are recognized at the time of realization. Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

Provision for loans and advances

Provision for loans and advances are made on the basis of quarter as well as year-end review by the management following instructions contained in BRPD Circular # 14, 16 & 52 dated 23 September 2012, 21 July 2020 & 20 October 2020 respectively and subsequent changes of Bangladesh Bank. The percentage of provision on loans and advance are given below:

Rate of provision

RATE OF PROVISION										
Particulars		Short Term Agri. Credit & Microcredit	Consumer Financing				Small & Medium Enterprise Financing		Loans to BHs/M Bs/SDs	All other credit
			Other than HF & LP	HF	LP	Only Card	Cottage, Micro and Small Credits under CMSME	Medium Enterprise Financing		
UC	Standard	1%	2%	1%	2%	2%	0.25%	0.25%	2%	1%
	SMA	0%	2%	1%	2%	2%	0.25%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	5%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	20%	50%	50%	50%
	B/L	100%	100%	100%	100%	100%	100%	100%	100%	100%

Presentation of loans and advances

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified loans & advances are shown as liabilities in the Balance Sheet.

Security against Loans

- Project loan: Project land and building are taken as security in the form of mortgage and plant & machinery are taken in the form of hypothecation.
- Working Capital: Goods are taken as security in the form of hypothecation along with land and building mortgage. Listed securities of stock exchange, fixed deposits, assignments of receivables etc. are also taken as security.

Bills Purchased and Discounted

- a. Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.:
 - i. Payable in Bangladesh;
 - ii. Payable outside Bangladesh.
- b. The bills purchased and discounted have been analyzed as per the maturity grouping.

Written off loans and advances

Loans and advances are written off to the extent that (i) there is no realistic prospect of recovery, (ii) and against which legal cases are filed and classified as bad loss more than five years as per guidelines of Bangladesh Bank and (iii) special permission of Bangladesh Bank. These write off however, will not undermine/affect that claim amount against the borrowers. Detailed memorandum records for all such write off accounts are meticulously maintained and followed up.

2.2.4 Property, plant and equipment

a) Recognition

The cost of an item of property, plant and equipment (Fixed assets) shall be recognized as an asset, if and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Property, plant and equipment have been accounted for at cost or revalued amount less accumulated depreciation (except land) as per IAS- 16: Property, Plant and Equipment. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent cost of enhancement of an existing asset is recognized as a separate asset, only when it is probable that future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are charged to the profit & loss account during the financial periods which are incurred.

b) Depreciation

Category of Fixed Assets	Method of Depreciation	Rate of Depreciation
Land	N/A	N/A
Immovable Property	Reducing balance method	2.50%
Furniture & Fixtures	Reducing balance method	10%
Office Equipment	Reducing balance method	20%
Motor Vehicles	Straight line method	20%
Books & Periodicals	Reducing balance method	10%
Intangible Assets	Reducing balance method	20%

c) Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated from the fixed assets schedule and gains or losses on such disposal are reflected in the profit and loss account as per provision of IAS 16: Property, Plant and Equipment.

d) Capital Work-in-Progress

Capital Work-in-Progress is stated at cost. These are expenses of a capital nature directly incurred in the construction of building, system development, awaiting capitalization.

e) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets have been capitalized as part of the cost of the assets.

f) Impairment

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the assets should be reduced to its recoverable amount. That reduction is an impairment loss. An impairment loss is recognized as an expense in the profit and loss account.

2.2.5 Intangible assets

Software represents the value of computer application software licensed use of the Bank, other than software applied to the operation software system of computers. Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses. Expenditure incurred on software is capitalized only when it enhances and extends the economic benefits of computer software beyond their original specifications and lives and such cost is recognized as capital improvement and added to the original cost of software. Software is amortized using the reducing balance method at the rate of 20%.

2.2.6 Other assets

Other assets include all assets not covered specifically in other areas of the supervisory activity and such accounts may be quite insignificant in the overall financial condition of the Bank.

Provision for other assets

Other assets have been classified as per BRPD Circular # 14 dated 25 June 2001 of Bangladesh Bank and necessary provisions made thereon accordingly and for items not covered under the circular adequate provisions have been made considering their reliability.

2.2.7 Receivables

Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

2.2.8 Leases

The Bank follows IFRS 16 which has been effective from 01 January 2019. As IFRS 16 supersedes IAS 17: Leases, the Bank has made recognition, measurement and disclosure in the financial statements of 31 December 2020 both as Lessee and Lessor as per IFRS 16.

The Bank as Lessee

The Bank assesses at initiation of a contract whether the contract is, or contains a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration, then the Bank considers the contract as a lease contract.

The Bank as a lessee applies a single recognition and measurement approach for all leases, except for short-term leases, or, and lease of low value of assets. The Bank recognizes lease liabilities to make lease payment and right-of-use assets representing the right to use the underlying assets.

If tenor of a lease contract does not exceed twelve months from the date of initiation/application, the Bank considers the lease period as short term in line with the recognition threshold of ROU assets as per Fixed Asset policy of the Bank. In case of low value of lease assets, the Bank has set a materiality threshold which is 0.10% of Total capital of the Bank. However, the Bank used a flat threshold of BDT 20 million and above' which is 0.081% of total capital of the Bank as of 31 December 2020. The reason behind considering the materiality threshold of BDT 20 million and above is that the Bank operates many ATM booths, sub-branches with short and single contracts; recording of which as ROU assets would inflate the balance sheet both in assets and liabilities. Moreover, frequent changes of those establishments would create misreporting as well as complexity in recording.

Right-of-use assets (ROU):

The Bank recognizes the right-of-use assets (ROU) at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment of losses and adjusted for any measurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct cost incurred, and lease payment made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, or remaining period of the lease term.

The Bank assessed all lease contracts live in 2019 & up to December 2020 and recognized as RoU assets of all leases, except short term and low value of assets as parameter guided by Bangladesh Bank and Banks' own policy set as per IAS 16 and IFRS 16. The ROU assets are presented in the note no. 8 of these financial statements.

Lease Liabilities (Bank as a lessee):

At the commencement of the lease, the Bank recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Bank and payment of penalties for terminating the lease.

In 2019 & up to December 2020, the Bank reassessed all lease payment of existing contracts for remaining period considering a cut-off date i.e. 01 January 2019. The lease liabilities are presented in the note 12.a.8 of these financial statements.

The Bank as Lessor

Amount due from lessees under finance leases are recorded as receivables at the amount of the Bank's net investment in the leases (Note-7.03). Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Bank's net investment outstanding in respect of the leases.

2.2.9 Non-Banking Assets

Non-Banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgaged property. However, the Bank has no non-Banking assets.

2.3 Liabilities and provision

2.3.1 Borrowings from other Banks, financial institutions and agents

Borrowings from other Banks, financial institutions and agents include interest bearing borrowing redeemable at call, on-demand and short-term deposits lodged for periods of less than 6 months. These items are brought to account at the gross value of the outstanding balance. Interest paid or payable on these borrowings is charged to the profit and loss account.

2.3.2 Deposits and other accounts

Deposits and other accounts include non-interest bearing current deposit redeemable at call, interests bearing on demand and short term deposits, savings deposit, term deposit, margin, bills payable etc. These items are brought to account at the gross value of the outstanding balances.

2.3.3 Other liability

Other liability is recognized in the balance sheet according to the guideline of Bangladesh Bank and Income-tax Ordinance, 1984, IAS 37 and internal policy of the Banks. Provisions and accrued expenses are recognized in the financial statements when the Bank has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.3.4 Employee benefit scheme

The retirement benefits accrued for the employees of the Bank as on reporting date have been accounted for in accordance with provisions of IAS 19: Employee Benefits. Bases of enumerating the retirement benefit schemes operated by the Bank are outlined below:

a) Provident Fund

Provident fund benefits are given to the permanent employees of the Bank in accordance with Bank's service rules. Accordingly, a trust deed and provident fund rules were prepared. The Commissioner of Income Tax, Taxes Zone 3, Dhaka has approved the Provident Fund as a recognized provident fund within the meaning of section 2(52), read with the provisions of part-B of the First Schedule of Income-tax Ordinance, 1984. The recognition took effect from 30 April 2001. The Fund is operated by a Board of Trustees consisting of 5 (five) members. All confirmed employees of the Bank contribute 10% of their basic salary as a subscription to the fund. The Bank also contributes equal amount of the employees' contribution. Interest earned from the investment is credited to the members' account on yearly basis.

b) Gratuity

The Bank operates a funded gratuity scheme approved by the National Board of Revenue. The Gratuity Fund is managed separately by "Mutual Trust Bank Limited Employees Gratuity Fund" and any investment decision out of this fund is also made by this trust.

As per gratuity scheme every permanent employee will get gratuity benefit as per following policy that rendering their service without break:

Completed years of Service	Payment of Gratuity
8 years & above	2.00 basic for each year of service in MTB
7 years	1.70 basic for each year of service in MTB
6 years	1.35 basic for each year of service in MTB
5 years	1.00 basic for each year of service in MTB

c) MTB Employees' Welfare Fund

The welfare fund is subscribed by monthly contribution of the employees. The Bank also contributes to the fund from time to time. The fund has been established to provide a token of appreciation or financial assistance to the employees and their family members for education, funeral function etc. The fund is governed and administered by the Board of trustees consisting of four (04) members.

d) MTB Employees' Medical Assistance Fund

Medical Assistance fund is subscribed by the employees as per policy. The Bank also contributes to the fund from time to time. The fund has been established to provide medical assistance to the employees with dependents. The fund is governed and administered by the Board of trustees consisting of four (04) members.

e) MTB Employees' Hospitalization and Group Life Policy

The Bank, as an adherence to the best practice in the Banking industry and to strengthen its corporate culture, introduced the Group Life and Hospitalization policy for its employees and their dependents (spouse and kids) effective from 01 January 2019.

f) MTB Employees' Death Benefit Plan

The plan has been formed to provide financial benefit to the bereaved family of a deceased employee. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of four (04) members. In case of death of an employee while in active service, financial benefit is paid to the nominee of the deceased employee at a prescribed amount ranging from 3 (three) lacs to 10 (ten) lacs.

g) MTB Foundation

The Bank, as part of corporate social responsibility, has established MTB Foundation for the benefit of the community in which it operates and as part of its said responsibility it commits itself to human development, poverty alleviation and overall national economic development. The Bank contributes to the fund from the annual profit of the Bank on requirement basis. The fund is governed and administered by the Board of trustees consisting of nine (09) members.

h) Incentive Bonus

Mutual Trust Bank Limited has started an incentive bonus scheme for its employees. This bonus amount is distributed among the employees based on their performance. The bonus amount is paid annually and costs are accounted for the period to which it relates.

2.3.5 Debt securities (subordinated debt)

The Bank issued a contingent-convertible Perpetual bond as additional Tier-1 capital having received required approval from Bangladesh Bank and BSEC through private placement and Bank issued 7-year non-convertible floating rate subordinated debts in two phases mainly to increase Tier-2 capital having received required approval from Bangladesh Bank and BSEC. Outstanding balance against the Bonds are stated in the financial statements at principal amount and interest payable of which is reported under other liabilities. Details of subordinated debt is given in note no. 13.a & annexure-D of the financial statements.

2.3.6 Taxation

a. Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other period or are never taxable or deductible. Bank's liability for current tax is calculated using tax rates that have been enacted the reporting period. Tax provision of the Group entities is made on taxable income of subsidiaries at different rates applicable as per the ITO 1984 and the tax authority of the country where it is incorporated.

b. Deferred tax

The Bank recognizes the current and deferred tax in the financial statements using the provisions of the prevailing tax laws applicable in Bangladesh, as per IAS 12 (Income Taxes) and BRPD Circular no. 11 dated 12 December 2011. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred Tax liabilities are also recognized for taxable temporary differences arising on investments and it is probable that temporary differences will not reverse in the foreseeable future. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Details of deferred tax assets or liabilities and amount recognized in profit and loss account for deferred tax income or expense are given in note 9.a.3.2.1 in the financial statements.

2.3.7 Provision for Nostro Accounts

As per instructions contained in the Circular Letter # FEPD (FEMO)/01/2005-677, dated 13 September 2005 issued by Foreign Exchange Policy Department of Bangladesh Bank, the Bank is not required to make a provision regarding the un-reconciled debit balance of Nostro accounts as on the reporting date in these financials as there are no un-reconciled entries which are outstanding more than 3 months.

2.4 Capital and shareholders' equity

2.4.1 Capital management

The Bank has a capital management process in place to measure, deploy and monitor its available capital and assess its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet longer-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the Bank and provide the Bank's shareholders with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the Bank. The Bank's finance and risk management department are key to implementing the Bank's capital strategy and managing capital. Capital is managed by using both regulatory control measure and internal matrix.

2.4.2 Paid-up capital

Paid-up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. In the event of a winding-up of the company ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

2.4.3 Statutory reserve

The Statutory reserve has been maintained @ 20% of profit before tax in accordance with provisions of section 24 of the Bank Companies Act, 1991 (and amendment thereon).

2.4.4 Share Premium

Share premium is the capital that the Bank raises upon issuing shares that is in excess of the nominal value of the shares. The share premium shall be utilized in accordance with provisions of section 57 of the Companies Act, 1994 and as directed by Bangladesh Securities and Exchange Commission in this respect.

2.4.5 Revaluation Reserve on Govt. Securities

Revaluation reserve represent revaluation on Treasury bond (HFT and HTM) in accordance with the DOS Circular # 05 dated 26 May 2008 & DOS Circular # 05, dated 28 January 2009.

2.4.6 Minority interest

Minority interest (MI) in business is that portion of the profit or loss and net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent.

2.5 Off Balance Sheet items

Under general Banking transactions, liabilities against acceptance, endorsements and other obligations and bills against which acceptance has been given and claims exists there against, have been shown as Off-Balance Sheet items. Provision for off balance sheet items is made as per BRPD Circular # 14 dated 23 September 2012 and BRPD Circular # 01 dated 03 January 2018.

2.6 Memorandum items

Memorandum items are maintained for those items for which the Bank has only a business responsibility and no legal commitment.

2.7 Revenue recognition

The Revenue during the period has been recognized according to the provision of IFRS 15: Revenue from Contracts with Customers, as well as Bangladesh Bank guidelines.

2.7.1 Interest income

In terms of the provisions of the IFRS 15: Revenue from Contracts with Customers, the interest income is recognized on accrual basis. Interest on loans and advances ceases to be taken into income when such advances are classified.

- a) Interest on unclassified loans and advances (except SMA) has been accounted for as income on accrual basis and calculated on daily product basis but charged and accounted for quarterly and in some cases yearly;

- b) Interest on classified loans and advances has been credited to interest suspense account with actual receipt of interest there from having credited to income as and when received as per instruction of Bangladesh Bank;
- c) No interest is charged on loans and advances on classified as bad/loss;
- d) Commission and discount on bills purchased and discounted are recognized at the time of realization; and
- e) Recovery of written off loans and advances are taken into income in the period of its receipts from the defaulting borrowers.

2.7.2 Investment income

Interest income on investments is recognized on accrual basis. Capital gain on investments in shares is also included in investment income. Capital gain is recognized when it is realized.

- Income on investment in treasury bills, bonds, preference shares and debenture etc. other than equity shares has been accounted for on accrual basis.
- Govt. securities (HTM) are revalued on accrual basis and effect of such revaluation gain has been credited to Asset Revaluation Reserve account.
- Dividend on equity shares is recognized during the period in which it is declared and duly approved.
- Net increase in securities held to maturity during the period due to the valuation at market-to-market basis has been credited to income statement.

2.7.3 Fees and commission income

- Commission charged to customers on letters of credit and letters of guarantee are credited to income at the time of effecting the transactions.
- Fees and Commissions on bills discounted, purchased & others are recognized at the time of realization.
- Foreign currency transactions are converted into BDT at prevailing on the dates of such transactions and exchange gains or losses arising out of such transactions are recognized as income or expense for the period and dealt with exchange account.

2.7.4 Dividend income on shares

Dividend income on shares is recognized during the period in which it is declared and ascertained.

2.7.5 Other operating income

Other operating income is recognized at the time when it is realized.

2.7.6 Interest paid on deposits and borrowings

Interest paid on deposits, borrowing and other expenses are recognized on accrual basis.

2.7.7 Operating expenses

Expenses incurred by the Bank are recognized on accrual basis. Expenses incurred by the Bank shown in these financial statements are inclusive of VAT where applicable as per the Value Added Tax Act, 2012.

2.7.8 Other comprehensive income

Other comprehensive income is not prepared in accordance with IAS 1: Presentation of Financial Statements. However, elements of other comprehensive income, if any, are shown in the statement of changes in equity.

2.8 Earnings per share

Basic earnings per share

Basic earnings per share have been calculated in accordance with IAS 33: Earnings per Share which has been shown on the face of statement of profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the period.

Weighted average number of ordinary shares

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year. The basis of computation of number of shares is in line with the provision of IAS 33: Earnings per Share.

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution during the year under review.

2.9 Reconciliation of inter-Bank/inter-branch account

Accounts with regard to inter-Bank (in Bangladesh and outside Bangladesh) are reconciled regularly and there are no material differences which may affect the financial statements significantly. Un-reconciled entries/balances in the case of inter-branch transactions as on the reporting date are not material.

2.10 Proposed dividend

Final dividend is recognized when it is approved by the shareholders in AGM. However, the proposed dividend for the year 2020 has not been recognized as a liability in the balance sheet in accordance with IAS 10: Events after the Reporting Period. Dividend payable to the Bank's shareholders is recognised as a liability and deducted from the shareholders' equity in the period in which the shareholders' right to receive payment is established.

2.11 Operating segment

As per IFRS- 8: The Group has identified following five reportable segments which are the Group's major strategic business units/entities. The strategic business units offer different products and services, and are managed separately based on the management and internal reporting structure of the group. For each of the strategic business units, the Group's/Bank's Management Committee reviews internal management reports on quarterly basis. The following summary describes the operations in each of the reportable segments:

	Segment Name	Description
Solo	DBO (Domestic Banking Operation)	Deals with the full range of commercial Banking products and services offered by four different business units: Corporate, Commercial, Retail Banking and Treasury.
	OBU (Offshore Banking Unit)	Deals with loans, deposits and other transactions and balances in freely convertible currencies with eligible corporate customers.
Consolidated	MTB Securities Limited	It buys, sells and deals in shares, debentures and other securities on behalf of customers and does margin lending etc.
	MTB Capital Limited	It offers issue management, underwriting, portfolio management, corporate advisory services to the clients including advisory services on merger and amalgamation, capital restructuring, bond services etc.
	MTB Exchange (UK) Limited	It deals with trade finance and of-shore Banking business in United Kingdom.

Performance is measured based on segment revenue and profit, as included in the internal management reports that are reviewed by the Management Committee of the Bank. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments.

2.12 Litigation

The Bank is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in loans repayment and against various level of tax authority regarding some disputed tax issues. The Bank, however, provides adequate provisions as per guidelines of IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

2.13 Write-Off

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to loan for which a return on the loan is now impossible or unlikely. The item's potential return is thus canceled and removed from ("written off") the Bank's statement of financial position. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

2.14 Accounting for changes in policy, Accounting Estimates and Errors

According to IAS 8: Accounting policies, changes in accounting estimates and errors, the effect of a change in accounting policy and correction of error if material is to be applied retrospectively and change in an accounting estimate is to be applied prospectively. The carrying amount of assets, liabilities, or equity may be changed following a change in accounting estimates in the period of the change. The Bank followed the same accordingly.

2.15 Related Party disclosures

A party is related to the company if:

- i) directly or indirectly through one or more intermediaries, the party control, is controlled by, or is under common control with, the company; has an interest in the company that gives it significant influence over the company; or has joint control over the company;
- ii) the party is an associate;
- iii) the party is a joint venture;
- iv) the party is a member of the key management personnel of the company or its parent;
- v) the party is a close member of the family of any individual referred to in (i) or (iv);
- vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- vii) the party is a post-employment benefit plan for the benefit of employees of the company, or of any entity that is a related party of the company.

2.16 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)

The Financial Reporting Council of Bangladesh (FRC) is the sole authority for adoption of International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs). Mutual Trust Bank Limited has applied all the applicable IASs and IFRSs as adopted by the FRC while preparing the financial statements. Details are given below:

Name of the International Accounting Standards (IAS)	IAS No.	Status
Presentation of Financial Statements	1	Applied*
Inventories	2	N/A
Statement of Cash Flows	7	Applied*
Accounting policies, Changes in accounting Estimates & Errors	8	Applied
Events after the Reporting Period	10	Applied
Construction Contracts	11	N/A
Income Taxes	12	Applied
Property, Plant and Equipment	16	Applied
Employees Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	N/A
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Applied
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Consolidated and Separate Financial Statements	27	Applied
Investment in Associates	28	N/A
Interest in Joint Ventures	31	N/A
Financial Instruments: Presentation	32	Applied*
Earnings per share	33	Applied
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provision, Contingent Liabilities and Contingent Assets	37	Applied*
Intangible Assets	38	Applied
Investment Property	40	N/A
Agriculture	41	N/A

International Financial Reporting Standards (IFRS)	IFRS No.	Status
First-time Adoption of Bangladesh Financial Reporting Standard	1	N/A
Shares Based Payment	2	N/A
Business Combination	3	Applied
Insurance Contracts	4	N/A
Non-current Assets Held for Sale and Discontinued Operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied*
Operating Segments	8	Applied
Financial Instruments	9	Applied*
Consolidated Financial Statements	10	Applied
Joint Arrangements	11	N/A
Disclosure of Interests in other Entities	12	N/A
Fair Value Measurement	13	Applied*
Regulatory Deferral Accounts	14	N/A
Revenue from contracts with customers	15	Applied
Leases	16	Applied*

* Bangladesh Bank is the prime regulatory body for Banks in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the provision of IAS/IFRS as marked above and described in note 2.1.1..As such the Bank has departed from those contradictory requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

2.17 Risk Management

Risk is an integral part of Banking business, and MTB aims at delivering superior shareholder value by achieving an appropriate trade-off between risks and return. The policies and procedures established for this purpose are continuously reviewed in our quest to benefit from a blend of local and international practices. MTB conducts its risk management activities following six core risk guidelines of Bangladesh Bank and Basel norms. At the directives of Bangladesh Bank, MTB has established a separate Risk Management Division (RMD) to identify, measure, monitor and manage risks more effectively and efficiently. MTB's Risk management process is accomplished at strategic level, managerial level and at operational level. At strategic level, MTB Board of Directors (BOD), through Board Risk Management Committee (BRMC) & senior management, sets up risk governance structure & risk philosophy, endorses risk strategies, reviews & approves risk policies as well as the threshold limits of risks that may be taken in line with Bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. At managerial level, policies and strategies formulated by BOD are implemented by middle management or divisions/departments/units devoted to risk reviews. RMD reports high-risk related matters, identified by the management-level risk committee to the BRMC. RMD also submits periodic stress testing results to the BOD as well. Operational level encompasses on-the-line risk management, where risks are actually created at front office or at credit desk of the Bank.

MTB's risk management in the following areas, among others, is mentioned briefly:

(a) Credit Risk Management

Credit risk is the risk due to a borrower's inability to meet its financial obligations to the lender. The credit risk is generally made up of transaction risk or default risk and portfolio risk. We have standardized credit approval processes. Credit risk is controlled through segmental exposure limits to various industries and sectors, prudential exposure and substantial exposure ceiling and risk mitigation by obtaining collateral and guarantees.

The Bank has put in place a well-structured Credit Risk Management Policy duly approved by the Board. In addition to Credit Risk Management Policy, the Bank has also framed Board approved credit policy and ensures compliance with regulatory requirements, more particularly in respect of Exposures norms, Assets Classification guidelines, Capital Adequacy guideline, etc. of Bangladesh Bank/other Statutory Authorities.

Credit Risk is monitored by the Bank account wise and compliance with the risk limits/exposure cap approved by the Board is ensured. The quality of internal control system is also monitored and in-house expertise has been built up to tackle all the facets of Credit Risk.

The Bank follows a well-defined multi layered discretionary power structure for sanction of loans. Credit Grid has been constituted at Head office level for considering fresh/enhancements proposals. The Bank assesses various risk factors for new products prior to its introduction.

(b) Market Risk

Market risk is the possibility of loss arising from changes in the value of a financial instrument as a result of changes in market variables such as interest rates, exchange rates, equity and commodity prices.

i. Foreign Exchange Risk Management

Foreign Exchange Risk is a measure by the variance of the domestic currency value of an asset, liability or operating income that is attributable to unanticipated change in the exchange rates. Simply, it is the risk that relates to gains/losses that arise due to fluctuations in the exchange rates.

In view of the significance of the market risk and in order to aggregate all such risks at a single department and to bring expertise in such functions, the concept of treasury has evolved. Today's financial institutions engage in activities from import, export and remittance to complex derivatives involving basic foreign exchange and money market to complex structured products. All these require a high degree of expertise that is difficult to achieve in the transactions originating from departments and as such the expertise is housed in a separate department i.e. Treasury.

MTB has already segregated Treasury functions in three separate wings i.e. Front office, Back office and Mid office.

In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department is performing the foreign exchange dealing in an appropriate manner and managing risks of the organization's overall balance sheet as well as the capital of the Bank.

ii. Interest Rate Risk

MTB's focus is mainly on interest rate risk arising from conduct of normal business. Failure to identify the risks associated with business and failure to take timely measures in giving a sense of direction threatens the very existence of the institutions. It is therefore, imperative for the Bank to form a "Asset Liability Management Committee (ALCO)" with the senior management as its members to control and better manage its Balance Sheet Risk.

In compliance with the requirement of Bangladesh Bank's Asset Liability Management guidelines, MTB has formed "Asset Liability Management Committee" (ALCO) with the senior executives. The Committee meets once every month to set and review strategies on Asset Liability Management (ALM).

MTB ALM desk performs Money Market activities, manages liquidity and interest rate risk of the Bank and understands market dynamics i.e. competition, potential target markets etc., updates the balance sheet movements and complies with the statutory obligations as well as the risk elements involved with the business.

iii. Equity Risk

Equity risk arises from movement in market value of securities. The investment committee monitors the risks under a well-designed policy framework.

(c) Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Operational risks in the Bank are managed through a comprehensive and well-articulated internal control framework. Material losses are regularly analyzed by cause and actions are taken to improve system and controls to prevent recurrence in the future.

MTB has restructured Internal Control and Compliance Department (ICCD) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Department is comprised of three divisions; Audit and Inspection Division, Compliance Division and Monitoring Division. The Bank has developed Internal Control and Compliance Policy duly approved by the Board of Directors, complying with the directives of the revised guidelines of Bangladesh Bank on ICC in Banks.

As a tool of Internal Control, the Audit and inspection teams undertake periodic and special audit and inspection on the branches and departments/divisions of Head Office in order to sort out the weaknesses and defects in the control process and report to the management for taking corrective measures to protect the interests of the Bank.

The Compliance and Monitoring Divisions of this department ensure timely and proper compliance of all regulatory instructions and internal policies and procedures in the day-to-day operation of the Bank by way of using various control tools. They assess the operational risk and take appropriate measures to mitigate the same for smooth operation of the Bank. ICCD reports serious non-compliances detected by internal and external auditors with up-to-date compliance position thereto, large financial risk exposures, control weaknesses etc. to the Audit Committee of the Board for review and taking appropriate measures.

The ICCD also ensures clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within the organization with active guidance and supervision of senior management and Board of Directors.

Business entities today exist in a highly competitive world. They are constantly innovating to meet their business objectives providing essential and unique services to their customers. Technology advances have enabled them to achieve their varied strategies. And yet, the threats of disaster, on account of business interruption, are not extinct. In fact, they have also evolved along with the technology. Keeping that in mind MTB has taken up its Business Continuity Planning (BCP) as the most significant challenges working out a way to prevent, if possible, and manage the consequences of a disaster, limiting it to the extent that a business can afford. Besides BCP, the Bank is also focusing on combating security threats as well. In keeping with our centralized management model, each branch within the Bank has its own ICT systems. Actions taken include the updating of software and analyzing new software, enhancing ICT related controls, training of staff in system knowledge and sharing of best practices between branch users.

(d) Money Laundering Risk

Money Laundering risk of Financial Institutions lies with the involvement in any single transaction or series of transactions that assists a criminal in keeping, concealing or disposing of proceeds derived from illegal activities. So it is a major threat to the Banks and non-Bank financial institutions.

Mutual Trust Bank (MTB), as a compliant Bank, is firmly determined not to let money launderers and terrorists or perpetrators to use it as a channel to launder money or finance terrorism in any possible way. Hence, MTB has its own Anti Money Laundering (AML) & Combating Financing of Terrorism (CFT) compliance Programme which is designed considering the size & range of activities, complexity of operations and the nature & degree of Money Laundering & Terrorist Financing risks faced by the Bank. Certainly, it is designed as per the prevailing laws (i.e. Money Laundering Prevention Act, 2012 (Amendment 2015), The Anti-Terrorism Act, 2009 (Amended- 2012 & 2013), rules (i.e. Money Laundering Prevention Rules, 2013, Anti-Terrorism Rules, 2013), BFIU guidelines (i.e. Money Laundering and Terrorist Financing Risk Management Guidelines), circulars & instruction and international standards. MTB applies risk sensitive Customer Due Diligence (CDD) measures, monitors business relationships and records suspicious transactions pursuant to the national regulations and international standards.

MTB has developed its own Money Laundering (ML) & Terrorist Financing (TF) Risk Management Guideline entailing the customer acceptance policy and the ML & TF Risk Assessment Guideline. The customer acceptance policy incorporates the detail customer due diligence procedure for acceptance/rejection of customer, procedures to open & operate different types of account. The ML & TF Risk Assessment Guideline incorporates the risk register in line with BFIU guideline. Department has been reformed as 'Central Compliance Unit (CCU)' under the direct supervision of the MD & CEO which consists of 8 (eight) members having expertise in the field of general Banking and information technology. Every year, the MD & CEO of the Bank makes statement of commitment in writing to all employees that clearly sets forth MTB's policy against Money Laundering, Terrorist Financing & Proliferation Financing.

(e) Fraud and Forgeries

Fraud Detection and Management Process: The Bank has its board approved Fraud Management Policy. Internal Audit (IA) team conducts surprise audit on all MTB branches and offices of the Head Office at least once in a year (high risk branches are audited half-yearly basis). While auditing branches and offices, the Internal Audit (IA) teams thoroughly check the operational activities of the branches/offices including transactions in various accounts and search for any irregularities occurred in those accounts. IA teams also monitor the staff accounts and if necessary investigate the suspicious transactions and report the same to the management. IA teams also conduct investigation into specific allegations and submits reports to the management for action. Senior management of the Bank also conducts regular visit to MTB branches and advises the branch officials to comply with all the regulatory instructions, policies and procedures of the Bank.

2.18 Implementation of BASEL-III

Bangladesh Bank issued 'Guidelines on Risk Based Capital Adequacy (RBCA) for Banks' (Revised Regulatory Capital Framework in line with BaseIII) vide its BRPD Circular 18 dated 21 December 2014 that BaseIII reporting start from January 2015 and full implementation will start from January 2020. The BaseIII rules on capital consist of measures on improving the quality, consistency and transparency of capital, enhancing risk coverage, introducing a supplementary leverage ratio and promoting counter-cyclical buffers and addressing systemic risk and interconnectedness.

In 2020, the Bank is required to maintain minimum Common Equity Tier-1 (CET-1) capital ratio of 4.50%, capital conservation buffer 2.50%, minimum CET-1 plus conservation buffer of 7.00%, minimum Tier-1 capital ratio of 6.00%, minimum total capital ratio 10.00% and minimum total capital plus capital conservation buffer 12.50%

Pillar-I: Minimum Capital Requirement

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business. Trust Bank Ltd. has adopted the following measurement approaches for computing its Capital Adequacy Ratio:

- Standardized Approach for Credit Risk
- Basic Indicator Approach for Operational Risk, and
- Standardized Approach for Market Risk

Pillar-II: Supervisory Review Process (SRP)

The Supervisory Review Process (the Second Pillar of BaseIII) of the risk-based capital adequacy framework is intended to ensure that Banks have adequate capital to support all the risks in the business and, concurrently, to encourage Banks to develop and utilize superior risk management techniques in monitoring and managing risks. In compliance with the Pillar-II guidelines of the Bangladesh Bank under BaseIII framework, Mutual Trust Bank Ltd. has formulated its own Board approved Internal Capital Adequacy Assessment Process (ICAAP) to assess various risks that it is exposed to. Following Risk has to be assessed for Adequate Capital Requirement under ICAAP as per Bangladesh Bank Guideline:

- Residual Risk
- Concentration Risk
- Liquidity Risk
- Reputation Risk
- Strategic Risk
- Settlement Risk
- Evaluation of Core Risk Management
- Environmental & Climate Change Risk
- Other Material Risks

Pillar-III: Market Discipline

The purpose of market discipline is to establish transparency and discipline in the financial markets so that stakeholders can assess the position of a Bank with respect to the assets held by it as well as to identify the risks relating to these assets and the capital adequacy to meet probable losses. For this purpose, Banks have to develop a set of disclosures containing information on the assets, risk exposures, risk assessment processes and the capital adequacy to meet the risks. The Pillar-III Disclosures are published on a yearly basis on the Bank's website also published in the Bank's Annual Report.

2.19 Audit Committee

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 4 (Four) Directors of the Board.

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee
01.	Ms. Nasreen Sattar	Independent Director	Chairman
02.	Mr. M. A. Rouf JP	Director	Member
03.	Ms. Anika Chowdhury	Director	Member
04.	Mr. Faruq Ahmad Siddiqi	Independent Director	Member

During the period, 04 (Four) meetings of the audit committee were held.

Audit committee reviews various audit/inspection reports at regular intervals. Upon scrutiny of the audit objections and compliance, the committee advised the management to remain within the policy guidelines and directives of the regulatory authorities.

As per circular, the committee places their report regularly to the board meetings of the Bank mentioning their activities & recommendations of the internal control system, compliance of rules and regulations and establishment of good governance within the organization.

2.20 Directors responsibility on statements

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

2.21 Credit rating of the Bank

As per BRPD Circular no. 6 dated 5 July 2006, the Bank has done its credit rating by Credit Rating Information and Services Limited (CRISL) based on the audited financial statements as at and for the year ended 31 December 2019. The following ratings have been awarded:

Particulars	Periods	Date of rating	Long term	Short term
Entity rating	January to December 2019	15 July 2020	AA	ST-2
Entity rating	January to December 2018	13 May 2019	AA	ST-2
Entity rating	January to December 2017	29 April 2018	AA	ST-2

2.22 Events after the reporting period

The global outbreak of COVID 19 pandemic is considered a non-adjusting post balance sheet event for the Bank. While the overall effect on the Bank's business in the period subsequent to the balance sheet date relating to the COVID 19 global pandemic is still evolving at this point, there has been limited impact on the business since the outbreak. The directors and management are regularly monitoring the potential impact of the pandemic on the Bank as the situation continues to deteriorate but are confident that any foreseeable negative impact can be reasonably managed and have various scenario plans in place.

All other material events after the reporting period have been considered and appropriate adjustments/disclosures have been made in the financial statements as per IAS 10 Events after the Reporting Period. Board's recommendation for dividend distribution is a common item presented in the note no. 49.

2.23 Approval of Financial Statements

The financial statements were approved by the Board of Directors on 04 May 2021.

2.24 General

- These financial statements are presented in BDT, which is the Bank's functional currency. Figure appearing in these financial statements have been rounded off to the nearest BDT.
- The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- Figures of previous year have been rearranged whenever necessary to conform to current period's presentation.
- No Asset has been set off against any Liability except MTB General Account.

		Amount in BDT	
		2020	2019
3.00	Consolidated cash		
	i. Cash in hand (including foreign currency)		
	Mutual Trust Bank Limited (Note-3.a.1)	2,820,629,650	2,874,617,681
	MTB Securities Limited	10,610,302	951,375
	MTB Capital Limited	3,917	20,965
	MTB Exchange (UK) Limited	8,711,439	11,286,088
		2,839,955,309	2,886,876,110
	ii. Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currency)		
	Mutual Trust Bank Limited (Note-3.a.2)	8,941,539,411	11,669,624,514
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		8,941,539,411	11,669,624,514
		11,781,494,720	14,556,500,624
3.a	Cash		
	In Hand (including foreign currency) (Note 3.a.1)	2,820,629,650	2,874,617,681
	With Bangladesh Bank and its Agent Bank(s) (including foreign currency) (Note 3.a.2)	8,941,539,411	11,669,624,514
		11,762,169,061	14,544,242,195
3.a.1	In Hand (Including foreign currency):		
	Local Currency	2,772,015,187	2,846,296,936
	Foreign Currency	48,614,463	28,320,745
		2,820,629,650	2,874,617,681
3.a.2	Balance with Bangladesh Bank and its agent Bank(s):		
	With Bangladesh Bank:		
	Local Currency	8,556,504,979	10,761,109,123
	Foreign Currency	232,837,558	604,416,569
	With Sondli Bank (as agent of Bangladesh Bank - Local Currency)	152,196,873	304,098,822
		8,941,539,411	11,669,624,514

Bangladesh Bank Adjustment Account represents outstanding transactions (net) originated but yet to be responded at the Balance Sheet date. However, the status of unresponded entries as at December 31, 2020 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr.	Cr.	Dr.	Cr.
Less than 3 months	9	9	1,764,743	196,281,119
3 months to Less than 6 months	0	0	-	-
6 months to Less than 12 months	0	0	-	-
12 months and more	0	0	-	-
Total	9	9	1,764,743	196,281,119

All unadjusted entries are subsequently adjusted on regular basis.

3.a.3 Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)

Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) have been calculated and maintained in accordance with Section 33 of The Bank Companies Act, 1991 (as amended in 2013) and Bangladesh Bank MPD circular no. 03 dated 09 April 2020, DOS circular no.26 dated 19 August 2019 and BRPD(P-3)/744(27)/2020-4086 for Offshore Banking Unit.

A. Cash Reserve Requirement (CRR)

As per Bangladesh Bank MPD circular no. 03 dated 09 April, 2020 and BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020, Bank has to maintain 3.50% & 1.50% CRR on daily basis for Domestic Banking Operation (DBO) & Off-Shore Banking Operation (OBO) respectively and 4.00% & 2.00% CRR on bi-weekly basis for Domestic Banking Operation (DBO) & Off-Shore Banking Operation (OBO) respectively. CRR requirement is calculated on the basis of weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by the Bank as at 31 December 2020 are as follows:

Amount in BDT	
2020	2019

B. Cash Reserve Requirement (CRR) for Offshore Banking Unit

As per Bangladesh Bank circular no. BRPD(P-3)/744(27)/2020-4086 dated 18 June, 2020; Offshore Banking unit has to maintain CRR 1.50% on daily basis and 2.00% on bi-weekly basis based on weekly Average of Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. The reserve maintained by MTB as at 31 December 2020 are as follows:

	2020		2019	
	Ratio in %	BDT Million	Ratio in %	BDT Million
i. Daily Bank's CRR Maintenance				
Required Reserve (3.50% of ATDTL) for DBO	3.50%	7,217.88	5.00%	9,991.19
Required Reserve (1.50% of ATDTL) for OBO	1.50%	115.06		-
Total		7,332.94	Total	9,991.19
Actual Reserve Maintained	4.01%	8,402.41	5.57%	11,122.94
Surplus		1,069.47		1,131.75
ii. Bi-weekly Bank's CRR Maintenance				
Required Reserve (4.00% of ATDTL) for DBO	4.00%	8,249.00	5.50%	10,990.31
Required Reserve (2.00% of ATDTL) for OBO	2.00%	153.41		-
Total		8,402.41	Total	10,990.31
Actual Reserve Maintained (Average)*	4.02%	8,443.93	6.07%	12,133.94
Surplus		41.52		1,143.63

* Last bi-weekly average as of 31 December 2020

B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated December 10, 2013 issued by Bangladesh Bank with effect from February 1, 2014, Bank has to maintain SLR of minimum 13.00% based on weekly Average Total Demand and Time Liabilities (ATDTL) of the base month which is two months prior to reporting month. SLR maintained by the Bank as at 31 December 2020 are as follows:

	2020		2019	
	Ratio in %	BDT Million	Ratio in %	BDT Million
Required Reserve (13% of ATDTL) for DBO	13.00%	26,809.27	13.00%	25,977.09
Required Reserve (13% of ATDTL) for OBO	13.00%	997.16	0.00%	-
Total		27,806.43	Total	25,977.09
Actual Reserve Maintained	16.90%	36,143.80	17.14%	34,250.13
Surplus		8,337.37		8,273.03

i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)

Cash in Hand	2,820.63	2,749.09
Excess Cash Reserve*	344.94	132.63
Balance with Agent Bank (Sonal Bank Ltd)	152.20	304.10
Held to Maturity (HTM) Securities	26,055.44	25,125.22
Held for Trading (HFT) Securities	6,636.73	5,937.16
Other eligible securities	133.86	1.93
	36,143.80	34,250.13

*As per Bangladesh Bank DOS circular no. 26 dated 19 August, 2019; Cash Reserve (if any) in excess of 4.00% of ATDTL calculated on bi-weekly average basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

4.00 Consolidated Balance with other Banks and Financial Institutions

In Bangladesh

Mutual Trust Bank Limited (Note-4.a.1)	2,947,899,942	501,983,663
MTB Securities Limited	843,199,205	558,668,353
MTB Capital Limited	18,554,835	8,720,224
MTB Exchange (UK) Limited	-	-
Less: Intragroup Deposit	(486,776,659)	(421,588,846)
	3,322,877,323	647,783,394

		Amount in BDT	
		2020	2019
Outside Bangladesh			
Mutual Trust Bank Limited (Note-4.a.2)		1,708,088,615	2,736,948,447
MTB Securities Limited		-	-
MTB Capital Limited		-	-
MTB Exchange (UK) Limited		-	318,434
		1,708,088,615	2,737,266,881
		5,030,965,937	3,385,050,274
4.a Balance with other Banks and Financial Institutions			
In Bangladesh (Note-4.a.1)		2,947,899,942	501,983,663
Outside Bangladesh (Note- 4.a.2)		1,708,088,615	2,736,948,447
		4,655,988,556	3,238,932,109
4.a.1 In Bangladesh			
Term Placement		2,800,000,000	200,000,000
SBAC Bank Limited		-	200,000,000
National Credit and Commerce Bank Limited		600,000,000	-
South Bangla Agriculture And Commerce Bank Limited		200,000,000	-
Social Islami Bank Limited		500,000,000	-
One Bank Limited		500,000,000	-
Mercantile Bank Limited		600,000,000	-
Meghna Bank Limited		200,000,000	-
NRB Bank Limited		200,000,000	-
		57,654,171	222,698,883
Special Notice Deposit (SND)			
BASIC Bank Limited		33,798	13,037,862
Agrani Bank Limited		37,387,475	7,569,900
Janata Bank Limited		741,539	15,735,545
Standard Chartered Bank		19,491,360	66,024,013
Sonali Bank Limited		-	120,331,563
		90,245,770	79,284,780
Current Deposits (CD)			
bKash Limited		1,032,500	7,547,886
Southeast Bank Limited		647,997	777,716
Islami Bank Bangladesh Limited		1,510	14,258
Janata Bank Limited		13,065	6,439
Agrani Bank Limited		88,550,698	70,738,482
AB Bank Limited		-	200,000
Offshore Banking Unit			
		-	-
		2,947,899,942	501,983,663
4.a.2 Outside Bangladesh (NOSTRO Accounts)			
In current account			
MashreqBank, New York		101,091,959	176,294,631
Standard Chartered Bank, New York		364,251,320	1,045,233,008
Habib American Bank, New York		403,398,862	459,139,012
Commerze Bank, Germany		32,766,083	72,442,822
Mashreq Bank London		3,996,725	137,908
KB Kookmin Bank		67,718,495	59,381,899
JP Morgan, New York		19,242,826	-
ICICI, Hong Kong		20,941,116	20,933,515
Standard Chartered Bank, Singapore		8,962,814	3,758,169
JP Morgan, London		7,200,063	-
Standard Chartered Bank, London		22,381,603	55,596,961
Habib American Bank, Zurich		17,371,305	4,769,044
Standard Chartered Bank, Tokyo		17,713,651	5,007,623
UBAF,Tokyo		554,697	3,701,016

	Amount in BDT	
	2020	2019
Standard Chartered Bank, Germany	3,219,994	1,864,453
ICICI, Mumbai	640,297	584,941
Unicredit, Germany	16,532,143	1,307,231
Commerze Bank, Germany	56,970,447	7,789,486
United Bank of India, Kolkata	438,908	400,962
Standard Chartered Bank, Mumbai	32,875,060	25,991,135
Standard Chartered Bank, Kolkata	42,441,914	38,712,912
Standard Chartered Bank, Pakistan	21,952,563	5,909,247
Standard Chartered Bank, Colombo	9,075,357	6,835,874
Sonali Bank, Kolkata	7,315,446	6,033,802
Habib Metropolitan	12,927,756	3,005,315
MashreqBank, Mumbai	37,081,756	20,689,354
AB Bank, Mumbai	42,630,713	83,347,618
Axis Bank, Mumbai	34,772,639	12,177,349
ICICI, Mumbai	19,352,133	40,736,984
Himalayan Bank Ltd., Kathmundu	9,284,971	9,295,701
Nepal Bangladesh Bank Ltd.	11,191,668	11,204,601
United Bank of India, Kolkata	4,348,167	7,700,617
HDFC Bank, Mumbai	22,179,152	7,310,759
Emirates Islamic Bank	59,328,492	-
Mashreq Bank, UAE	85,426,107	420,040,016
Commerz Bank, Germany	5,019,070	2,154,296
Bank Al Bilad	9,760,863	11,317,643
	1,632,357,135	2,630,805,905
ICICI Bank Ltd., Mumbai - Term Deposit	28,032,607	28,032,607
	1,660,389,742	2,658,838,512
Offshore Banking Unit	47,698,873	78,109,935
	1,708,088,615	2,736,948,447

Details of NOSTRO accounts are shown in Annexure-A

4.a.3 Maturity grouping of Balance with other Banks and Financial Institutions

On Demand	3,006,625,743	2,091,555,110
Less than three months	1,194,485,416	830,942,155
More than three months but less than one year	370,254,733	257,567,202
More than one year but less than five years	44,038,086	30,635,035
More than five years	40,584,579	28,232,607
	4,655,988,556	3,238,932,109

5.a Money at Call and Short Notice:

Call Money

With Banking Companies (Note 5.a.1)	-	-
With Non-Banking Financial Institutions (Note 5.a.2)	1,114,100,000	206,800,000
	1,114,100,000	206,800,000

5.a.1 Call Money-With Banking Companies

	-	-
	-	-

5.a.2 Call Money-With Non-Banking Financial Institutions

Bangladesh Finance and Investment Company Limited	23,000,000	59,700,000
Union Capital Ltd	72,100,000	79,700,000
GSP Finance Company [Bangladesh] Limited	59,000,000	67,400,000
IPDC Finance Ltd	200,000,000	-
IDLC Finance Limited	290,000,000	-
Delta Brac Housing Finance Corporation Ltd	300,000,000	-
Lanka Bangla Finance Ltd	170,000,000	-
	1,114,100,000	206,800,000

		Amount in BDT	
		2020	2019
6.00	Consolidated Investments		
	Government Investment		
	Mutual Trust Bank Limited (Note-6.a.1)	32,826,020,472	31,064,307,864
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		32,826,020,472	31,064,307,864
	Other Investments		
	Mutual Trust Bank Limited (Note-6.a.3)	2,555,928,977	2,130,437,734
	MTB Securities Limited	1,011,754,622	839,732,429
	MTB Capital Limited	262,994,112	165,060,175
	MTB Exchange (UK) Limited	-	-
		3,830,677,710	3,135,230,337
		36,656,698,182	34,199,538,201
6.a	Investments		
	Government (Note-6.a.1)	32,826,020,472	31,064,307,864
	Others (Note-6.a.3)	2,555,928,977	2,130,437,734
		35,381,949,449	33,194,745,597
6.a.1	Government (Investment in Govt. securities)		
	Treasury Bills (Note 6.a.1.1)	3,153,969,176	444,753,951
	Treasury Bonds (Note 6.a.1.2)	29,538,192,395	30,617,627,813
	Sukuk Islamic Bond	131,990,000	-
	Prize Bonds	1,868,900	1,926,100
		32,826,020,472	31,064,307,864
6.a.1.1	Treasury Bills (at present value)		
	Un-encumbered		
	28 days treasury bills	-	-
	91 days treasury bills	765,565,976	245,266,750
	182 days treasury bills	898,458,300	199,487,201
	364 days treasury bills	1,489,944,900	-
	Sub-total	3,153,969,176	444,753,951
	Encumbered	-	-
	Sub-total	-	-
	Total Treasury Bill	3,153,969,176	444,753,951
6.a.1.2	Treasury Bonds		
	Un-encumbered		
	2 Years Bangladesh Government treasury bonds	1,446,812,333	5,895,699,381
	5 Years Bangladesh Government treasury bonds	3,070,187,652	2,717,855,405
	10 Years Bangladesh Government treasury bonds	9,072,718,277	7,801,223,609
	15 Years Bangladesh Government treasury bonds	5,476,128,992	6,362,534,770
	20 Years Bangladesh Government treasury bonds	10,472,345,142	7,840,314,647
	Sub-total	29,538,192,395	30,617,627,813
	Encumbered	-	-
	Sub-total	-	-
	Total Treasury Bond	29,538,192,395	30,617,627,813
6.a.2	Investment Classified as per Bangladesh Bank Circular		
	Held to Maturity (HTM) (Note 6.a.2.1)	26,055,435,906	25,125,218,952
	Held for Trading (HFT) (Note 6.a.2.2)	6,636,725,666	5,937,162,811
	Other Securities	2,689,787,877	2,132,363,834
		35,381,949,449	33,194,745,597

		Amount in BDT	
		2020	2019
6.a.2.1	Held to Maturity (HTM)		
	Treasury Bond		
	2 Years	43,925,439	2,228,020,702
	5 Years	2,846,157,457	2,524,399,400
	10 Years	8,273,300,776	7,054,783,977
	15 Years	4,540,972,240	5,573,488,691
	20 Years	10,351,079,993	7,744,526,182
		26,055,435,906	25,125,218,952
6.a.2.2	Held for Trading (HFT)		
	Treasury Bill		
	91 days	765,565,976	245,266,750
	182 days	898,458,300	199,487,201
	364 days	1,489,944,900	-
	Treasury Bond		
	2 Years	1,402,886,894	3,667,678,679
	5 Years	224,030,195	193,456,005
	10 Years	799,417,500	746,439,632
	15 Years	935,156,752	789,046,079
	20 Years	121,265,149	95,788,465
		6,636,725,666	5,937,162,811
6.a.3	Other (Investment in other securities)		
	Shares and Mutual Fund in quoted companies:		
	Shares in Quoted companies	165,337,483	137,778,179
	Mutual Fund in Quoted companies	377,111,304	403,179,364
	(Details are shown in Annexure-B)	542,448,787	540,957,544
	Shares in unquoted companies (at face value) :		
	BD Venture Limited	20,000,000	20,000,000
	Central Depository (BD) Limited	15,694,430	15,694,430
	Energypack Power Generation Limited	50,000,000	50,000,000
	Industrial & Infrastructure Development Finance Company Limited	71,770,260	71,770,260
	LIC Bangladesh	30,000,000	30,000,000
	Central Counterparty Bangladesh Limited	37,500,000	37,500,000
	The Bangladesh Rating Agency Limited	4,915,500	4,915,500
		229,880,190	229,880,190
	Funds:		
	MTB Unit Fund	217,600,000	217,600,000
		217,600,000	217,600,000
	Subordinated Bonds :		
	AB Bank Subordinated Bond	16,000,000	32,000,000
	One Bank Subordinated Bond	60,000,000	80,000,000
	Trust Bank Subordinated Bond	60,000,000	80,000,000
	UCB 3rd Subordinated Bond	200,000,000	250,000,000
	Jamuna Bank Subordinated Bond	120,000,000	150,000,000
	AIBL Second Mudaraba Bond	100,000,000	100,000,000
	IPDC Subordinated Bond	160,000,000	200,000,000
	NBL Subordinated Bond	200,000,000	250,000,000
		916,000,000	1,142,000,000
	Perpetual Bonds:		
	Jamuna Bank Perpetual Bond	650,000,000	-
	Total other investments	2,555,928,977	2,130,437,734

Amount in BDT	
2020	2019

6.a.4 Assets pledged as security for liabilities as at December 31, 2020 is BDT 284,97,11,200 of Treasury Bill against Re-Purchase Agreement. Details are as under:

(a) i. Disclosure regarding outstanding Repo as at December 31, 2020

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Inter Bank (Repo)	-	-	-
Agrani Bank Limited	30-12-2020	03-01-2021	2,849,711,200
Total			2,849,711,200

ii. There was no Reverse Repo as at 31 December 2020.

(b) Disclosure regarding overall transaction of Repo and Reverse Repo for the year 2020

Particulars	Minimum outstanding during the year	Maximum outstanding during the year	Daily average outstanding during the year
Securities sold under Repo:			
i) with Bangladesh Bank	309,095,460	2,831,560,865	100,699,649
ii) with Other Banks & Financial Institutions	153,895,011	8,025,578,700	1,094,972,779
Securities purchased under Reverse Repo:			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	280,650,000	2,501,585,252	48,885,772

6.a.5 Maturity grouping of Investment as follows:

On Demand	706,925,664	663,225,683
Less than three months	854,728,821	801,892,101
More than three months but less than one year	5,410,601,373	5,076,134,552
More than one year but less than five years	12,552,052,209	11,776,122,749
More than five years	15,857,641,381	14,877,370,513
	35,381,949,449	33,194,745,597

7.00 Consolidated Loans and Advances

Mutual Trust Bank Limited (Note-7.a)	199,245,229,954	184,030,147,123
MTB Securities Limited	2,758,173,678	2,719,986,781
MTB Capital Limited	291,557,048	241,114,007
MTB Exchange (UK) Limited	-	-
Less: Inter-company loan	(154,329,988)	-
	202,140,630,692	186,991,247,910

Consolidated bills purchased and discounted:

Mutual Trust Bank Limited (Note-7.a)	1,746,691,377	2,738,467,951
MTB Securities Limited	-	-
MTB Capital Limited	-	-
MTB Exchange (UK) Limited	-	-
	1,746,691,377	2,738,467,951
	203,887,322,069	189,729,715,862

7.01 Significant concentration wise grouping of Consolidated Loans & Advances:

a) Directors

Credit Cards (Note - 47)	85,555	2,314,632
--------------------------	--------	-----------

b) Chief Executive & other Senior Executives

i) Managing Director	-	-
ii) Other Senior Executives	897,359,140	895,119,028

c) Advances to Industries

Agriculture	1,072,530,729	2,781,102,631
RMG	36,061,274,711	31,389,144,919
Textile	15,509,761,634	17,322,465,622
Ship Building	2,250,291,971	2,509,747,790

		Amount in BDT	
		2020	2019
	Ship Breaking	3,772,626,707	2,635,396,585
	Other Manufacturing industry	51,853,880,070	32,512,750,104
	SME loans	29,607,882,775	30,180,618,347
	Construction	3,606,234,828	7,661,699,866
	Power, Gas	2,815,397,515	2,537,425,998
	Transport, Storage and Communication	374,732,171	1,244,658,846
	Trade Service	14,449,080,029	29,532,784,048
	Commercial real estate financing	9,280,232,917	3,822,488,220
	Residential real estate financing	1,105,407,245	1,002,072,002
	Consumer credit	12,793,694,375	12,385,852,332
	Capital Market (Loan provided for brokerage or merchant Banking, to stock dealer or any kind of capital market activities)	3,737,259,527	3,044,151,607
	NBFIs	4,136,463,046	3,955,427,443
	Others	10,563,127,126	4,314,495,841
		202,989,877,375	188,832,282,201
		203,887,322,069	189,729,715,862
7.02	Classification of Consolidated Loans and Advances:		
	Consolidated Unclassified Loans and Advances (UC):		
	Standard	188,569,184,101	171,958,458,994
	Special Mention Account (SMA)	5,930,405,968	7,544,039,035
	Sub total	194,499,590,069	179,502,498,029
	Consolidated Classified Loans & Advances:		
	Substandard	585,186,000	758,461,000
	Doubtful	261,891,000	379,076,833
	Bad & Loss	8,540,655,000	9,089,680,000
	Sub total	9,387,732,000	10,227,217,833
		203,887,322,069	189,729,715,862
7.03	Consolidated list of Asset pledged as collaterals:		
	Collateral of movable/immovable assets	138,718,855,504	112,773,664,713
	Commodities and Export documents	18,986,067,391	19,364,443,749
	Fixed deposit receipts	13,378,383,251	10,735,326,865
	Other securities	16,284,067,457	19,529,514,523
	Personal guarantee	16,519,948,466	27,326,766,012
		203,887,322,069	189,729,715,862
7.04	Maturity grouping of Consolidated Loans and Advances		
	On Demand	23,530,865,047	21,882,503,557
	Not more than three months	44,910,964,567	41,719,279,864
	More than three months but less than one year	76,496,454,170	71,209,324,558
	More than one year but less than five years	51,191,607,937	47,639,817,527
	More than five years	7,757,430,348	7,278,790,355
		203,887,322,069	189,729,715,862
7.a	Loans and Advances		
	In Bangladesh		
	Loans (Note-7.a.1)	149,982,047,640	126,784,410,315
	Cash Credits	29,736,847,375	36,567,768,356
	Overdrafts	19,526,334,939	20,677,968,452
		199,245,229,954	184,030,147,123
	Bills Purchased and Discounted (Note-7.a.1.2)	1,746,691,377	2,738,467,951
		200,991,921,331	186,768,615,074
	Outside Bangladesh	-	-
		200,991,921,331	186,768,615,074

		Amount in BDT	
		2020	2019
7.a.1	Loans:		
	Continuous Loans	10,511,408,885	1,606,294,512
	Demand Loans	38,393,729,515	36,274,114,475
	Term Loans	73,453,005,178	63,159,384,952
	Short term Agri. Credit and Microcredit	7,436,452,871	10,484,510,772
	Packing Credit	728,735,729	646,191,528
	Credit Cards	2,368,599,336	2,045,418,588
	Staff Loan	897,359,140	895,119,028
	Lease Finance (Note-7.a.3)	283,736,872	249,573,532
	Others loan	594,841,404	-
		134,667,868,930	115,360,607,387
	Offshore Banking Unit	15,314,178,710	11,423,802,928
		149,982,047,640	126,784,410,315
7.a.1.2	Bill Purchased and Discounted		
	Payable in Bangladesh	1,207,890,474	1,389,877,581
	Payable outside Bangladesh	255,354,597	425,196,660
		1,463,245,071	1,815,074,241
	Offshore Banking Unit	283,446,306	923,393,710
		1,746,691,377	2,738,467,951
7.a.2	Net Loans & Advances		
	Gross Loans & Advances (Note- 7.a)	200,991,921,331	186,768,615,074
	Less:		
	Interest Suspense (Note- 12.a.6)	3,432,498,843	2,134,376,449
	Provision for Loans & Advances (Note -12.a.1)	6,969,210,133	6,797,923,226
		190,590,212,355	177,836,315,399
7.a.3	Gross Lease Rent Receivable		
	Within 1 year	242,038,306	299,877,154
	Within 5 years	79,342,105	-
		321,380,411	299,877,154
	Less: Unearned Lease Rent	37,643,539	50,303,622
		283,736,872	249,573,532
7.a.4	Residual Maturity grouping of Loans and Advances		
	On Demand	23,408,875,818	21,752,333,566
	Not more than three months	44,849,969,952	41,676,136,626
	More than three months but less than one year	76,223,821,856	70,829,800,270
	More than one year but less than five years	50,185,196,797	46,633,813,145
	More than five years	6,324,056,907	5,876,531,466
		200,991,921,331	186,768,615,074
7.a.5	Significant concentration wise grouping of Loans & advances:		
	a) Directors		
	Credit Cards (Note - 47)	85,555	2,314,632
	b) Chief Executive & other Senior Executives	897,359,140	895,119,028
	i) Managing Director	-	-
	ii) Other Senior Executives	897,359,140	895,119,028
	c) Advances to Industries		
	Agriculture	1,072,530,729	2,781,102,631
	RMG	36,061,274,711	31,389,144,919
	Textile	15,509,761,634	17,322,465,622
	Ship Building	2,250,291,971	2,509,747,790
	Ship Breaking	3,772,626,707	2,635,396,585
	Other Manufacturing industry	51,853,880,070	32,512,750,104
	SME loans	29,607,882,775	30,180,618,347
	Construction	3,606,234,828	7,661,699,866

	Amount in BDT	
	2020	2019
Power, Gas	2,815,397,515	2,537,425,998
Transport, Storage and Communication	374,732,171	1,244,658,846
Trade Service	14,449,080,029	29,532,784,048
Commercial real estate financing	9,280,232,917	3,822,488,220
Residential real estate financing	1,105,407,245	1,002,072,002
Consumer credit	12,793,694,375	12,385,852,332
Capital Market (Loan provided for brokerage or merchant Banking, to stock dealer or any kind of capital market activities)	841,858,789	83,050,820
NBFIs	4,136,463,046	3,955,427,443
Others	10,563,127,126	4,314,495,841
	200,094,476,637	185,871,181,413
	200,991,921,331	186,768,615,074

7.a.6 Details of Large Loan

Number of borrowers with outstanding amount of loans exceeding 10% of total capital of the Bank and classification status thereof. Total capital of the Bank is BDT 24,552.75 million as at 31 December, 2020 (BDT 23,872.20 million as of 31 December, 2019)

Number of Clients	28	31
Outstanding Advances (BDT Million)	91,205	87,504

Client wise details are given below:

Name of the clients	Sanction limit	Outstanding		Total	Classification Status
		Funded	Non - Funded		
MSA Group	4,530.00	2,515.80	1,060.50	3,576.30	UC
City Group	6,520.00	297.40	3,673.70	3,971.10	UC
City Seed Crushing Industries Ltd. & its allied concerns	6,450.00	1,004.20	1,671.60	2,675.80	UC
Ctg. Denim & its allied concerns	6,935.90	2,064.10	613.50	2,677.60	UC
Bengal Group	5,675.30	2,201.50	430.50	2,632.00	UC
Meghna Group	9,900.00	0.70	7,069.90	7,070.60	UC
Karnafuly Ship Builders Ltd. Vosta. & its allied concerns	3,029.10	1,055.50	555.40	1,610.90	UC
Energypac Engineering Ltd.	8,243.40	1,837.00	3,666.60	5,503.60	UC
Dekko Group	3,546.00	2,320.20	841.30	3,161.50	UC
AJI Group	4,539.50	1,149.70	1,179.30	2,329.00	UC
EON Group	3,991.30	3,764.30	787.80	4,552.10	UC
AKIJ Group	4,450.00	-	200.80	200.80	UC
MIR AKHTER Group	3,679.00	1,715.20	397.90	2,113.10	UC
JMI Hospital Requisite Manufacturing Ltd & its allied concerns	3,860.00	1,364.80	1,604.30	2,969.10	UC
Summit Corporation Limited & its allied concerns	13,250.00	-	5,052.20	5,052.20	UC
PRAN - RFL	4,150.00	1,599.00	3,121.50	4,720.50	UC
Bashundhara	6,900.00	3,038.90	2,828.90	5,867.80	UC
Epyllion Fabrics Limited & its allied concerns	5,662.00	3,677.60	1,405.10	5,082.70	UC
SQ Celsius Limited & its allied concerns	5,320.00	2,279.10	1,247.30	3,526.40	UC
Arkay Knit Dyeing Mills Ltd	3,790.20	985.70	2,604.90	3,590.60	UC
BRAC	3,350.00	1,673.50	-	1,673.50	UC
Partex Star Group	3,715.00	2,148.80	-	2,148.80	UC
MRS Industries Limited & its allied concerns	3,050.00	40.90	361.50	402.40	UC
Abul Khair Group	4,360.00	780.10	1,744.20	2,524.30	UC
Saad Musa Group	2,860.00	2,945.90	-	2,945.90	UC
Kabir Steel Ltd & its allied concerns	3,709.10	2,170.20	1,832.30	4,002.50	UC
T.K. Group	3,030.00	838.50	1,552.40	2,390.90	UC
Jahangir & Others & its allied concerns	3,091.30	2,233.20	-	2,233.20	UC
Total	141,587.10	45,701.80	45,503.40	91,205.20	

Amount in BDT	
2020	2019

7.a.6.1 Large Loan Restructuring

1) The liabilities of Jamuna Builders Ltd. and Jamuna Denims Ltd. were restructured according to BRPD circular No 4/2015 dated 29.01.2015 under BB NOC dated 02.09.2016. Bangladesh Bank has given NOC for 12 years including 12 months grace period till 02.09.2027. Accordingly, the 1st Installment due date was 02.12.2016. Later, clients again were allowed 12 month interim grace under BB NOC from June 2019 to May 2020. As such, clients availed total 24 months grace period. After that, clients were allowed payment pause for 07 months period due to the COVID-19 effect. Based on this, the validity also increases upto 31.05.2028 from 02.09.2027. Considering the clients' allowable grace period, their due for installment were 10 and part of 11th quarterly installment equivalent to BDT 430.93 mn which was recovered accordingly.

2) Abdul Monem Ltd. and Abdul Monem Sugar Refinery Ltd. were allowed grace period for 09 months. So, the 1st installment due date was 30.06.2016. As such, 16 number of installments became due till 31.03.2020. Due to COVID-19, the clients did not pay installments & were not shown overdue during June, September and December quarter 2020. The clients are now availing deferral payment of quarterly installment facilities up to 31.12.2020 as per BRPD Circular no 13/2020 dated 15.06.2020.

7.a.7 Classification of Loans and Advances:

Unclassified (UC):

Standard	185,673,783,362	168,997,358,206
Special Mention Account (SMA)	5,930,405,968	7,544,039,035
Sub total	191,604,189,331	176,541,397,241
Classified:		
Substandard	585,186,000	758,461,000
Doubtful	261,891,000	379,076,833
Bad & Loss	8,540,655,000	9,089,680,000
Sub total	9,387,732,000	10,227,217,833
	200,991,921,331	186,768,615,074

7.a.8 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate (%)	Provision	
			Required	Maintained
Unclassified (UC):				
Standard	166,911,883,833	0%, 0.25%, 1%, 2%, 5% & 100%	1,629,748,070	556,044,993
Standard- Offshore Banking Unit	15,597,625,016		155,976,250	155,976,250
General Provision-COVID-19	-		408,639,000	408,639,000
Loan against "Stay Order"	599,625,035		598,228,118	58,940,448
Large Loan Restructured (SMA)	2,102,628,738		42,052,575	42,053,000
Rescheduled Loan (By BB NOC)	1,295,929,985		1,295,870,000	1,137,434,927
Rescheduled loan under 2% down payment (SMA)	1,664,602,945		832,301,473	832,301,000
Special Mention Account (SMA)	851,154,074		5,395,515	5,395,515
Sub total	189,023,449,626			4,968,211,000
Classified:				
Substandard	228,032,854	5% & 20%	26,907,404	26,907,404
Doubtful	78,974,424	5% & 50%	21,983,102	21,983,102
Bad loan*	4,132,173,494	100%	4,132,173,494	4,132,173,494
Sub total	4,439,180,771		4,181,064,000	4,181,064,000
Total	193,462,630,397		9,149,275,000	7,377,849,133
Excess/(short) Provision as at 31 December, 2020*				(1,771,425,867)

*As per Bangladesh Bank letter (Reference No. DBI-1/119/2020-1616 dated June 24, 2020, DBI-1/119/2021-1023 dated April 13, 2021 and DOS(RMMCMS)1154 /161/2021-1841 dated April 26, 2021) the provision of Tk. 177.14 crore deferred which is equivalent to the shortfall amount. The deferred provision will be maintained in next 3 years i. e. 2021, 2022 & 2023 equally as per the said letter of Bangladesh Bank.

7.a.9 Details of Required Provision for Off Balance Sheet Items

Required Provision for Off-Balance Sheet Exposures	812,297,387	751,670,816
Total Provision maintained (Note -12.a.3)	812,297,387	751,670,816
	-	-

7.a.10 Geographical Location wise Loans and Advances

Inside Bangladesh

Urban

Dhaka Division
Chittagong Division
Sylhet Division
Mymensingh Division
Rajshahi Division
Khulna Division
Rangpur Division
Barisal Division

Rural

Dhaka Division
Chittagong Division
Sylhet Division
Mymensingh Division
Rajshahi Division
Khulna Division
Rangpur Division
Barisal Division

Outside Bangladesh

7.a.11 Sector-wise Loans (including Bill Purchased and Discounted)

Public sector
Co-Operative sector
Private sector

7.a.12 Particulars of Loans and Advances:

I) Debts considered good in respect of which the Bank company is fully secured.
II) Debts considered good for which the Bank holds no other security than the debtor's personal security.
III) Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.
IV) Debts considered doubtful or bad, provision not provided for.
V) Debts due by directors or officers of the Bank or any of them either severally or jointly with any other person.
VI) Debts due by companies or firms in which the Directors of the Bank are interested as partners or managing agents or in case of private companies, as members.
VII) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or Officers of the Bank or any of them either severally or jointly with any other person.
VIII) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Bank are interested as partners or managing agents or in case of private companies, as member.
IX) Due from Banking companies;
X) Amount of classified loan on which interest has not been charged, should be mentioned as follows:
a. i) (Decrease)/Increase in provision,
ii) amount of loan written off
iii) amount realized against loan previously written off;
b. Amount of provision kept against loan classified as 'bad/loss' on the date of preparing the balance sheet
c. Interest creditable to the interest Suspense A/c;
XI) Cumulative amount of loans written off
Opening Balance
Amount Written off during the period
Balance of Written off Loans & Advance
XII) The amount of written off loan for which law suit has been filed

Amount in BDT	
2020	2019
155,711,327,789	140,434,402,839
30,397,258,280	30,019,170,985
1,144,799,782	1,163,993,440
639,133,752	713,863,411
4,306,456,067	4,378,665,236
1,125,164,881	1,914,482,183
2,283,786,073	2,543,492,133
198,515,673	206,569,444
195,806,442,298	181,374,639,672
3,069,010,459	3,244,272,805
1,493,048,796	1,524,294,619
61,491,658	64,086,262
203,684,113	197,262,077
-	-
1,284	-
358,242,723	364,059,638
-	-
5,185,479,033	5,393,975,403
-	-
200,991,921,331	186,768,615,074
-	-
-	-
-	-
200,991,921,331	186,768,615,074
200,991,921,331	186,768,615,074
154,366,235,523	142,580,966,385
2,368,599,336	2,045,418,588
34,869,354,472	31,915,012,268
-	-
897,359,140	895,119,028
-	-
897,359,140	895,119,028
-	-
-	-
-	-
879,759,262	178,272,083
924,845,576	334,955,479
34,559,987	44,570,800
4,132,173,494	3,065,963,011
3,432,498,843	2,134,376,449
-	-
3,502,827,010	3,167,871,531
924,845,576	334,955,479
4,427,672,587	3,502,827,010
4,427,672,587	3,502,827,010

		Amount in BDT	
		2020	2019
7.a.13	Maturity grouping of Bill Purchased and Discounted		
	Payable within one month	515,797,964	808,669,586
	More than one month but less than three months	919,283,672	1,441,255,683
	More than three months but less than six months	311,609,742	488,542,683
	More than or equal to six months	-	-
		1,746,691,377	2,738,467,951
7.a.14	List of Asset pledged as collaterals:		
	Collateral of movable/immovable assets	138,718,855,504	112,773,664,713
	Commodities and Export documents	18,986,067,391	19,364,443,749
	Fixed deposit receipts	13,378,383,251	10,735,326,865
	Other securities	16,284,067,457	19,529,514,523
	Personal guarantee	13,624,547,728	24,365,665,224
		200,991,921,331	186,768,615,074
8.00	Consolidated fixed assets including premises, furniture and fixtures		
	Mutual Trust Bank Limited (Note-8.a)	4,830,768,592	4,228,351,649
	MTB Securities Limited	61,828,914	66,997,489
	MTB Capital Limited	3,708,919	4,300,077
	MTB Exchange (UK) Limited	-	1,483,482
	Consolidated net book value at the end of the year	4,896,306,425	4,301,132,697
	Details are shown in Annexure-C		
8.a	Fixed Asset including Premises, Furniture & Fixture Cost		
	Land	104,253,000	104,253,000
	Immovable Property	1,455,740,795	1,455,740,795
	Furniture & Fixtures	1,554,129,081	1,483,156,698
	Office Equipment	2,646,907,189	2,462,041,888
	Motor Vehicles	187,335,267	147,449,170
	Intangible Assets	430,831,169	412,086,627
	Right of use assets	1,589,343,346	714,594,976
	Total Cost	7,968,539,847	6,779,323,154
	Less: Accumulated Depreciation and Amortization	3,137,771,255	2,550,971,504
	Book value at the end of the year	4,830,768,592	4,228,351,649
	Details are shown in Annexure-C (i)		
	The cost of the right of use assets comprises present value of lease payments less incentive, plus initial direct payment and dismantling cost etc. The Bank, as lessee, on lease-by-lease basis, elected a single threshold less than BDT 20 million to consider low value asset on the basis of materiality (less than 1%) of Bank's total capital BDT 24,552.75 million as of 31 December 2020. Hence, any payment made by the Bank under contract for use of any rental premises or assets for a period not exceeding twelve months, and or, falls as low value asset, and substantially risks and benefits of ownership of those rental premises/assets do not transfer to the Bank, are recognised as expense as per IFRS 15 'Revenue from contracts with customers' instead of recognising as ROU assets.		
9.00	Consolidated other assets		
	Mutual Trust Bank Limited (Note-9.a)	9,176,316,589	13,874,313,597
	Less: Investment in subsidiary	(3,528,395,800)	(3,528,395,800)
		5,647,920,789	10,345,917,797
	MTB Securities Limited	228,183,883	163,858,027
	MTB Capital Limited	65,451,617	58,708,476
	MTB Exchange (UK) Limited	1,495,061	6,623,384
	Less: Intragroup receivable & payable	(40,679,107)	(40,679,107)
		254,451,454	188,510,780
		5,902,372,242	10,534,428,577
9.01	Consolidated Advance Income Tax		
	Mutual Trust Bank Limited (Note-9.a.3.1)	2,737,582,223	6,965,212,664
	MTB Securities Limited	148,889,081	117,712,051
	MTB Capital Limited	27,126,360	40,116,584
	MTB Exchange (UK) Limited	-	-
		2,913,597,664	7,123,041,299

		Amount in BDT	
		2020	2019
9.02	Consolidated Deferred Tax Assets/ (Liabilities)		
	Mutual Trust Bank limited (Note-9.a.3.2)	858,157,826	860,438,349
	MTB Securities Limited	(4,796,493)	(5,079,361)
	MTB Capital Limited	(123,123)	(141,535)
	MTB Exchange (UK) Limited	-	-
		853,238,209	855,217,453
9.a	Other Asset		
	Classification of Other Asset		
	A) Income generating Other Asset:		
	i) Investment in Shares of Subsidiary Companies (Note-9.a.1)	3,528,395,800	3,528,395,800
	B) Non-Income generating Other Asset :		
	i) Stationery, Stamps, Printing materials in stock etc.	34,833,002	23,362,239
	ii) Advance Rent and Advertisement	148,272,484	230,910,164
	iii) Interest Accrued on Investment but not collected & other income receivable	42,839,361	37,379,398
	iv) Security Deposit	10,924,172	10,913,790
	v) Suspense Account (Note- 9.a.2)	328,760,286	330,921,572
	vi) Others (Note- 9.a.3)	5,082,291,483	9,712,430,633
		9,176,316,589	13,874,313,597
9.a.1	Investment in Shares of Subsidiary Companies		
	MTB Securities Limited	3,250,000,000	3,250,000,000
	MTB Capital Limited	250,000,000	250,000,000
	MTB Exchange (UK) Limited	28,395,800	28,395,800
		3,528,395,800	3,528,395,800
9.a.2	Suspense Account		
	Sundry Debtors	33,215,300	60,843,121
	Advance against TA/DA	-	191,000
	Legal Expenses	29,959,875	23,517,624
	Sanchay Patra	260,606,463	241,970,643
	Others	4,978,647	4,399,184
		328,760,286	330,921,572
9.a.3	Others		
	Advance Income Tax (Note 9.a.3.1)	2,737,582,223	6,965,212,664
	Deferred Tax Asset (Note 9.a.3.2)	858,157,826	860,438,349
	Advance against Suppliers/Parties	527,582,298	445,715,583
	Protested Bills	51,609,559	51,609,559
	Advance paid to Employees	33,359,560	35,933,294
	Placement to Off-Shore Banking Unit	4,274,020,800	806,550,000
	Receivables from Off-Shore Banking Unit	159,008,389	124,798,780
	Receivable from Subsidiaries (UK)	40,679,107	40,679,107
	Interest Receivables on Treasury Bond	467,429,388	749,701,060
	Interest Receivable on Balance with other Bank	5,073,719	597,923
	Interest Receivable on Call Money	337,125	63,189
	Bangladesh Bank Imprest Account	-	388,295,396
	Clearing House Adjustment	-	60
	Prepaid Interest Expense against MTB Instant	1,003,376	-
	Coupon Interest Adjustment Account	1,780,713	-
	Stamp Charge Adjustment Account	61,813	-
	Receivables from MTB on Cards & ATM	119,236,800	-
		9,276,922,695	10,469,594,962
	Offshore Banking Unit	238,397,976	174,184,451
	Less: Inter transaction with Offshore Banking Unit	(4,433,029,189)	(931,348,780)
		5,082,291,483	9,712,430,633

		Amount in BDT	
		2020	2019
9.a.3.1	Advance Income Tax		
	Opening Balance	6,965,212,664	5,923,556,541
	Less: Adjustment made during the year	(5,429,637,348)	-
	Add: Payment during the year	1,202,006,907	1,041,656,123
		2,737,582,223	6,965,212,664
9.a.3.2	Deferred Tax Assets/ (Liabilities)		
	Opening Balance	860,438,349	962,138,373
	Add: Deferred Tax Income/(Expense) during the year (Note-9.a.3.2.1)	(2,280,523)	(101,700,024)
		858,157,826	860,438,349
9.a.3.2.1	Computation of deferred tax		
	Fixed Assets:		
	Accounting written down value	3,468,076,696	4,196,169,096
	Tax base written down value	2,962,222,672	3,391,368,074
	Deductible/(Taxable) temporary difference	(505,854,025)	(804,801,021)
	Effective Tax Rate	37.50%	37.50%
	Deferred Tax Assets/(Liabilities)	(189,695,259)	(301,800,383)
	Leasehold Assets/(Liabilities) under IFRS 16:		
	Accounting Base	23,677,289	-
	Tax Base	-	-
	Deductible/ (Taxable) temporary difference	23,677,289	
	Effective Tax Rate	37.50%	37.50%
	Deferred Tax Assets/(Liabilities)	8,878,983	-
	Loan Loss Provision:		
	Provision made against classified loans	2,770,597,604	3,099,303,284
	Tax Base	-	-
	Deductible/(Taxable) temporary difference	2,770,597,604	3,099,303,284
	Effective Tax Rate	37.50%	37.50%
	Deferred Tax Assets/(Liabilities)*	1,038,974,102	1,162,238,732
	Closing Deferred Tax Assets/(Liabilities)	858,157,826	860,438,349
	Opening Deferred Tax Assets/(Liabilities)	860,438,349	962,138,373
	Deferred Tax Income/(Expense)	(2,280,523)	(101,700,024)
	*Retained earnings includes tax income of BDT 1,038,974,102 which has been created with the specific provision of classified loan. As per Bangladesh Bank BRPD circular No. 11 dated 12 December 2011 the tax income amount is not permissible to distribute as dividend.		
9.a.4	Classification of Other Asset		
	Unclassified	9,088,778,139	13,797,451,414
	Substandard	-	-
	Doubtful	29,959,875	23,517,624
	Bad/Loss	57,578,574	53,344,559
		9,176,316,589	13,874,313,597
10.00	Consolidated borrowing from other Banks, financial institutions and agents		
	Mutual Trust Bank Limited (Note-10.a)	30,847,308,439	21,701,177,487
	MTB Securities Limited	20,708,246	-
	MTB Capital Limited	133,621,742	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Borrowings	(154,329,988)	-
		30,847,308,439	21,701,177,487

		Amount in BDT	
		2020	2019
10.a	Borrowing From Other Banks, Financial Institutions & Agents		
	In Bangladesh		
	Mutual Trust Bank Limited (Note 10.a.1)	19,681,397,128	10,205,769,129
	Offshore Banking Unit	7,086,622,191	2,007,702,465
		26,768,019,319	12,213,471,594
	Outside Bangladesh		
	Mutual Trust Bank Limited	-	-
	Offshore Banking Unit	8,353,309,920	10,294,255,894
		8,353,309,920	10,294,255,894
		35,121,329,239	22,507,727,487
	Less: Inter transaction with Offshore Banking Unit	(4,274,020,800)	(806,550,000)
		30,847,308,439	21,701,177,487
10.a.1	In Bangladesh:		
	Borrowing from Bank:	2,077,649,000	-
	Foreign Currency Borrowing	2,077,649,000	-
	Pubali Bank Limited	1,102,426,000	-
	Bank Asia Limited	424,010,000	-
	United Commercial Bank Limited	424,010,000	-
	Jamuna Bank Limited	127,203,000	-
		17,595,805,547	10,191,140,431
	Borrowing from Bangladesh Bank:		
	SME Refinance	948,796,518	301,520,461
	Investment Promotion and Financing Facility (IPFF)	818,808,865	940,581,531
	Long Term Financing Facility (LTFF) under FSSP	1,572,212,619	1,338,085,803
	COVID 19 Financial Stimulus Fund (RMG Salary)	1,064,950,000	-
	CMSME Stimulus Package	434,549,225	-
	WC Stimulus Package for Large Industry and Service	3,007,728,034	-
	Agri (Non-Crops)	24,242,500	-
	Export Development Fund	9,724,517,785	7,610,952,636
		7,942,581	14,628,697
	Borrowing from Other Institutes:		
	SME Foundation	7,942,581	14,628,697
	Repo of Treasury Bill/Bond	-	-
	Bangladesh Bank	-	-
		19,681,397,128	10,205,769,129
10.a.2	Security against Borrowing From Other Banks, Financial Institutions and Agents		
	Secured (Treasury Bill)	-	-
	Unsecured	30,847,308,439	21,701,177,487
		30,847,308,439	21,701,177,487
10.a.3	Maturity Grouping of Borrowing From Other Banks, Financial Institutions & Agents		
	On Demand	637,378,551	448,397,794
	Repayable within one month	2,807,910,905	1,975,374,060
	More than one month but within six months	8,657,098,675	6,793,798,972
	More than six months but within one year	11,330,407,129	7,267,473,565
	More than one year but within five years	6,236,452,680	4,387,363,869
	More than five year but within ten years	1,178,060,499	828,769,227
		30,847,308,439	21,701,177,487

11.00 Consolidated deposits and other accounts

Current deposits and other accounts

Mutual Trust Bank Limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited
 Less: Intragroup Deposit

Bills payable

Mutual Trust Bank limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited

Saving deposit

Mutual Trust Bank limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited

Fixed deposit

Mutual Trust Bank limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited
 Less: Intragroup Deposit

Special Noticed Deposits

Mutual Trust Bank limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited
 Less: Intragroup Deposit

Deposit Products

Mutual Trust Bank limited (Note-11.a.1)
 MTB Securities Limited
 MTB Capital Limited
 MTB Exchange (UK) Limited

Amount in BDT	
2020	2019
19,213,690,821	16,351,289,150
-	-
-	-
-	-
(7,052,787)	(760,850)
19,206,638,034	16,350,528,300
1,988,092,081	1,643,542,846
-	-
-	-
-	-
1,988,092,081	1,643,542,846
36,213,389,752	29,884,510,508
-	-
-	-
-	-
36,213,389,752	29,884,510,508
76,761,077,357	91,160,961,747
-	-
-	-
-	-
(100,000,000)	(100,000,000)
76,661,077,357	91,060,961,747
15,750,254,723	13,254,585,144
-	-
-	-
-	-
(379,723,872)	(320,827,996)
15,370,530,851	12,933,757,149
40,680,756,438	39,074,403,799
-	-
-	-
-	-
40,680,756,438	39,074,403,799
190,120,484,514	190,947,704,349

11.a Deposit and Other Accounts

From Customers (Note 11.a.1)
 From Banks

190,607,261,173	185,869,443,195
-	5,499,850,000
190,607,261,173	191,369,293,195

11.a.1 Deposit and Other Accounts:

Current Deposit & Other Accounts :
 Current Deposit (Including Unclaimed Dividend amount, Note 11.a.6)
 Foreign Currency Deposit
 Sundry Deposit

Offshore Banking Unit

13,252,541,309	11,522,618,346
3,460,002,722	1,996,262,259
2,501,146,790	2,830,627,155
19,213,690,821	16,349,507,760
-	1,781,390
19,213,690,821	16,351,289,150

	Amount in BDT	
	2020	2019
Bills Payable :		
Payment Order Issued	1,983,610,032	1,639,142,723
Pay Slip Issued	905,753	728,189
Demand Draft Payable	3,576,296	3,671,934
	1,988,092,081	1,643,542,846
Savings Deposit :	36,213,389,752	29,884,510,508
Fixed Deposits:		
From Customers	76,738,861,137	85,639,638,277
From Banks (Note 11.a.2)	-	5,499,850,000
	76,738,861,137	91,139,488,277
Offshore Banking Unit	22,216,220	21,473,471
	76,761,077,357	91,160,961,747
Special Noticed Deposits:	15,750,254,723	13,254,585,144
Deposit Products :		
Brick by Brick	12,318,216,324	11,877,855,914
MTB Millionaire Plan	4,963,566,265	4,755,570,532
Children Education Deposit Scheme	19,632,874	17,164,712
MTB Education Plan	350,643,305	350,663,244
MTB Gift Cheque	19,252,019	11,504,054
MTB Kotipati	4,791,486,460	3,891,940,624
NRB Deposit Pension Scheme	124,903,529	149,189,333
Term Deposit Monthly Benefit Plan	8,902,779,397	8,278,341,684
MTB Quarterly Benefit Plan	126,757,934	141,523,881
MTB Double Saver Plan	9,055,130,443	9,585,359,183
MTB Triple Saver Plan	6,567,803	13,276,125
Save Every Day Deposit	521,540	520,945
Best Investment Term Deposit	580,553	696,605
Festival Savings Plan	717,994	796,965
	40,680,756,438	39,074,403,799
	190,607,261,173	191,369,293,195
11.a.2 Fixed Deposits from Banks:		
Pubali Bank Limited	-	999,975,000
Bank Asia Limited	-	500,000,000
Southeast Bank Ltd	-	499,975,000
South Bangla Agriculture & Commerce Bank Limited	-	999,975,000
BRAC Bank Limited	-	500,000,000
United Commercial Bank Limited	-	499,975,000
Trust Bank Limited	-	1,499,950,000
	-	5,499,850,000
11.a.3 Maturity grouping of Deposit and Other Accounts:		
On Demand	6,869,819,976	6,897,284,946
Repayable within one month	19,478,801,519	18,552,678,235
More than one month but within six months	35,986,171,670	52,194,008,073
More than six months but within one year	68,985,026,721	53,196,856,463
More than one year but within five years	51,707,317,557	52,918,037,041
More than five year but within ten years	6,455,540,890	6,481,349,608
More than ten years	1,124,582,840	1,129,078,829
	190,607,261,173	191,369,293,195

		Amount in BDT	
		2020	2019
11.a.4	Demand & Time Deposit		
	a) Demand Deposit	24,460,987,980	20,684,437,942
	Current Deposit	13,252,541,309	11,522,618,346
	Savings Deposit (9%)	3,259,205,078	2,689,605,946
	Foreign Currency Deposit non interest bearing	3,460,002,722	1,996,262,259
	Sundry Deposit	2,501,146,790	2,832,408,545
	Bills Payable	1,988,092,081	1,643,542,846
	b) Time Deposits	166,146,273,193	170,684,855,253
	Saving Deposit (91%)	32,954,184,675	27,194,904,562
	Fixed Deposit	76,761,077,357	85,661,111,747
	Deposit from Banks	-	5,499,850,000
	Short Term Deposit	15,750,254,723	13,254,585,144
	Deposit Under Scheme	40,680,756,438	39,074,403,799
	Total Demand & Time Deposits	190,607,261,173	191,369,293,195
11.a.5	Sectorwise Deposit		
	Government	15,545,546	658,498,000
	Autonomous & Semi-Autonomous Bodies	597,556,590	701,859,000
	Local Authorities	572,787,370	678,846,017
	Public Non- Financial Organisation	3,601,142,170	5,501,553,096
	Other Public	81,023,220	263,381,202
	Foreign Currency	3,460,002,722	1,996,262,259
	Private	182,279,203,555	176,069,043,621
	Deposit from Banks	-	5,499,850,000
		190,607,261,173	191,369,293,195
11.a.6	Unclaimed Dividend Account:		
	Cash Dividend remain unclaimed which were declared for the years:		
	2005	1,763,287	1,730,899
	2006	3,318,688	3,254,841
	2011	1,899,299	1,864,501
	2019	1,957,306	-
		8,938,580	6,850,241
	As per Directives No. BSEC/CMRRC/2021-386/03 dated January 14, 2021 of Bangladesh Security & Exchange Commission (BSEC) clause No. 3(vii), it is required to disclose the summary of year-wise unpaid or unclaimed cash dividend information in the statement of financial statements as a separate line item "Unclaimed Dividend Account".		
12.00	Consolidated other liabilities		
	Mutual Trust Bank Limited (Note-12.a)	19,036,711,475	20,264,557,270
	MTB Securities Limited	1,273,034,237	798,544,786
	MTB Capital Limited	131,320,069	114,075,245
	MTB Exchange (UK) Limited	39,787,475	37,789,308
	Less: Intragroup receivable & payable	(40,679,107)	(40,679,107)
		20,440,174,149	21,174,287,503
12.01	Consolidated Provision for Loans and Advances		
	Mutual Trust Bank Limited (Note-12.a.1)	6,969,210,133	6,797,923,226
	MTB Securities Limited	313,988,791	308,474,160
	MTB Capital Limited	32,000,000	30,000,000
	MTB Exchange (UK) Limited	-	-
		7,315,198,924	7,136,397,386

		Amount in BDT	
		2020	2019
12.02	Consolidated Provision for Current Income Tax*		
	Mutual Trust Bank Limited (Note-12.a.7)	3,990,998,011	8,594,390,700
	MTB Securities Limited	94,084,956	71,973,559
	MTB Capital Limited	36,675,383	51,717,778
	MTB Exchange (UK) Limited	-	82,606
		4,121,758,351	8,718,164,643
*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .			
12.a	Other Liabilities		
	Provision for Loans and Advances (Note-12.a.1)	6,969,210,133	6,797,923,226
	Special General Provision-COVID-19 (Note-12.a.2)	408,639,000	-
	Provision for Off Balance Sheet Items (Note-12.a.3)	812,297,387	751,670,816
	Provision against Shares in quoted companies (Note- 12.a.4)	62,000,000	60,500,000
	Provision for Other Asset (Note-12.a.5)	141,303,556	65,103,556
	Interest Suspense (Note- 12.a.6)	3,432,498,843	2,134,376,449
	Provision for Income Tax (Note-12.a.7)	3,990,998,011	8,594,390,700
	Leasehold Liabilities Under IFRS 16 (Note-12.a.8)	1,096,759,150	503,537,815
	Contribution for MTB Employees Benefits	9,590	3,055
	Withholding VAT payable	71,221,328	-
	Withholding Tax payable	379,045,995	-
	Excise Duty Payable	431,874,958	-
	Master Card and Visa card Payable	96,492,397	-
	ATM/POS settlement account	66,887,686	-
	Agent Banking Commission Payable	789,824	-
	Parking GL for various purpose	21,880,806	-
	Interest Payable on Subordinated debt	273,854,299	227,232,273
	Interest Payable on Borrowing	119,460,702	47,862,800
	Liabilities Under Finance Lease	692,009	692,009
	Accrued Expenses	16,531,013	600,295,397
	BB Imprest Fund Parking Account (NRB)	62,048,879	-
	Provision for Good Borrower	5,768,000	5,768,000
	Bonus Payable	151,083,349	305,722,151
	Contribution to MTB Foundation	20,000,000	20,000,000
	Blocked Interest Receivable BB Subsidy	109,692,015	-
	Start-Up Fund for SME	8,993,228	-
	Unrealized Exchange Gain/Loss on Foreign Currency	22,672,519	-
	Cards payment received in USD	171,247	-
	Cards payment received in BDT	1,270,405	-
		18,774,146,330	20,115,078,246
	Offshore Banking Unit	421,573,533	274,277,803
	Less: Inter transaction with Offshore Banking Unit	(159,008,389)	(124,798,780)
		19,036,711,475	20,264,557,270
12.a.1	Provision for Loans and Advances		
	For Unclassified		
	Opening Balance	3,698,619,942	2,017,016,000
	Add: Provision made during the year	168,823,498	1,681,603,942
	Less: Waiver during the year	(198,550)	-
	Less: Transferred to classified provision as per Bangladesh Bank letter DOS(RMMCMS)1154 /161/2021-1841 dated 26 April 2021	(1,079,098,757)	-
	Closing Balance	2,788,146,133	3,698,619,942
	For Classified		
	Opening Balance	3,099,303,284	3,183,381,350
	Add: Provision made during the year	879,759,262	178,272,083
	Add: Recoveries of amounts previously written off	34,559,987	44,570,800
	Add: Transferred from unclassified provision as per Bangladesh Bank letter DOS(RMMCMS)1154 /161/2021-1841 dated 26 April 2021	1,079,098,757	-
	Less: Waiver during the year	(95,642,801)	(448,234)
	Less: Adjustment for Loan written off during the year	(816,014,489)	(306,472,715)
	Closing Balance	4,181,064,000	3,099,303,284
		6,969,210,133	6,797,923,226

		Amount in BDT	
		2020	2019
12.a.2	Special General Provision-COVID-19		
	Opening Balance	-	-
	Add: Special General Provision-COVID-19	408,639,000	-
	Closing Balance	408,639,000	-
12.a.3	Provision for Off Balance Sheet Items		
	Opening Balance	751,670,816	594,642,050
	Add: Provision made during the year	60,626,571	157,028,766
	Closing Balance	812,297,387	751,670,816
12.a.4	Provision against Shares in quoted companies		
	Opening Balance	60,500,000	55,267,667
	Add: Provision made during the year	1,500,000	5,232,333
	Closing Balance	62,000,000	60,500,000
12.a.5	Provision for Other Assets		
	Opening Balance	65,103,556	41,000,000
	Add: Provision made during the year	76,200,000	26,246,000
	Less: Adjustment for Loan written off during the year	-	(2,142,444)
	Closing Balance	141,303,556	65,103,556
12.a.6	Interest suspense account		
	Opening Balance	2,134,376,449	1,433,525,546
	Add: Addition during the year	1,460,313,561	1,218,698,801
	Less: Adjustment made during the year	(162,191,166)	(517,847,898)
	Closing Balance	3,432,498,843	2,134,376,449
12.a.7	Provision for Income Tax*		
	Opening Balance	8,594,390,700	6,980,049,674
	Less: Adjustment made during the year	(5,429,637,348)	-
	Add: Provision made during the year	826,244,660	1,614,341,025
		3,990,998,011	8,594,390,700
	*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .		
12.a.7.a	Provision for current tax made during the year		
	Income tax @ 37.50% on estimated taxable business profit	825,249,682	1,606,438,478
	Income tax @ 20.00% on dividend income	845,854	7,836,455
	Income tax @ 10.00% on capital gain on sale of shares	149,124	66,093
	Estimated total provision required	826,244,660	1,614,341,025
	Computation of taxable business profit		
	Profit before tax	1,727,847,935	2,979,747,105
	Add: Inadmissible expenditures	3,097,138,272	2,968,052,855
	Less: Allowable Expenditure & Separate consideration	2,624,320,389	1,624,120,817
	Estimated taxable business profit for the year	2,200,665,819	4,323,679,144
12.a.8	Leasehold Liabilities Under IFRS 16		
	The Bank recognised lease liabilities which is present value of lease payments to be made over the lease term from the date of commencement or 01 January 2019 (date of initial application). The lease payments include fixed and variable lease payment (less any adjustment for initial payment), and amount is expected to be paid under residual value of guarantees. The lease payments also include the exercise price of purchase option reasonably certain to be exercised by the Bank and payment of penalties for terminating the lease. The lease payment has been discounted using five years Treasury Bill/Bond rate of January 2019 as implicit borrowing rate (5.93%).		

Amount in BDT	
2020	2019
650,000,000	-
650,000,000	-

13.a Bond
MTB Perpetual Bond

The Bank issued a contingent-convertible Perpetual bond amounting to BDT 4,000 million as additional Tier-1 capital on December, 2020 through private placement. The coupon is Semi-annually payable and it ranges from 6% to 10%, where the reference rate is 20-year treasury bond rate along with 2% margin.

Subordinated Debts

MTB 2nd Subordinated Debt

Opening Balance	1,800,000,000	2,400,000,000
Less: Payment during the year	600,000,000	600,000,000
	1,200,000,000	1,800,000,000

MTB 3rd Subordinated Debt

Opening Balance	5,000,000,000	5,000,000,000
Less: Payment during the year	1,000,000,000	-
	4,000,000,000	5,000,000,000

MTB 4th Subordinated Debt

	5,000,000,000	-
	10,200,000,000	6,800,000,000

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue October 20, 2015. Interest on the 10.50% to 13.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. April and October of each year.

The Bank floated MTB 3rd Non convertible Subordinated Debt through private placement for BDT 5,000 million, date of issue February 16, 2017. Interest on the 7.00% to 10.50% non convertible subordinated debt is payable half yearly from the date of Issue i.e. February and August of each year.

The Bank issued its MTB 4th Non-convertible Subordinate Bond amounting to BDT 5,000 million on January 2020 through private placement. The Coupon is semi-annually payable and it ranges from 7.00% to 10.00%.

Detail list of subordinated debt holders are shown in Annexure-D

14.a Capital

14.a.1 Authorized Capital:

1,000,000,000 ordinary shares of BDT 10 each

	10,000,000,000	10,000,000,000
	7,034,594,460	5,733,630,380
	351,729,720	663,894,040
	-	637,070,040
	7,386,324,180	7,034,594,460

14.a.1.1 Issued, subscribed and Paid-up Capital:

703,459,446 ordinary shares @ BDT 10 each

35,172,972 ordinary shares @ BDT 10 each issued as bonus

63,707,004 ordinary shares @ BDT 10 each issued as fresh to NORFUND

In the year 2019, the Bank issued 63,707,004 no. of fresh ordinary shares to Norwegian Investment Fund for Developing Countries (NORFUND) @ 27.1928471 each which includes a premium of BDT 17.1928471 in addition to the face value of BDT 10.

14.a.1.2 Raising of Share Capital

Given below the history of raising of Share Capital of the Bank:

Accounting Year	Declaration	No. of Share	Value of Capital	Cumulative
Up to 2002	Initial Paid-up capital	20,000,000	200,000,000	200,000,000
2003	IPO & Pre-IPO	40,000,000	400,000,000	600,000,000
2003-Bonus	20.00%	12,000,000	120,000,000	720,000,000
2004-Bonus	20.00%	14,400,000	144,000,000	864,000,000
2005-Bonus	10.00%	8,640,000	86,400,000	950,400,000
2006-Bonus	5.00%	4,752,000	47,520,000	997,920,000
2007-Bonus	25.00%	24,948,000	249,480,000	1,247,400,000
2008-Right	20.00%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18.00%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20.00%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20.00%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10.00%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10.00%	27,978,482	279,784,820	3,077,633,060
2014-Bonus	20.00%	61,552,661	615,526,610	3,693,159,670
2015-Bonus	20.00%	73,863,193	738,631,930	4,431,791,600
2016-Bonus	15.00%	66,476,874	664,768,740	5,096,560,340
2017-Bonus	12.50%	63,707,004	637,070,040	5,733,630,380
2018-Bonus	11.00%	66,389,404	663,894,040	6,397,524,420
2019	Strategic Investor (NORFUND)	63,707,004	637,070,040	7,034,594,460
2019-Bonus	5.00%	35,172,972	351,729,720	7,386,324,180
Total		738,632,418	7,386,324,180	

Amount in BDT	
2020	2019

14.a.1.3 Percentage of shareholdings at the closing date:

Particulars	No. of shares	Value of shares	December 31, 2020
		BDT	% of holding
Sponsors/Directors	324,791,505	3,247,915,050	43.9720%
Institutions	181,270,714	1,812,707,140	24.5414%
General	232,570,199	2,325,701,990	31.4866%
Total	738,632,418	7,386,324,180	100%

14.a.1.4 Classification of Shareholders by holdings as at 31 December 2020

Holdings	No. of	No. of	Value of shares	Total holdings %
	Shareholders	Shares	in BDT	
Less than 499 shares	2,296	351,718	3,517,180	0.0476%
500 to 5,000 shares	2,740	5,166,432	51,664,320	0.6995%
5,001 to 10,000 shares	509	3,504,441	35,044,410	0.4744%
10,001 to 20,000 shares	311	4,495,194	44,951,940	0.6086%
20,001 to 30,000 shares	106	2,626,908	26,269,080	0.3556%
30,001 to 40,000 shares	71	2,465,288	24,652,880	0.3338%
40,001 to 50,000 shares	53	2,432,068	24,320,680	0.3293%
50,001 to 100,000 shares	96	6,762,953	67,629,530	0.3156%
100,001 to 1,000,000 shares	114	32,866,357	328,663,570	4.4496%
Over 1,000,000 shares	72	677,961,059	6,779,610,590	91.7860%
Total	6,368	738,632,418	7,386,324,180	100%

14.a.1.5 Name of Directors and their shareholdings as at 31 December 2020

Name	Designation	December 31, 2020		
		No. of Shares held	BDT	Holding %
Mr. Md. Wakiluddin	Chairman	14,892,436	148,924,360	2.016%
Mr. Md. Abdul Malek	Vice Chairman	14,838,793	148,387,930	2.009%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	24,641,450	246,414,500	3.336%
Mr. Md. Hedayetullah	Director	15,004,469	150,044,690	2.031%
Mrs. Khwaja Nargis Hossain	Director	15,130,642	151,306,420	2.048%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	22,275,105	222,751,050	3.016%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	33,412,696	334,126,960	4.524%
Mr. M. A. Rouf, JP	Director	14,881,603	148,816,030	2.015%
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	16,706,293	167,062,930	2.262%
Mr. Tarik ur Rahman (Representing Pioneer Insurance Company Ltd.)	Director	46,595,493	465,954,930	6.308%
Mr. Daniel Donald De Lange (Representing NORFUND)	Director	70,377,797	703,777,970	9.528%
Ms. Nasreen Sattar	Independent Director	-	-	0.000%
Mr. M. Mokammel Haque	Independent Director	-	-	0.000%
Total		288,756,777	2,887,567,770	39.093%

Amount in BDT	
2020	2019

14.a.1.6 Consolidated Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital) :

Paid-up Capital	7,386,324,180	7,034,594,460
Statutory Reserve	5,037,523,366	4,691,953,779
Share Premium	1,095,304,778	1,095,304,778
General Reserve	786,777,324	786,777,324
Minority Interest	131,752	129,845
Retained Earnings	2,166,251,505	2,253,888,060
	16,472,312,905	15,862,648,247

Regulatory Adjustments:

Goodwill and all other Intangible Assets	177,594,883	220,265,993
Deferred Tax Assets (95% of DTA as per BB Guideline)	987,025,397	1,104,126,795
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	-	219,820
	1,164,620,279	1,324,612,608

Total Common Equity Tier -1 (Going-Concern Capital)

	15,307,692,626	14,538,035,638
--	-----------------------	-----------------------

Additional Tier-1 Capital

	650,000,000	-
--	-------------	---

Total Tier-1 Capital (Going-Concern Capital)

	15,957,692,626	14,538,035,638
--	-----------------------	-----------------------

Tier-2 Capital (Gone-Concern Capital):

General Provision including Off Balance Sheet items	4,009,082,520	4,450,290,758
Revaluation Reserve on Investment in Securities	-	260,138,133
Subordinated debt	5,258,330,254	5,200,000,000
	9,267,412,775	9,910,428,891

Regulatory Adjustments:

Revaluation Reserve for Fixed Assets , Securities & Equity Securities	-	260,138,133
---	---	-------------

Total Tier-2 Capital (Gone-Concern Capital)

	9,267,412,775	9,650,290,758
--	----------------------	----------------------

A. Total Regulatory Capital (Tier-1+Tier-2)

	25,225,105,401	24,188,326,396
--	-----------------------	-----------------------

B. Risk Weighted Assets

Credit Risk on

Balance Sheet Exposure	150,008,140,114	148,147,703,455
Off Balance Sheet Exposure	23,269,681,082	19,160,409,171
	173,277,821,196	167,308,112,626

Market Risk

	5,519,197,757	6,104,703,638
--	---------------	---------------

Operational Risk

	16,477,930,446	13,944,688,288
--	----------------	----------------

Total Risk Weighted Assets

	195,274,949,400	187,357,504,553
--	------------------------	------------------------

C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)

	19,527,494,940	18,735,750,455
--	-----------------------	-----------------------

D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)

	5,697,610,461	5,452,575,941
--	----------------------	----------------------

E. Capital Requirement	December 31, 2020		December 31, 2019	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10.00%	12.92%	10.00%	12.91%
Common Equity Tier-1	4.50%	7.84%	4.50%	7.76%
Tier- 1 Capital	6.00%	8.17%	6.00%	7.76%
Tier- 2 Capital	-	4.75%	-	5.15%

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated 21 December 2014.

Amount in BDT	
2020	2019

14.a.1.7 Capital to Risk-weighted assets Ratios (CRAR) as defined by the Basel Capital Accord

Common Equity Tier-1 (Going-Concern Capital) :

Paid-up Capital	7,386,324,180	7,034,594,460
Statutory Reserve	5,037,523,366	4,691,953,779
Share Premium	1,095,304,778	1,095,304,778
General Reserve	786,777,324	786,777,324
Retained Earnings	1,779,195,562	1,937,895,067
	16,085,125,210	15,546,525,408

Regulatory Adjustments:

Goodwill and all other Intangible Assets	177,594,883	220,265,993
Deferred Tax Assets (95% of DTA as per BB Guideline)	987,025,397	1,104,126,795
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	-	219,820
	1,164,620,279	1,324,612,608

Total Common Equity Tier -1 (Going-Concern Capital)

Additional Tier-1 Capital	650,000,000	-
Total Tier-1 Capital (Going-Concern Capital)	15,570,504,931	14,221,912,800

Tier-2 Capital (Gone-Concern Capital) :

General Provision including Off Balance Sheet items	4,009,082,520	4,450,290,758
Revaluation Reserve on Investment in Securities	-	260,138,133
Subordinated debt	4,973,166,346	5,200,000,000
	8,982,248,866	9,910,428,891

Regulatory Adjustments:

Revaluation Reserve for Fixed Assets, Securities & Equity Securities	-	260,138,133
--	---	-------------

Total Tier-2 Capital (Gone-Concern Capital)

	8,982,248,866	9,650,290,758
--	----------------------	----------------------

A. Total Regulatory Capital (Tier-1+Tier-2)

	24,552,753,797	23,872,203,558
--	-----------------------	-----------------------

B. Risk Weighted Assets

Credit Risk on

Balance Sheet Exposure	149,838,424,782	148,163,116,272
Off Balance Sheet Exposure	23,269,681,082	19,160,409,171
	173,108,105,864	167,323,525,443

Market Risk

	3,653,214,091	4,955,301,604
--	---------------	---------------

Operational Risk

	15,858,396,871	13,333,793,423
--	----------------	----------------

Total Risk Weighted Assets

	192,619,716,826	185,612,620,471
--	------------------------	------------------------

C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)

	19,261,971,683	18,561,262,047
--	-----------------------	-----------------------

D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)

	5,290,782,114	5,310,941,511
--	----------------------	----------------------

E. Capital Requirement	December 31, 2020		December 31, 2019	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10.00%	12.75%	10.00%	12.86%
Common Equity Tier-1	4.50%	7.75%	4.50%	7.66%
Tier- 1 Capital	6.00%	8.08%	6.00%	7.66%
Tier- 2 Capital	-	4.66%	-	5.20%

The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for Banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD Circular no. 18 dated 21 December 2014.

		Amount in BDT	
		2020	2019
15.a	Statutory Reserve		
	Opening Balance	4,691,953,779	4,096,004,358
	Add: Transferred during the year (20% of pretax profit)	345,569,587	595,949,421
		5,037,523,366	4,691,953,779
16.a	Share Premium		
	Opening Balance	1,095,304,778	-
	Add: During the year	-	1,095,304,778
		1,095,304,778	1,095,304,778
In the year 2019 the Bank issued 63,707,004 no. of fresh ordinary shares to Norwegian Investment Fund for Developing Countries (NORFUND) @ 27.1928471 each which includes a premium of BDT 17.1928471 in addition to the face value of BDT 10. On the issuance of said shares, the Bank received BDT 1,095,304,778 as premium.			
17.00	Consolidated Revaluation Reserve on Investment		
	Mutual Trust Bank limited (Note-17.a)	486,928,408	373,843,120
	MTB Securities Limited	48,113,290	48,113,290
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		535,041,698	421,956,410
17.a	Revaluation Reserve on Investment in Securities		
	Opening Balance	373,843,120	480,328,680
	Add: Addition during the year	113,085,288	-
	Less: Adjustment during the year	-	106,485,560
		486,928,408	373,843,120
18.a	General Reserve		
	Opening Balance	786,777,324	786,777,324
	Add: Transferred from Retained Earnings	-	-
		786,777,324	786,777,324
19.00	Consolidated Retained Earnings		
	Opening Balance	2,253,888,060	2,175,943,964
	Add: Consolidated Profit made during the year	970,385,702	1,337,787,557
	Less: Bonus Share Issued during the year	(351,729,720)	(663,894,040)
	Less: Bonus Share Issued by MTB Capital Limited	(16,993,800)	(30,897,800)
	Less: Cash Dividend paid	(351,729,722)	-
	Less: Transferred to Statutory Reserve	(345,569,587)	(595,949,421)
	Less: Start-Up Fund	(8,993,228)	-
		2,149,257,705	2,222,990,260
	Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	16,993,800	30,897,800
		2,166,251,505	2,253,888,060
19.a	Retained Earnings		
	Opening Balance	1,937,895,066	1,934,032,471
	Add: Profit made during the year*	899,322,753	1,263,706,056
	Less: Bonus Share Issued during the year	(351,729,720)	(663,894,040)
	Less: Cash Dividend paid	(351,729,722)	-
	Less: Transferred to Statutory Reserve	(345,569,587)	(595,949,421)
	Less: Start-Up Fund	(8,993,228)	-
		1,779,195,562	1,937,895,066

*Retained earnings includes tax income of BDT 1,038,974,102 which has been created with the specific provision of classified loan. As per Bangladesh Bank BRPD circular No. 11 dated 12 December 2011 the tax income amount is not permissible to distribute as dividend.

		Amount in BDT	
		2020	2019
20.00	Minority Interest		
	Opening balance	129,845	128,451
	Add: Profit made during the year	1,906	1,395
	Closing balance	131,752	129,845
	MTB Securities Limited - Net profit after tax	68,358,454	61,719,685
	MTB Securities Limited @ 0.002% of NPAT	1,367	1,234
	MTB Capital Limited - Net profit after tax	13,479,960	4,003,271
	MTB Capital Limited @ 0.004% of NPAT	539	160
		1,906	1,395
21.a	Off-Balance Sheet Items		
	Contra & Contingent Assets & Liabilities:		
	Acceptances and endorsements		
	Accepted Bill (Inland)	3,601,028,755	3,397,980,578
	Accepted Bill (Foreign)	34,745,177,089	34,136,690,136
		38,346,205,844	37,534,670,714
	Less: Inter transaction with Off-shore Banking Unit	12,673,964,542	9,453,967,519
		25,672,241,302	28,080,703,195
	Letter of guarantee (Note 21.a.1)		
	BG Outward (Inland)	22,117,098,693	23,403,850,539
	BG Outward (Foreign)	12,770,589,159	6,921,604,612
		34,887,687,852	30,325,455,151
	Offshore Banking Unit	-	11,037,000
		34,887,687,852	30,336,492,151
	Irrevocable letters of credit		
	ILC Sight	4,639,953,598	4,479,123,031
	ILC Usance	21,113,194,171	17,918,968,145
		25,753,147,769	22,398,091,176
	Bills for collection		
	Bills	7,282,893,368	1,753,276,921
	Cheques	-	-
		7,282,893,368	1,753,276,921
		93,595,970,291	82,568,563,443
21.a.1	Letter of Guarantee		
	i) Claims against the Bank not acknowledged as debts	-	-
	ii) Money for which the Bank is contingently liable in respect of guarantees given favoring :		
	Directors	-	-
	Government	-	-
	Bank and other Financial Institutions	42,494,221	36,950,732
	Others	34,845,193,631	30,299,541,419
		34,887,687,852	30,336,492,151
	Less: Margin	(844,323,475)	(734,179,134)
		34,043,364,378	29,602,313,017
	iii) Liability on Account of Bills Re-Discounted	-	-
	iv) Liability on Account of Outstanding Forward Exchange Contract	-	-
		34,043,364,378	29,602,313,017
21.a.1.1	Segregation of Commitment by Type		
	Documentary Credit and Short Term Business Related Transaction	25,753,147,769	22,398,091,176
	Forward Asset Purchased and Forward Deposit	-	-
	Endorsed formal standby facilities, Credit facilities and other commitments:		
	Less than one year	60,559,929,154	58,417,195,346
	One year and above	-	-
	Undrawn formal standby facilities, credit lines and other commitments:		
	Spot and Forward Foreign Exchange Rate Contract	-	-
	Other Exchange Contract	-	-
	Others	7,282,893,368	1,753,276,921
		93,595,970,291	82,568,563,443

		Amount in BDT	
		2020	2019
22.00	Income Statement		
	Income:		
	Interest, Discount and Similar Income	18,035,109,689	20,698,306,438
	Dividend income	4,229,268	39,182,274
	Fee, Commission and Brokerage	828,270,767	801,466,765
	Exchange Gain	929,188,538	1,669,233,606
	Other Operating Income	1,479,161,085	602,822,983
		21,275,959,348	23,811,012,066
	Expenses:		
	Interest, Fee and Commission	11,690,310,445	12,990,077,845
	Administrative expenses	4,186,785,520	3,992,139,814
	Other operating expenses	1,388,810,122	1,303,079,863
	Depreciation on Banking Assets	686,656,994	497,584,315
		17,952,563,081	18,782,881,837
	Operating profit	3,323,396,267	5,028,130,229
23.00	Consolidated Interest Income		
	Mutual Trust Bank Limited (Note-23.a)	15,471,885,194	18,275,209,756
	MTB Securities Limited	91,308,510	111,183,618
	MTB Capital Limited	22,893,511	33,470,666
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Income (Loans)	(6,055,261)	(73,333)
	Less: Intragroup Interest Income (Bank balance)	(15,011,345)	(25,776,744)
		15,565,020,609	18,394,013,962
23.a	Interest Income		
	Loans and Advances (Note-23.a.1)	15,364,880,600	18,133,871,406
	Money at Call and Short Notice	40,084,774	6,051,266
	Short Term Placement (Local)	53,341,437	113,317,988
	Short Term Placement (Foreign)	105,433,352	54,084,030
		15,563,740,163	18,307,324,690
	Less: Inter transaction with Offshore Banking Unit	(91,854,969)	(40,647,934)
	Adjustment of Good Borrower Rebate	-	8,533,000
		15,471,885,194	18,275,209,756
23.a.1	Interest on Loans and Advances		
	Cash Credits	2,888,311,285	3,941,275,528
	Overdrafts	2,017,432,626	2,357,265,406
	Bills Purchased and Discounted	144,348,371	240,307,693
	Continuous Loans	406,934,229	199,189,488
	Demand Loans	3,006,448,474	3,496,051,261
	Term Loans	4,961,079,931	5,719,676,372
	Short term Agri. Credit and Microcredit	782,386,220	1,095,914,701
	Packing Credit	48,488,783	39,487,317
	Credit Cards	348,261,598	242,878,938
	Staff Loan	37,528,850	33,431,311
	Lease Finance	27,126,563	34,838,651
		14,668,346,931	17,400,316,665
	Offshore Banking Unit	696,533,669	733,554,741
		15,364,880,600	18,133,871,406
24.00	Consolidated Interest Paid on Deposits & Borrowings, etc.		
	Mutual Trust Bank Limited (Note-24.a)	11,690,310,445	12,990,077,845
	MTB Securities Limited	2,702,519	73,333
	MTB Capital Limited	3,352,742	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Expense (Borrowings)	(6,055,261)	(73,333)
	Less: Intragroup Interest Expense (Deposits)	(15,011,345)	(25,776,744)
		11,675,299,100	12,964,301,101

		Amount in BDT	
		2020	2019
24.a	Interest on Deposit & Borrowing, etc.		
	Interest on Deposit and Other Accounts (Note-24.a.1)	10,058,208,410	11,344,879,646
	Interest on Subordinated Bonds and Borrowing from other Banks and Financial Institutions (24.a.2)	1,149,556,566	1,036,151,312
	Interest on Lease Liability	55,530,910	41,307,902
		11,263,295,886	12,422,338,861
	Offshore Banking Unit	518,869,528	608,386,918
	Less: Inter transaction with Offshore Banking Unit	(91,854,969)	(40,647,934)
		11,690,310,445	12,990,077,845
24.a.1	Interest on Deposits and Other Accounts		
	Current Deposit & Other Accounts	5,013,575	5,422,415
	Savings Deposit	638,300,037	1,026,904,949
	Fixed Deposits	5,454,365,532	6,568,735,154
	Special Noticed Deposits	486,607,734	592,607,426
	Deposit Products	3,473,921,533	3,151,209,703
		10,058,208,410	11,344,879,646
24.a.2	Interest on Subordinated Bonds and Borrowing other Banks and Financial Institutions		
	Interest on Borrowing from other Banks and Financial Institutions	265,690,927	312,820,411
	Interest on Subordinated Debt	883,865,639	723,330,901
		1,149,556,566	1,036,151,312
25.00	Consolidated Investment Income		
	Mutual Trust Bank Limited (Note-25.a)	3,388,576,110	2,480,613,492
	MTB Securities Limited	59,671,993	45,807,527
	MTB Capital Limited	12,784,445	9,204,906
	MTB Exchange (UK) Limited	-	-
		3,461,032,548	2,535,625,925
25.a	Investment Income		
	Interest on Treasury Bill	140,751,056	101,877,760
	Interest on Treasury Bond	2,452,618,004	2,250,488,492
	Interest on reverse REPO	7,128,614	6,665,002
	Capital Gain from Trading in Govt. Securities	904,781,487	438,504,739
	Capital Gain/(Loss) on Investment in shares of quoted companies	1,491,243	660,929
	Dividend Income from Investment in Shares	4,229,268	22,628,416
	Income from Other Investments	103,477,877	165,943,188
	Dividend Income from Mutual Fund	-	16,553,858
		3,614,477,548	3,003,322,385
	Loss from Government Securities	31,751,899	193,708,967
	Loss on Revaluation of Government Securities	194,149,540	328,999,926
		3,388,576,110	2,480,613,492
26.00	Consolidated Commission, Exchange and Brokerage		
	Mutual Trust Bank Limited (Note-26.a)	1,757,459,306	2,470,700,371
	MTB Securities Limited	161,941,923	132,855,678
	MTB Capital Limited	67,500	538,750
	MTB Exchange (UK) Limited	2,981,640	25,688,274
		1,922,450,368	2,629,783,073
26.a	Commission, Exchange and Brokerage		
	Commission (Note-26.a.1)	828,270,767	801,466,765
	Exchange (Note-26.a.2)	929,188,538	1,669,233,606
	Brokerage	-	-
		1,757,459,306	2,470,700,371

		Amount in BDT	
		2020	2019
26.a.1	Commission		
	Commission on Letter of Guarantee	207,943,981	162,705,485
	Commission on Letter of Credit	269,532,904	268,155,288
	Commission on Acceptance of Bills	240,904,208	280,706,406
	Commission on LC Advising	10,913,554	12,770,469
	Commission on PO, DD & TT	7,048,543	3,800,467
	Exchange houses commission	34,684,305	34,597,365
	On-line service commission	9,637,000	11,733,432
	Commission on IBC	13,715,878	519,798
	Underwriting Commission regarding Treasury Bill/Bond	24,595,330	13,845,786
	Commission on RTGS	2,823,837	2,485,485
	Commission on POS	6,471,228	10,099,218
		828,270,767	801,419,198
	Offshore Banking Unit	-	47,566
		828,270,767	801,466,765
26.a.2	Exchange Gain (net of exchange loss)		
	Exchange Gain	936,041,927	1,669,268,022
	Less: Exchange Loss	(6,853,388)	(34,415)
		929,188,538	1,669,233,606
27.00	Consolidated other operating income		
	Mutual Trust Bank Limited (Note-27.a)	658,038,738	584,488,448
	MTB Securities Limited	10,064,797	11,169,102
	MTB Capital Limited	11,075,267	16,491,325
	MTB Exchange (UK) Limited	3,698,436	3,237,912
	Less: Intragroup other operating income	-	(3,330,937)
		682,877,238	612,055,850
27.a	Other Operating Income		
	Handling Charges	582,700	840,889
	VISA Card	78,700,474	31,858,486
	Charges against cards	177,676,853	223,537,401
	Service Charges	122,423,065	119,465,085
	Telephone & SMS Charge Recoveries	77,767,654	15,248,085
	SWIFT Charge Recoveries	27,349,219	28,979,976
	SME Fees and Charges	2,192,061	510,114
	Management fees	29,559,778	23,690,133
	Early Settlement Fee	5,472,035	6,151,493
	Loan Processing Fee	51,170,252	37,761,337
	Partial Payment Fee	736,209	397,319
	NPSB Acquire Income	15,500,770	12,779,272
	Locker Rent	5,430,623	4,294,186
	Miscellaneous Earnings	63,469,396	62,585,784
		658,031,086	568,099,563
	Offshore Banking Unit	7,652	16,388,885
		658,038,738	584,488,448
28.00	Consolidated salaries and allowances		
	Mutual Trust Bank Limited (Note-28.a)	3,531,820,176	3,177,470,280
	MTB Securities Limited	83,982,337	81,739,725
	MTB Capital Limited	12,520,445	11,902,633
	MTB Exchange (UK) Limited	3,618,406	5,325,289
		3,631,941,364	3,276,437,927
28.a	Salary & Allowances		
	Basic Pay	1,659,207,682	1,349,375,064
	Allowances	1,271,869,705	984,122,458
	Bonus	234,800,622	501,310,309
	Gratuity	154,392,000	116,400,000
	Leave Fare Assistance	60,991,297	105,231,909
	Provident Fund	150,558,869	121,030,540
		3,531,820,176	3,177,470,280

		Amount in BDT	
		2020	2019
28.a.1	Managing Director's Remuneration		
	Basic	17,148,099	10,378,309
	Allowance	1,680,000	4,000,667
	Bonus	2,420,250	3,400,000
	Leave Fare Assistance	3,302,870	4,450,000
	Provident Fund	1,714,809	1,037,830
		26,266,028	23,266,806
29.00	Consolidated rent, taxes, insurance and electricity, etc.		
	Mutual Trust Bank Limited (Note-29.a)	540,460,541	633,255,964
	MTB Securities Limited	29,205,619	28,567,163
	MTB Capital Limited	3,487,392	3,487,392
	MTB Exchange (UK) Limited	5,123,342	5,966,739
		578,276,894	671,277,258
29.a	Rent, Tax, Insurance, Utilities, etc.		
	Rent*	218,054,689	287,297,659
	VAT on Rent	67,396,462	60,600,748
	Rates & Taxes	4,077,885	4,519,847
	Insurance	143,229,034	164,112,221
	Electricity & Utilities	107,702,470	116,725,489
		540,460,541	633,255,964
* While implementing IFRS 16 Leases, the Bank recorded interest on lease liabilities (note 24.a) and depreciation on ROU assets (note- 35.a) instead of charging rental expense of BDT 268,308,113 in 2020 against those rental premises that have been treated as lease assets (ROU) and shown in the Balance Sheet as per IFRS 16.			
30.00	Consolidated Legal Expense		
	Mutual Trust Bank Limited (Note-30.a)	2,178,599	4,723,622
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		2,178,599	4,723,622
30.a	Legal Expense		
	Legal Expense	2,178,599	4,723,622
		2,178,599	4,723,622
31.00	Consolidated Postage, Stamp & Telecommunication, etc.		
	Mutual Trust Bank Limited (Note-31.a)	5,982,584	15,857,195
	MTB Securities Limited	732,837	900,049
	MTB Capital Limited	81,220	111,000
	MTB Exchange (UK) Limited	132,913	203,702
		6,929,554	17,071,946
31.a	Postage, Stamps & Telephone, etc.		
	Postage/Courier Service	4,938,924	5,819,042
	Telephone	1,043,660	10,038,153
		5,982,584	15,857,195
32.00	Consolidated Printing, Stationery and Advertisements etc.		
	Mutual Trust Bank Limited (Note-32.a)	76,181,943	133,856,048
	MTB Securities Limited	670,529	1,202,701
	MTB Capital Limited	199,243	211,267
	MTB Exchange (UK) Limited	207,514	441,093
		77,259,229	135,711,109
32.a	Printing, Stationery, Advertisement etc.		
	Printing Stationery	24,932,264	36,020,660
	Computer Stationery	11,426,118	17,542,213
	Petty & Table Stationery	15,879,240	16,761,443
	Publicity & Advertisement	23,944,322	63,531,733
		76,181,943	133,856,048

		Amount in BDT	
		2020	2019
33.00	Consolidated Directors' Fees		
	Mutual Trust Bank Limited (Note-33.a)	1,628,149	1,766,400
	MTB Securities Limited	525,800	554,400
	MTB Capital Limited	557,000	658,833
	MTB Exchange (UK) Limited	-	-
		2,710,949	2,979,633
33.a	Directors' Fees		
	Meeting fee	1,628,149	1,766,400
		1,628,149	1,766,400
	Bank has paid BDT 8,000 as Honourarium according to the BRPD circular letter no. 11 dated 04 October 2015.		
34.00	Consolidated Auditors Fees		
	Mutual Trust Bank Limited (Note-34.a)	2,267,500	1,943,500
	MTB Securities Limited	69,000	69,000
	MTB Capital Limited	69,000	68,750
	MTB Exchange (UK) Limited	438,700	388,549
		2,844,200	2,469,799
34.a	Audit Fee		
	Annual Account	1,750,000	1,380,000
	Quarterly Account	345,000	356,500
	NOSTRO Account	57,500	92,000
	IPFF Account	57,500	57,500
	Corporate Governance	57,500	57,500
		2,267,500	1,943,500
35.00	Consolidated depreciation and repair of Bank's properties		
	Mutual Trust Bank Limited (Note-35.a)	795,878,261	624,703,789
	MTB Securities Limited	6,300,392	6,786,348
	MTB Capital Limited	865,307	951,162
	MTB Exchange (UK) Limited	879,029	477,035
		803,922,989	632,918,334
35.01	Consolidated depreciation and amortization of assets		
	Mutual Trust Bank Limited (Note-35.a)	686,656,994	497,584,315
	MTB Securities Limited	5,963,672	6,442,730
	MTB Capital Limited	591,157	683,462
	MTB Exchange (UK) Limited	207,948	324,547
		693,419,771	505,035,054
35.01.1	Consolidated repair & maintenance of assets		
	Mutual Trust Bank Limited (Note-35.a)	109,221,267	127,119,474
	MTB Securities Limited	336,720	343,618
	MTB Capital Limited	274,150	267,700
	MTB Exchange (UK) Limited	671,081	152,488
		110,503,218	127,883,280
35.a	Depreciation and amortization on & Repairs to Bank's property		
	Depreciation :		
	Immovable Property	30,713,452	31,493,664
	Furniture & Fixture	79,273,118	86,352,353
	Office Equipment	264,424,699	202,171,134
	Motor Vehicles	30,373,891	25,597,303
	Intangible Asset	59,521,535	36,460,622
	Right off use Assets	222,350,298	115,509,239
		686,656,994	497,584,315
	Repairs on Bank's property	109,221,267	127,119,474
		795,878,261	624,703,789

		Amount in BDT	
		2020	2019
36.00	Consolidated other expenses		
	Mutual Trust Bank Limited (Note-36.a)	1,279,588,854	1,175,960,389
	MTB Securities Limited	15,768,288	17,050,852
	MTB Capital Limited	2,879,786	3,113,182
	MTB Exchange (UK) Limited	7,053,731	7,683,537
	Less: Intragroup other expenses	-	(3,330,937)
		1,305,290,660	1,200,477,023
36.a	Other Expenditure		
	Security & Auxiliary Service	248,199,359	232,399,462
	Office Cleaning	70,182,544	65,098,105
	Office Maintenance	26,226,745	26,149,598
	Car Expense	279,001,650	265,098,071
	Entertainment	17,101,449	76,474,450
	Newspaper & Periodicals	641,305	1,121,788
	Clearing House Expense	49,640	63,650
	Traveling & Conveyance	25,588,605	79,777,730
	Bank Charge	2,358,777	4,636,168
	Training Expense	8,577,216	13,815,549
	Professional Fee	42,797,059	28,302,953
	AGM Expense	489,600	789,829
	Subscription & Donation	176,700,386	33,439,078
	CDBL Charges	269,457	583,642
	Fees & Registration	16,879,978	13,512,613
	Business Development Expense	179,468,462	195,126,867
	Contribution to MTB Foundation	20,000,000	20,000,000
	Honourarium	836,472	993,837
	Cash Carrying Expense	20,795,422	23,612,863
	Contact Point Verification (CPV) Charges	1,551,390	2,286,555
	Site Maintenance & Support Service	2,837,812	2,952,517
	On-line and connectivity charges	47,191,414	35,426,745
	NID Verification Charge	322,981	252,603
	Agent Banking Float Sharing Commission	37,965,727	24,839,409
	bKash Commission	4,354,494	-
	MRewardz Expense	24,610,471	-
	Loss on Sale of Fixed Assets	6,048,165	11,259,372
		1,261,046,578	1,158,013,453
	Offshore Banking Unit	18,542,276	17,946,936
		1,279,588,854	1,175,960,389
37.00	Consolidated Provision for Loans, Investment & Other		
	Provision for Unclassified Loans and Advances	168,823,498	1,681,603,942
	Special General Provision - COVID-19	408,639,000	-
	Provision for Classified Loans & Advances	879,759,262	178,272,083
	Provision for Off Balance Sheet Items	60,626,571	157,028,766
	Provision for Margin Loan & Investment in Shares	95,500,000	97,232,333
	Provision for Other Asset	76,200,000	26,246,000
		1,689,548,331	2,140,383,124
37.a	Provision for Loans, Investment & Other		
	Provision for Unclassified Loans and Advances	168,823,498	1,681,603,942
	Special General Provision-COVID-19	408,639,000	-
	Provision for Classified Loans & Advances	879,759,262	178,272,083
	Provision for Off Balance Sheet Items	60,626,571	157,028,766
	Provision for Investment in Shares	1,500,000	5,232,333
	Provision for Other Asset	76,200,000	26,246,000
		1,595,548,331	2,048,383,124

		Amount in BDT	
		2020	2019
38.00	Consolidated Provision for Current Tax		
	Mutual Trust Bank Limited (Note-38.a)	826,244,660	1,614,341,025
	MTB Securities Limited	24,954,315	32,109,036
	MTB Capital Limited	5,347,039	13,212,994
	MTB Exchange (UK) Limited	-	80,300
		856,546,014	1,659,743,356
38.a	Provision for Current Tax		
	Current tax	826,244,660	1,614,341,025
		826,244,660	1,614,341,025
38.01	Consolidated Deferred Tax (Income)/Expenses		
	Mutual Trust Bank Limited (Note-38.a.1)	2,280,523	101,700,024
	MTB Securities Limited	(282,868)	243,633
	MTB Capital Limited	(18,412)	(14,837)
	MTB Exchange (UK) Limited	-	-
		1,979,243	101,928,820
38.a.1	Provision for Deferred Tax Expenses/(Income)		
	Deferred Tax (Note-9.a.3.2.1)	2,280,523	101,700,024
		2,280,523	101,700,024
	* Deferred tax has been calculated as per "IAS:12 Income Taxes" and it is the timing differences arising from the carrying value of fixed assets.		
39.00	Consolidated Earning Per Share (EPS):*		
	Consolidated Net Profit After Tax	970,385,702	1,337,787,557
	Weighted average number of Ordinary Shares outstanding	738,632,418	738,632,418
	Earning Per Share (EPS)	1.31	1.81
	*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).		
39.a	Earning Per Share (EPS):*		
	Net Profit After Tax	899,322,753	1,263,706,056
	Weighted average number of Ordinary Shares outstanding	738,632,418	738,632,418
	Earning Per Share (EPS)	1.22	1.71
	*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).		
40.00	Consolidated Cash Received from Other Operational Income		
	Mutual Trust Bank Limited (Note-40.a)	1,673,310,625	931,824,909
	MTB Securities Limited	51,125,360	32,941,552
	MTB Capital Limited	20,948,415	22,200,252
	MTB Exchange (UK) Limited	3,698,436	3,237,912
	Less: Intragroup other operating income	-	(3,330,937)
		1,749,082,836	986,873,688
40.a	Other Operating Income		
	Handling charge	582,700	840,889
	VISA Card	78,700,474	31,858,486
	Charges against cards	177,676,853	223,537,401
	Service Charges	122,423,065	119,465,085
	Telephone & SMS Charge Recoveries	77,767,654	15,248,085
	SWIFT Charge Recoveries	27,349,219	28,979,976
	SME Fees and Charges	2,192,061	510,114
	Management fees	29,559,778	23,690,133
	Early Settlement Fee	5,472,035	6,151,493
	Loan Processing Fee	51,170,252	37,761,337
	Partial Payment Fee	736,209	397,319
	NPSB Acquire Income	15,500,770	12,779,272
	Locker Rent	5,430,623	4,294,186
	Discount on Treasury Bill	140,751,056	101,877,760
	Gain(net off loss) from Trading in Govt. Securities	873,029,588	244,795,772
	Capital Gain/(Loss) on Investment in shares of quoted companies	1,491,243	660,929
	Prize Bond	-	2,000
	Miscellaneous Earnings	63,469,396	62,585,784
	Offshore Banking Unit	7,652	16,388,885
		1,673,310,625	931,824,909

		Amount in BDT	
		2020	2019
41.00	Consolidated Cash Paid for Other Operational Expenses		
	Rent, Tax, Insurance and Electricity etc.	578,276,894	671,277,258
	Legal Expense	2,178,599	4,723,622
	Postage, Stamps, Telegram & Telecommunication etc.	6,929,554	17,071,946
	Directors' Fee	2,710,949	2,979,633
	Auditors fees	2,844,200	2,469,799
	Repair & Maintenance	110,503,218	127,883,280
	Other Expenditure	1,277,327,978	1,169,217,651
		1,980,771,392	1,995,623,190
41.a	Payment for Other Operational Expenses		
	Rent, Tax, Insurance, Electricity	540,460,541	633,255,964
	Legal Expense	2,178,599	4,723,622
	Postage, Stamps, Telegram & Telephone	5,982,584	15,857,195
	Directors' Fee	1,628,149	1,766,400
	Audit fee	2,267,500	1,943,500
	Repair & Maintenance	109,221,267	127,119,474
	Other Expenditure	1,253,540,690	1,144,701,017
		1,915,279,331	1,929,367,172
42.00	Consolidated Reconciliation of cash flows from operating activities		
	Profit before provision	3,518,461,197	5,239,844,252
	Adjustment for non cash items		
	Depreciation on fixed assets	633,898,236	468,574,432
	Amortization on software	59,521,535	36,460,622
	Interest on lease liability	55,530,910	41,307,902
		748,950,681	546,342,956
	Adjustment with non-operating activities		
	Recovery of written of loan	34,559,987	44,570,800
	Accounts Receivable	(2,743,532,518)	(262,612,986)
	Accounts Payable on deposits	858,645,757	890,113,283
	Loss on sale of assets	7,962,682	11,259,372
	Loss on revaluation of Government Securities	194,149,540	328,999,926
	MTB Foundation	20,000,000	20,000,000
		(1,628,214,553)	1,032,330,395
	Changes in operating assets and liabilities		
	Changes in loans & advances	(11,142,011,713)	(23,562,878,428)
	Changes in deposits & other accounts	(1,567,645,664)	23,888,295,261
	Changes in borrowings	9,146,130,952	2,060,354,439
	Changes in other assets	150,550,723	(485,750,630)
	Changes in other liabilities	1,910,146,353	1,239,391,350
		(1,502,829,349)	3,139,411,993
	Income tax paid	(1,220,193,713)	(1,082,227,232)
		(83,825,737)	8,875,702,363
42.a	Reconciliation of statement of cash flows from operating activities		
	Profit before provision	3,323,396,267	5,028,130,229
	Adjustment for non cash items		
	Depreciation on fixed assets	627,135,458	461,123,693
	Amortization on software	59,521,535	36,460,622
	Interest on lease liability	55,530,910	41,307,902
		742,187,904	538,892,217
	Adjustment with non-operating activities		
	Recovery of written of loan	34,559,987	44,570,800
	Accounts Receivable	(2,743,532,518)	(262,612,986)
	Accounts Payable on deposits	858,645,757	890,113,283
	Loss on sale of assets	6,048,165	11,259,372
	Loss on revaluation of Government Securities	194,149,540	328,999,926
	MTB Foundation	20,000,000	20,000,000
		(1,630,129,071)	1,032,330,395

	Amount in BDT	
	2020	2019
Changes in operating assets and liabilities		
Changes in loans & advances	(11,207,711,762)	(23,465,186,944)
Changes in deposits & other accounts	(1,502,457,851)	23,769,184,566
Changes in borrowings	9,146,130,952	2,060,354,439
Changes in other assets	198,304,592	(522,284,494)
Changes in other liabilities	1,540,413,987	1,348,639,161
	(1,825,320,083)	3,190,706,728
Income tax paid	(1,202,006,907)	(1,041,656,123)
	(591,871,890)	8,748,403,447

43.00 Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 2,363.

44.00 Number of Branches

Number of Branch
Number of Sub Branch

	145	123
Number of Branch	118	118
Number of Sub Branch	27	5

45.00 Number of Meeting

Board Meeting
Executive Committee Meeting
Audit Committee Meeting
Risk Management Committee Meeting

	11	14
Board Meeting	6	3
Executive Committee Meeting	4	4
Audit Committee Meeting	4	4
Risk Management Committee Meeting	4	4

46.00 Auditors Work Hour

The external auditors of the Bank, M. J Abedin & Co. Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 6,800 man-hours to complete the audit as per International Standard on Auditing (ISA).

47.00 Related Party Disclosures of the Bank

i) Name of the Directors together with a list of entities in which they have interest

Annexure-E

ii) Significant contracts where Bank is a party and wherein Directors have Interest during the period ended 31 December 2020

Name of Directors	Relationship with the Bank	Nature of transaction	Approve limit	Outstanding amount	
				BDT	USD
Mr. Md. Hedayetullah	Chairman	Credit Card (Secured)	USD 20,000	-	-
Mrs. Khwaja Nargis Hossain	Vice Chairman	Credit Card	BDT 500,000	-	-
Mr. Syed Manzur Elahi	Director (Founding Chairman)	Credit Card (Secured)	USD 25,000	-	USD 29.98
		Credit Card (Secured)	USD 5,000	-	-
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	Credit Card	BDT 500,000	-	-
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	Credit Card (Secured)	USD 6,000	-	-
		Credit Card	USD 2,500	-	USD 230.00
Mr. M. A. Rouf, JP	Director	Credit Card	BDT 1,000,000	-	-
Mr. Md. Wakiluddin	Director	Credit Card	BDT 900,000	-	USD 748.00
		Credit Card	BDT 100,000	BDT 75.91	-
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	BDT 453,500	-	-
Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director		-	-	-
Mr. Daniel Donald de Lange (Representing NORFUND)	Director		-	-	-
Mr. M. Mokammel Haque	Independent Director		-	-	-
Ms. Nasreen Sattar	Independent Director		-	-	-

iii) Shares issued to Directors and Executives without consideration or exercisable at a discount

Nil

iv) Related Party Transactions

Name of party	Related with	Transactions nature	Outstanding balance BDT Million	Nature of Security
Mosammat Banesa Khatun	Mr. Md. Wakiluddin	House Building Loan (General)	0.189	RM of Land and Building
Sunbeams School Ltd. (1.Mrs Nilufer Manzur,Chairman, 2.Mr.Sayed Nasim Manzur, 3.Ms. Munize Manzur)	Mr. Syed Manzur Elahi	Term Loan	2.680	RM of Land and Building

v) Lending policies in respect of related party

Lending to related parties is effected as per requirements of Section 27(1) of the Bank Companies Act, 1991.

vi) Business other than Banking business with any relation concern to the Directors as per Section 18(2) of the Bank Companies Act, 1991

a) Lease agreement made with the Directors

Nature of contract	Purpose	Name of Director and Related by	Remarks
Lease agreement	Pabna Branch	Mr. Anjan Chowdhury	Approved by Bangladesh Bank
	Pabna Branch ATM Booth		Approved by Board of MTB
	Square Textile ATM Booth		
	Square Pharmaceuticals ATM Booth		
	Square Hospital ATM Booth		
	Square Fashions ATM Booth		
Lease agreement	Bilquis Tower ATM Booth	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
	ABC BPL ATM Booth		
Lease agreement	Pragati Sarani Branch	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch ATM Booth		
Lease agreement	Apex Adelchi Footwear Ltd. ATM Booth	Syed Manzur Elahi	Approved by Board of MTB

vii) Business with subsidiary

Name of party	Relationship	Nature of transaction	Outstanding balance (BDT Million)
MTB Securities Limited	Subsidiary Company	SOD (General)	20.71
MTB Capital Limited	Subsidiary Company	SOD (General)	133.62
MTB Exchange (UK) Limited	Subsidiary Company	Receivable from MTB Exchange (UK)	40.68

48.00 Key Management personnel compensation

Transaction with key management personnel of the Bank for the period ended 31 December 2020 is as follows:

Particulars

Short-term employee benefit

Key Management personnel includes Managing Director, Additional Managing Director, Deputy Managing Director, Head of Internal Control & Compliance Division, Chief Financial Officer and Company Secretary.

Amount in BDT	
2020	2019
81,653,721	58,941,880

49.00 Events after the Balance Sheet Date

Subsequent to the Balance Sheet date, The Board of Directors recommended 10% (ten percent) Stock Dividend for the year 2020 which will be recognized in the accounts as and when approved by the Shareholders in the Annual General Meeting (AGM).

50.00 Financial Highlights as at 31 December 2020 are shown in Annexure-F

Annexure- A

Balance with other Banks - Outside Bangladesh (NOSTRO Account)

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at 31 December 2020.

Name of the Bank	Currency	2020			2019		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
MashreqBank, New York	US\$	1,192,094	84.80	101,091,959	2,076,497	84.90	176,294,631
Standard Chartered Bank, New York	US\$	4,295,315	84.80	364,251,320	12,311,343	84.90	1,045,233,008
Habib American Bank, New York	US\$	4,756,950	84.80	403,398,862	5,407,998	84.90	459,139,012
Commerze Bank, Germany	US\$	386,383	84.80	32,766,083	853,272	84.90	72,442,822
Mashreq Bank London	US\$	47,130	84.80	3,996,725	1,242	111.03	137,908
KB Kookmin Bank	US\$	798,548	84.80	67,718,495	699,433	84.90	59,381,899
JP Morgan, New York	US\$	226,915	84.80	19,242,826	-	-	-
ICICI, Hong Kong	US\$	246,941	84.80	20,941,116	246,567	84.90	20,933,515
Standard Chartered Bank, Singapore	SGD	153,211	58.50	8,962,814	59,853	62.79	3,758,169
JP Morgan, London	GBP	62,885	114.50	7,200,063	-	-	-
Standard Chartered Bank, London	GBP	195,481	114.50	22,381,603	500,738	111.03	55,596,961
Habib American Bank, Zurich	CHF	190,162	91.35	17,371,305	58,053	82.15	4,769,044
Standard Chartered Bank, Tokyo	JPY	22,709,809	0.78	17,713,651	6,420,030	0.78	5,007,623
UBAF, Tokyo	JPY	711,149	0.78	554,697	4,744,893	0.78	3,701,016
Standard Chartered Bank, Germany	EUR	31,000	103.87	3,219,994	19,649	94.89	1,864,453
ICICI, Mumbai	EUR	6,164	103.87	640,297	6,164	94.89	584,941
Unicredit, Germany	EUR	159,162	103.87	16,532,143	13,776	94.89	1,307,231
Commerze Bank, Germany	EUR	548,478	103.87	56,970,447	82,090	94.89	7,789,486
United Bank of India, Kolkata	EUR	4,226	103.87	438,908	4,226	94.89	400,962
Standard Chartered Bank, Mumbai	ACU	387,668	84.80	32,875,060	306,138	84.90	25,991,135
Standard Chartered Bank, Kolkata	ACU	500,482	84.80	42,441,914	455,982	84.90	38,712,912
Standard Chartered Bank, Pakistan	ACU	258,868	84.80	21,952,563	69,602	84.90	5,909,247
Standard Chartered Bank, Colombo	ACU	107,018	84.80	9,075,357	80,517	84.90	6,835,874
Sonali Bank, Kolkata	ACU	86,265	84.80	7,315,446	71,070	84.90	6,033,802
Habib Metropolitan	ACU	152,446	84.80	12,927,756	35,398	84.90	3,005,315
MashreqBank, Mumbai	ACU	437,275	84.80	37,081,756	243,691	84.90	20,689,354
AB Bank, Mumbai	ACU	502,709	84.80	42,630,713	981,715	84.90	83,347,618
Axis Bank, Mumbai	ACU	410,045	84.80	34,772,639	143,432	84.90	12,177,349
ICICI, Mumbai	ACU	228,204	84.80	19,352,133	479,823	84.90	40,736,984
Himalayan Bank Ltd., Kathmundo	ACU	109,490	84.80	9,284,971	109,490	84.90	9,295,701
Nepal Bangladesh Bank Ltd.	ACU	131,974	84.80	11,191,668	131,974	84.90	11,204,601
United Bank of India, Kolkata	ACU	51,274	84.80	4,348,167	90,702	84.90	7,700,617
HDFC Bank, Mumbai	ACU	261,540	84.80	22,179,152	86,110	84.90	7,310,759
EMIRATES ISLAMIC Bank	AED	2,811,630	21.10	59,328,492	-	-	-
MASHREQ Bank, UAE	AED	4,048,631	21.10	85,426,107	18,175,682	23.11	420,040,016
Commerz Bank, Germany	AUD	84,438	59.44	5,019,070	36,366	59.24	2,154,296
Bank Al Bilad	SAR	500,044	19.52	9,760,863	500,117	22.63	11,317,643
ICICI Bank Ltd., Mumbai	ACU			28,032,607	-	-	28,032,607
Total		47,792,007		1,660,389,742	55,503,633		2,658,838,512

Annexure- B

Mutual Trust Bank Limited
Investment in Shares

As at 31 December 2020

Sl. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December, 2020	Total Market Value as at 31 December, 2020	Amount in BDT Unrealised Gain/Loss
A.	Quoted Share							
1	Renata Ltd	10	207	209,088	1,011.06	1,106.90	228,907	19,819
2	Confidence Cement	10	2,311	363,279	157.20	121.30	280,324	(82,955)
3	BATCL	10	208	228,823	1,100.11	1,180.80	245,606	16,783
4	BD Submarine Cbl	10	440	66,087	150.20	166.10	73,084	6,997
5	BEXIMCO Ltd.	10	2,108	60,465	28.68	57.00	120,156	59,691
6	Lafarge Holcim Bangladesh	10	2,400	111,757	46.57	47.80	114,720	2,963
7	Singer (BD) Ltd	10	1,249	221,215	177.11	175.60	219,324	(1,891)
8	Meghna Cement	10	79,957	6,185,474	77.36	72.60	5,804,878	(380,595)
9	Dhaka Electric Supply Company Ltd.	10	28,638	2,907,903	101.54	34.80	996,602	(1,911,300)
10	First Finance Limited	10	121,275	3,461,189	28.54	6.50	788,288	(2,672,901)
11	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	35.00	350,000	(264,200)
12	Grameenphone Ltd.	10	684	207,340	303.13	347.10	237,416	30,076
13	Jamuna Oil Company Limited	10	66,000	15,467,760	234.36	165.50	10,923,000	(4,544,760)
14	Matin Spinning Mills Ltd.	10	100,000	4,733,000	47.33	36.40	3,640,000	(1,093,000)
15	Meghna Petroleum Limited	10	100,000	21,778,000	217.78	198.00	19,800,000	(1,978,000)
16	National Bank Ltd.	10	326,165	4,465,199	13.69	7.00	2,283,155	(2,182,044)
17	Apex Tannery Ltd	10	50,000	6,228,000	124.56	106.90	5,345,000	(883,000)
18	Orion Pharma Ltd.	10	60,000	4,018,200	66.97	54.70	3,282,000	(736,200)
19	Phoenix Insurance Company Ltd.	10	42,750	2,579,108	60.33	44.70	1,910,925	(668,182)
20	Premier Cement Mills Limited	10	25,000	2,940,500	117.62	61.10	1,527,500	(1,413,000)
21	RAK Ceramics (Bangladesh) Limited	10	19,057	1,114,453	58.48	26.10	497,388	(617,066)
22	R.N. Spinning Mills Limited	10	158,400	3,712,896	23.44	3.90	617,760	(3,095,136)
23	Square Pharmaceuticals Ltd.	10	1,456	323,004	221.79	219.50	319,669	(3,335)
24	Summit Power Limited	10	754,612	41,475,552	54.96	38.90	29,354,407	(12,121,145)
25	BBS Cables Limited	10	50,800	3,337,712	65.70	54.80	2,783,840	(553,872)
26	National Tubes Ltd	10	16,000	1,984,000	124.00	103.30	1,662,800	(331,200)
27	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	1.60	542,080	(6,464,304)
28	Runner Automobiles Ltd	10	57,750	5,238,503	90.71	50.90	2,939,475	(2,299,028)
29	Square Pharmaceuticals Ltd.	10	68,000	13,417,080	197.31	219.50	14,926,000	1,508,920
30	ACI Limited	10	22,000	5,325,100	242.05	246.00	5,412,000	86,900
	Free Fund available			5,556,213			5,556,213	-
	Sub-Total		2,371,644	165,337,483			122,772,518	(42,564,964)

Annexure- B

Mutual Trust Bank Limited Investment in Shares As at 31 December 2020

B.	Mutual Fund (Quoted)	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December, 2020	85% NAV	Total Value as per 85% of NAV as at 31 December, 2020	Provision Req. as per BB Guideline
1	First Bangladesh Fixed Income Fund	10	33,342,128	214,723,304	6.44	6.44	9.04	301,546,206	-
2	EBL NRB Mutual Fund	10	15,700,000	105,033,000	6.69	5.70	9.28	145,727,400	-
3	MBL 1st Mutual Fund	10	4,160,000	41,600,000	10.00	7.50	9.84	40,946,880	(653,120)
4	PHP First Mutual Fund	10	2,300,000	15,755,000	6.85	5.60	9.10	20,918,500	-
	Sub-Total		59,363,735	377,111,304				509,138,986	(653,120)
	Total Quoted Share and Mutual Fund			542,448,787					(43,218,084)

C	Unquoted Share	Face Value	No. of Share Held	Cost Holding	Net Assets value as per Last audited Financial Statements	Total No. of Shares of Issuers	NAV	Value as per NAV as at 31 December 2020	Unrealized Gain/Loss
1	BD Venture Limited	10	2,200,000	20,000,000	239,895,160	22,000,000	10.90	23,989,516	3,989,516
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,937,427,190	200,000,000	34.69	198,126,122	182,431,692
3	Energyback Power Generation Limited	10	1,192,800	50,000,000	7,768,083,185	149,869,650	51.83	61,825,524	11,825,524
4	Industrial & Infrastructure Development Finance Company Limited	10	9,586,476	71,770,260	2,285,944,161	103,000,000	22.19	212,758,727	140,988,467
5	LIC Bangladesh	10	3,000,000	30,000,000	660,966,033	60,000,000	11.02	33,048,302	3,048,302
6	Central Counterparty Bangladesh Limited	10	3,750,000	37,500,000	300,000,000	30,000,000	10.00	37,500,000	-
7	The Bangladesh Rating Agency Limited	100	49,155	4,915,500	34,378,796	1,067,175	32.21	1,583,517	(3,331,983)
	Sub-Total			229,880,190	17,251,551,245			568,831,707	338,951,517

Annexure- B

Mutual Trust Bank Limited Investment in Shares As at 31 December 2020

D	Fund (Unquoted)	Face value	No. of share held	Cost holding	95% NAV	Value as per NAV as at 31 December 2020	Unrealized Gain/Loss
1	MTB Unit Fund	10	21,692,307	217,600,000	9.32	202,161,455	(15,438,545)
	Sub-Total			217,600,000		202,161,455	(15,438,545)
	Total Unquoted Share & Fund			447,480,190		770,993,162	323,512,972

E	Subordinated Bonds:	Provision Required	Provision Maintained	Excess / (Shortfall)
1	AB Bank Subordinate Bond			
2	One Bank Subordinated Bond			
3	Trust Bank Subordinated Bond			
4	UCB 3rd Subordinated Bond			
5	Jamuna Bank Subordinated Bond			
6	AIBL Second Mudaraba Bond			
7	IPDC Subordinated Bond			
8	NBL Subordinated Bond			
	Sub-Total			

F	Perpetual Bonds:	Provision Required	Provision Maintained	Excess / (Shortfall)
	Jamuna Bank Perpetual Bond			
	Sub-Total			
	Total Investment in Shares			

Particular	Provision Required	Provision Maintained	Excess / (Shortfall)
Quoted Shares	42,564,964		
Un-quoted Shares	3,331,983	62,000,000	11,388
Mutual Funds	653,120		
MTB Unit Fund	15,438,545		
	61,988,612	62,000,000	11,388

Annexure- C

Mutual Trust Bank Limited Consolidated Fixed Asset Schedule As at 31 December 2020

Particulars	Cost			Depreciation				Written down value as at 31.12.2020	
	Balance as at 01.01.2020	Addition during the period	Disposal during the period	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Charged for the period		Adjustment made during the period
	BDT	BDT	BDT	BDT		BDT	BDT		BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.5%	241,261,590	32,343,017	-	273,604,607
Furniture & Fixture	1,542,896,117	92,366,810	28,266,950	1,606,995,977	10%	705,076,361	90,688,493	21,351,466	774,413,388
Office Equipment	2,504,736,764	194,564,392	13,341,288	2,685,959,868	20%	1,357,356,541	258,142,537	12,035,250	1,603,463,828
Motor Vehicles	147,449,170	39,886,097	-	187,335,267	20%	76,699,419	30,373,891	-	107,073,310
Intangible Asset	412,086,627	21,442,000	2,697,458	430,831,169	20%	131,086,601	59,521,535	1,994,335	188,613,801
Sub Total	6,213,527,473	348,259,299	44,305,696	6,517,481,076		2,511,480,513	471,069,473	35,381,052	2,947,168,934
Right of use Assets as per IFRS 16	714,594,976	949,258,844	74,510,474	1,589,343,346		115,509,239	222,350,298	74,510,474	263,349,063
Total December 2020	6,928,122,449	1,297,518,143	118,816,170	8,106,824,422		2,626,989,752	693,419,771	109,891,526	3,210,517,997
Total December 2019	5,357,486,516	1,699,410,779	128,774,846	6,928,122,449		2,229,310,254	505,035,054	107,355,556	2,626,989,752
									4,301,132,697

Annexure- C (i)

Mutual Trust Bank Limited Fixed Asset Schedule As at 31 December 2020

Particulars	Cost			Depreciation			Written down			
	Balance as at 01.01.2020	Addition during the year	Disposal during the year	Balance as at 31.12.2020	Rate	Balance as at 01.01.2020	Charged for the year	Adjustment made during the year	Balance as at 31.12.2020	Written down value as at 31.12.2020
	BDT	BDT	BDT	BDT		BDT	BDT	BDT	BDT	BDT
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,455,740,795	-	-	1,455,740,795	2.5%	227,487,875	30,713,452	-	258,201,327	1,197,539,468
Furniture & Fixture	1,483,156,698	90,967,274	19,994,891	1,554,129,081	10%	675,605,550	87,488,586	15,025,313	748,068,824	806,060,257
Office Equipment's	2,462,041,888	194,167,279	9,301,978	2,646,907,189	20%	1,324,582,821	256,209,231	8,327,122	1,572,464,930	1,074,442,259
Motor Vehicles	147,449,170	39,886,097	-	187,335,267	20%	76,699,419	30,373,891	-	107,073,310	80,261,957
Intangible Asset	412,086,627	21,442,000	2,697,458	430,831,169	20%	131,086,601	59,521,535	1,994,335	188,613,801	242,217,368
Sub Total	6,064,728,178	346,462,650	31,994,327	6,379,196,501		2,435,462,266	464,306,696	25,346,769	2,874,422,192	3,504,774,309
Right of use Assets as per IFRS 16	714,594,976	949,258,844	74,510,474	1,589,343,346		115,509,239	222,350,298	74,510,474	263,349,063	1,325,994,283
Total December 2020	6,779,323,154	1,295,721,494	106,504,801	7,968,539,847		2,550,971,505	686,656,994	99,857,243	3,137,771,255	4,830,768,592
Total December 2019	5,210,402,458	1,697,671,542	128,750,846	6,779,323,154		2,160,718,746	497,584,315	107,331,556	2,550,971,505	4,228,351,649

Annexure- D

Mutual Trust Bank Limited

List of MTB Bonds Holders as at 31 December 2020

		Amount in BDT	
		2020	2019
A MTB Perpetual Bond			
Sl.	Name of Party	Investment Amount	Investment Amount
1	Trust Bank Limited	650,000,000	-
Sub-Total (A)		650,000,000	-
B MTB 2nd Subordinate Bond			
Sl.	Name of Party	Investment Amount	Investment Amount
1	Sonali Bank Limited	400,000,000	600,000,000
2	BRAC Provident Fund	200,000,000	300,000,000
3	Bank Asia Limited	160,000,000	240,000,000
4	Uttara Bank Limited	120,000,000	180,000,000
5	BRAC	100,000,000	150,000,000
6	BRAC Bank Limited	100,000,000	150,000,000
7	NRB Commercial Bank Limited	80,000,000	120,000,000
8	United Finance Limited	40,000,000	60,000,000
Sub-Total (B)		1,200,000,000	1,800,000,000
C MTB 3rd Subordinate Bond			
SL	Name of Party	Investment Amount	Investment Amount
1	Pubali Bank Limited	760,000,000	950,000,000
2	Dhaka Bank Limited	720,000,000	900,000,000
3	Sonali Bank Limited	600,000,000	750,000,000
4	Southeast Bank Limited	520,000,000	650,000,000
5	Janata Bank Limited	400,000,000	500,000,000
6	Agrani Bank Limited	240,000,000	300,000,000
7	Eastern Bank Limited	240,000,000	300,000,000
8	Rupali Bank Limited	160,000,000	200,000,000
9	Delta Life Insurance Company Limited	160,000,000	200,000,000
10	Standard Bank Limited	120,000,000	150,000,000
11	United Finance Limited	80,000,000	100,000,000
Sub-Total (C)		4,000,000,000	5,000,000,000
D MTB 4th Subordinate Bond			
SL	Name of Party	Investment Amount	Investment Amount
1	BRAC Bank Limited	400,000,000	-
2	Community Bank Limited	100,000,000	-
3	Sonali Bank Limited	500,000,000	-
4	Sadharan Bima Corporation	100,000,000	-
5	Guardian Life Insurance Limited	100,000,000	-
6	Agrani Bank Limited	500,000,000	-
7	Eastern Bank Limited	1,000,000,000	-
8	Ms. Monisha Anwar Huq	200,000,000	-
9	Shimanto Bank Limited	100,000,000	-
10	SQUARE Pharmaceuticals Ltd	2,000,000,000	-
Sub-Total (D)		5,000,000,000	-
Total (A+B+C+D)		10,850,000,000	6,800,000,000

Annexure- E

Mutual Trust Bank Limited

Name of Companies in which the Directors of the Bank have Interest

As at 31 December 2020

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	Mr. Md. Wakiluddin Chairman	Chairman - Baridhara Corporation Ltd. Managing Director - Swadesh Properties Ltd. - Swadesh Global Media Ltd. Director - HURDCO International School
2	Mr. Md. Abdul Malek Vice Chairman	Proprietor - Gardenia
3	Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman - Apex Tannery Ltd. - Apex Footwear Ltd. - Apex Pharma Ltd. - Blue Ocean Footwear Ltd. - Apex Enterprise Ltd. - Apex Investment Ltd. - Grey Advertising (Bangladesh) Ltd. - Quantum Market Research - Manusher Jonno Foundation Managing Director - International Publications Ltd. Director - Credit Rating Agency of Bangladesh Limited (CRAB) - Central Depository Bangladesh Ltd. (CDBL) - MTB Exchange (UK) Ltd. (Fully owned subsidiary of MTB) Chairman of the Board of Trustees - East West University Member of the Board of Trustees - Centre for Policy Dialogue (CPD) - Diabetic Association of Bangladesh - Bangladesh Freedom Foundation
4	Mr. Md. Hedayetullah Director	Chairman - Hedayetullah Securities Ltd. Managing Director - FB Footwear Ltd. - Footbed Footwear Ltd. - Nuovo Shoes (BD) Ltd. Director - Apex Tannery Ltd. - Apex Property Development Ltd. Chairman (Fully owned subsidiary of MTB) - MTB Securities Limited (MTBSL) - MTB Capital Limited (MTBCL) - MTB Exchange UK Limited (MTB UK)
5	Khwaja Nargis Hossain Director	Managing Director - SAHCO Securities Ltd. Director - SAHCO International Ltd.

Mutual Trust Bank Limited

Name of Companies in which the Directors of the Bank have Interest

As at 31 December 2020

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
6	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corp. Ltd.)	<p>Chairman</p> <ul style="list-style-type: none"> - ABC Building Products Ltd. - Banga Garments Ltd. <p>Director</p> <ul style="list-style-type: none"> - Associated Builders Corporation Ltd. - ABC Real Estate Ltd. - Shamsuddin Tawels Ltd. - MTB Exchange (UK) Ltd. (Fully owned subsidiary of MTB)
7	Mr. M A Rouf, JP Director	<p>Chairman</p> <ul style="list-style-type: none"> - Britannia Properties Ltd., Bangladesh - Britannia Holdings & Management Ltd. - Britannia Developments Limited - Britannia Asset & Equity Management Ltd. - Diamond Properties (BD) Ltd. - Diamond Properties (UK) St. Andrews <p>Director</p> <ul style="list-style-type: none"> - MTB Exchange (UK) Ltd. (Fully owned subsidiary of MTB) - Tiger Tours Ltd.
8	Ms. Anika Chowdhury Director (Representing ASTRAS Ltd.)	<p>Director</p> <ul style="list-style-type: none"> - Square Fashions Ltd. <p>Director Business Development</p> <ul style="list-style-type: none"> - Square Pharmaceuticals Ltd. <p>Managing Director</p> <ul style="list-style-type: none"> - Square Health Limited
9	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	<p>Chairman</p> <ul style="list-style-type: none"> - Tetley ACI (Bangladesh) Ltd. <p>Vice Chairman</p> <ul style="list-style-type: none"> - ACI HealthCare Limited <p>Managing Director</p> <ul style="list-style-type: none"> - Advanced Chemical Industries (ACI) Ltd. - ACI Logistics Limited - Stochastic Logic Limited <p>Director</p> <ul style="list-style-type: none"> - ACI Formulations Ltd. - ACI Motors Limited - ACI Pure Flour Limited - ACI Agrolink Ltd. - Premiaflex Plastics Limited - ACI Foods Limited - ACI Chemicals Limited - Infolytx Bangladesh Limited - ACI Salt Limited - ACI Biotech Limited - ACI Edible Oils Limited - Creative Communication Limited - ACI Marine and Riverine Technologies Ltd. - ACI-CO-RO Bangladesh Ltd. - ACI Godrej Agrovet (Pvt.) Limited - Consolidated Chemicals Limited - Dowla Agricultural Development Company Ltd. - ACI Foundation - Bangladesh Business Publications Limited - ACI HealthCare USA Inc. <p>Member of the Board of Governors</p> <ul style="list-style-type: none"> - Society for Promotion of Bangladesh Art (SPBA)

Mutual Trust Bank Limited

Name of Companies in which the Directors of the Bank have Interest

As at 31 December 2020

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
10	Mr. Md. Tarik Ur Rahman Director (Representing Pioneer Insurance Company Ltd.)	Managing Director - Pioneer Insurance Co. Ltd. (PICL)
11	Mr. Daniel Donald de Lange Director (Representing NORFUND)	Director - Asiacap Holdings Limited (Consulting)
12	Ms. Nasreen Sattar Independent Director	Chairman - Consumark Limited-CONSUMARK Independent Director (Fully owned subsidiary of MTB) - MTB Securities Ltd. (MTBSL) - MTB Capital Ltd. (MTBCL)
13	Mr. Faruq Ahmad Siddiqi Independent Director	Independent Director - Summit Power Limited Member (Rating Committee) - Credit Rating Agency of Bangladesh Ltd. (CRAB)
14	Mr. Syed Mahbubur Rahman Managing Director & CEO	Director & Chairman, Boad Audit Committee - Industrial & Infrastructure Development Finance - Company Limited (IIDFC) Vice Chairman - Primary Dealers Bangladesh Limited (PDBL) Director - LIC of Bangladesh Ltd. Vice Chairman (Fully owned subsidiary of MTB) - MTB Securities Limited (MTBSL) - MTB Capital Limited (MTBCL) Director - MTB Exchange UK Limited (MTB UK) - (Fully owned subsidiary of MTB) Trustee Member - HAEFA Bangladesh Member - Prothom Alo Trust Treasurer - CSR Centre

Annexure- F

Consolidated Financial Highlights

As at 31 December 2020

BDT in Million

Sl. No.	Items	2020	2019
1	Paid up Capital	7,386.32	7,034.59
2	Total Capital (Tier-1 & 2)	25,225.11	24,188.33
3	Surplus/ (Shortage) Capital	5,697.61	5,452.58
4	Total Asset	269,269.26	256,913.17
5	Total Deposit	190,120.48	190,947.70
6	Total Loans and Advances	203,887.32	189,729.72
7	Total Contingent Liabilities	93,595.97	82,568.56
8	Lending-Deposit Ratio	83.90%	83.38%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.60%	5.39%
10	Profit after Provision and Tax	970.39	1,337.79
11	Total Classified Loans and Advances	9,387.73	10,227.22
12	Total Provision Maintained against Classified Loans	4,181.06	3,099.30
13	Surplus/(Deficit) in Provision against Classified Loans	-	(2,902.10)
14	Cost of Fund	7.92%	9.55%
15	Earning Assets	235,591.40	214,554.69
16	Non-Interest Earning Assets	33,677.86	42,358.47
17	Return on Investments (ROI)	9.77%	8.23%
18	Return on Asset (ROA)	0.37%	0.56%
19	Income from Investment	3,461.03	2,535.63
20	Earnings Per Share (BDT)	1.31	1.81
21	Operating Profit Per Share (BDT)	4.76	7.09
22	Price-Earning Ratio (Times)	18.34	14.63

Annexure- F (i)

Financial Highlights

As at 31 December 2020

BDT in Million

SL.No.	Items	2020	2019
1	Paid up Capital	7,386.32	7,034.59
2	Total Capital (Tier-1 & 2)	24,552.75	23,872.20
3	Surplus/(shortage) Capital	5,290.78	5,310.94
4	Total Assets	267,913.21	256,056.00
5	Total Deposits	190,607.26	191,369.29
6	Total Loans and Advances	200,991.92	186,768.62
7	Total Contingent Liabilities	93,595.97	82,568.56
8	Lending-Deposit Ratio	83.90%	83.38%
9	Classified Loans as Percentage (%) of Total Loans and Advances	4.67%	5.48%
10	Profit after Provision and Tax	899.32	1,263.71
11	Total Classified Loans and Advances	9,387.73	10,227.22
12	Total Provision Maintained against Classified Loans	4,181.06	3,099.30
13	Surplus/(Deficit) in Provision against Classified Loans	-	(2,902.10)
14	Cost of Fund	7.92%	9.48%
15	Earning Assets	231,046.27	210,443.00
16	Non-Interest Earning Assets	36,866.94	45,613.00
17	Return on Investments (ROI)	9.88%	8.30%
18	Return on Asset (ROA)	0.34%	0.55%
19	Income from Investment	3,388.58	2,480.61
20	Earnings Per Share (BDT)	1.22	1.71
21	Operating Profit Per Share (BDT)	4.50	6.81
22	Price-Earning Ratio (Times)	19.79	15.49

Annexure- G

Mutual Trust Bank Limited Off Shore Banking Unit (OBU)

Balance Sheet As at 31 December 2020

Particulars	Notes	2020		2019	
		USD	BDT	USD	BDT
Property and Assets					
Cash					
In hand (Including Foreign Currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent Bank(s) (Including Foreign Currencies)		-	-	-	-
Balance with other Banks and financial institutions	3	562,473	47,698,873	920,023	78,109,935
In Bangladesh		-	-	-	-
Outside Bangladesh		562,473	47,698,873	920,023	78,109,935
Loans and advances	4	183,929,919	15,597,625,016	145,432,234	12,347,196,638
Loans, cash credits, overdrafts etc.		180,587,471	15,314,178,710	134,555,983	11,423,802,928
Bills purchased and discounted		3,342,448	283,446,306	10,876,251	923,393,710
Fixed assets including premises, furniture and fixtures		-	-	-	-
Other assets	5	2,811,231	238,397,976	2,051,643	174,184,451
Non - Banking assets		-	-	-	-
Total assets		187,303,623	15,883,721,865	148,403,899	12,599,491,023
Liabilities and Capital					
Liabilities					
Borrowings from other Banks, financial institutions and agents	6	182,070,377	15,439,932,111	144,899,392	12,301,958,359
Deposits and other accounts	7	261,978	22,216,220	273,909	23,254,861
Current deposits & Other Accounts		-	-	20,982	1,781,390
Bills payable		-	-	-	-
Savings Bank deposits		-	-	-	-
Term deposits		261,978	22,216,220	252,927	21,473,471
Bearer certificate of deposit		-	-	-	-
Other liabilities	8	4,971,269	421,573,533	3,230,598	274,277,803
Total liabilities		187,303,623	15,883,721,865	148,403,899	12,599,491,023
Capital / Shareholders' equity					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
Total Shareholders' equity		-	-	-	-
Total Liabilities and Shareholders' equity		187,303,623	15,883,721,865	148,403,899	12,599,491,023

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)

Annexure- G

Balance Sheet
As at 31 December 2020

Particulars	Notes	2020		2019	
		USD	BDT	USD	BDT
Off-Balance Sheet Items					
Contingent liabilities	9	-	-	130,000	11,037,000
Acceptances and endorsements		-	-	-	-
Letters of guarantee		-	-	130,000	11,037,000
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
Other commitments		-	-	-	-
Documentary credits and short term trade-related transactions		-	-	-	-
Forward assets purchased and forward deposits placed		-	-	-	-
Undrawn note issuance and revolving underwriting facilities		-	-	-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-	-	-
Liabilities against forward purchase and sale		-	-	-	-
Other commitments		-	-	-	-
Total Off-Balance Sheet exposures including contingent liabilities		-	-	130,000	11,037,000

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)

Annexure- G

Profit and Loss Account
For the year ended 31 December 2020

Particulars	Notes	2020		2019	
		USD	BDT	USD	BDT
Interest income	10	8,207,395	696,533,669	8,682,406	733,554,741
Interest paid on Deposits and Borrowings etc.	11	6,113,943	518,869,528	7,200,910	608,386,918
Net Interest Income		2,093,452	177,664,142	1,481,495	125,167,822
Commission, exchange, etc.	12	-	-	563	47,566
Other operating income	13	90	7,652	193,980	16,388,885
Total Operating Income		2,093,542	177,671,793	1,676,038	141,604,274
Less: Operating Expenses:					
Salaries and allowances		-	-	-	-
Rent, taxes, insurance, electricity, etc.		-	-	-	-
Legal expenses		-	-	-	-
Postage, stamp, telecommunication, etc.		-	-	-	-
Stationery, printing, advertisements, etc.		-	-	-	-
Auditors' fees		-	-	-	-
Depreciation and repair of Bank's assets		-	-	-	-
Other expenses	14	218,487	18,542,276	212,421	17,946,936
Total operating expenses		218,487	18,542,276	212,421	17,946,936
Profit/(loss) before provision		1,875,055	159,129,517	1,463,617	123,657,338
Provision for loans and advances / investments					
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for investments		-	-	-	-
Other provision		-	-	-	-
Total provision		-	-	-	-
Total profit/(loss) before taxes		1,875,055	159,129,517	1,463,617	123,657,338
Provision for taxation					
Current tax		-	-	-	-
Deferred tax		-	-	-	-
		-	-	-	-
Net profit/(loss) after taxation		1,875,055	159,129,517	1,463,617	123,657,338
Retained earnings brought forward from previous years		-	-	-	-
		1,875,055	159,129,517	1,463,617	123,657,338

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)

Annexure- G

Cash Flow Statement
For the year ended 31 December 2020

Particulars	2020		2019	
	USD	BDT	USD	BDT
A) Cash flows from operating activities				
Interest Income	8,207,395	696,533,669	8,682,406	733,554,741
Interest paid on Deposits and Borrowings etc.	(6,113,943)	(518,869,528)	(7,200,910)	(608,386,918)
Fees and commission receipts in cash	-	-	563	47,566
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	90	7,652	193,980	16,388,885
Payments for other operating activities	(218,487)	(18,542,276)	(212,421)	(17,946,936)
Cash generated from operating activities before changes in operating assets and liabilities	1,875,055	159,129,517	1,463,617	123,657,338
Increase / (decrease) in operating assets and liabilities				
Loans and advances to other Banks	-	-	-	-
Loans and advances to customers	(38,497,686)	(3,250,428,378)	(8,435,633)	(853,181,855)
Other assets	(759,588)	(64,213,526)	(1,548,176)	(131,943,596)
Deposits from other Banks	-	-	-	-
Deposits from customers	(11,931)	(1,038,641)	167,960	14,365,774
Other liabilities	1,740,670	148,020,602	716,525	63,118,611
	(37,528,535)	(3,167,659,943)	(9,099,323)	(907,641,066)
Net cash from operating activities	(35,653,480)	(3,008,530,426)	(7,635,706)	(783,983,728)
B) Cash flows from investing activities				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
Net cash used in investing activities	-	-	-	-
C) Cash flows from financing activities				
Borrowing from Banks, financial institution and agents	37,170,985	3,137,973,752	1,999,320	312,642,321
Net profit transferred to main operation	(1,875,055)	(159,129,517)	(1,463,617)	(123,657,338)
Net Cash from financing activities	35,295,931	2,978,844,235	535,703	188,984,983
D) Net increase / (decrease) in cash and cash equivalents (A+B+C)	(357,549)	(29,686,191)	(7,100,004)	(594,998,744)
E) Effects of exchange rate changes on cash and cash equivalents	-	(724,872)	-	228,463
F) Cash and cash equivalents at beginning of the year	920,023	78,109,935	8,020,026	672,880,217
G) Cash and cash equivalents at end of the year (D+E+F)	562,473	47,698,873	920,023	78,109,935
Cash and cash equivalents at end of the year				
Cash in hand (Including foreign currencies)	-	-	-	-
Balance with Bangladesh Bank and its agent Bank (s) (Including Foreign Currencies)	-	-	-	-
Balance with other Banks and financial institutions	562,473	47,698,873	920,023	78,109,935
	562,473	47,698,873	920,023	78,109,935

Mutual Trust Bank Limited
Off Shore Banking Unit (OBU)
Liquidity Statement
For the year ended 31 December 2020

Annexure- G

Particulars	Less than	1 to 3	3 to 12	1 to 5	Above	Total
	1 month	months	months	years	5 years	
ASSETS :						
Cash	-	-	-	-	-	-
Balance with other Banks and Financial Institutions	47,698,873	-	-	-	-	47,698,873
Money at Call & Short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and Advances	1,666,383,746	3,069,794,223	8,221,232,864	907,270,788	1,732,943,395	15,597,625,016
Premises and Fixed Assets	-	-	-	-	-	-
Other Assets	179,356,334	59,041,643	-	-	-	238,397,976
Non-Banking Assets	-	-	-	-	-	-
Total Assets	1,893,438,952	3,128,835,866	8,221,232,864	907,270,788	1,732,943,395	15,883,721,865
LIABILITIES :						
Borrowing From Other Banks, Financial Institutions & Agents	2,775,374,117	3,888,685,862	5,422,287,998	3,219,260,988	134,323,146	15,439,932,111
Deposit and Other Account	-	-	22,216,220	-	-	22,216,220
Provision & Other Liabilities	11,805,297	26,758,673	290,590,954	70,494,487	21,924,122	421,573,533
Total Liabilities	2,787,179,414	3,915,444,535	5,735,095,172	3,289,755,476	156,247,268	15,883,721,865
Net Liquidity	(893,740,462)	(786,608,669)	2,486,137,692	(2,382,484,688)	1,576,696,127	-

Notes to the Financial Statements
For the year ended 31 December 2020

1.00 Status of the unit

The Bank obtained the Off-shore Banking Unit ("the Unit") permission vide letter No. BRPD(P-3)744(105)/2009-4470 dated December 3, 2009. The Bank commenced operation of this unit from December 07, 2009. The Off-shore Banking Unit is governed under the rules and guidelines of the Bangladesh Bank. Its office is located at 26, MTB centre, Gulshan South Avenue, Gulshan Circle 1, Dhaka 1212.

1.10 Principal activities

The principal activities of the units are to provide all kinds of commercial Banking services to its customers through its off-shore Banking Units in Bangladesh.

2.00 Significant accounting policies and basis of preparation of financial statements

2.01 Basis of accounting

The Off-shore Banking Unit maintains its accounting records in USD from which accounts are prepared according to the Bank Companies Act, 1991, International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) and other applicable directives issued by The Bangladesh Bank, in particular, Banking regulations and policy department (BRPD) Circular No. 14 dated 25 June 2003.

2.02 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.03 Foreign currency transaction

Foreign currency transactions are converted into equivalent BDT using the ruling exchange rates on the dates of respective transactions as per IAS-21: The Effects of Changes in Foreign Exchange Rates. The financial statements of the Unit are presented in US Dollar (USD) and Bangladesh Taka (BDT) where USD is the functional currency and BDT are the Unit's presentation currency. Entities functional currency is Bangladesh Taka (BDT).

Foreign currency transactions are recorded in the presentation currency using the rate of exchange at average rate of inter-Bank market as determined by the Bangladesh Bank on the closing date of every month. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange ruling at the balance sheet date.

2.04 Reporting period

These financial statements cover from 01 January 2020 to 31 December 2020.

2.05 Loans and advances / investments

a) Loans and advances of Off-shore Banking Units are stated in the balance sheet on gross basis.

b) Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is not charged on bad and loss loans as per guidelines of the Bangladesh Bank. Records of such interest amounts are kept in separate memorandum accounts.

c) Provision for Loans and Advances has been made on the basis of measurement required and as per instructions by the Bangladesh Bank, BRPD Circular 14 and 19 dated 23 September 2012 and 27 December 2012 respectively.

2.06 Provision for liabilities

A provision is recognised in the balance sheet when the unit has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligations, in accordance with the IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

2.07 Interest income

In terms of the provisions of the IFRS-15 "Revenue from contracts with customers", the interest income is recognized on accrual basis.

2.08 Interest paid and other expenses

In terms of the provisions of the IAS - 1 "Presentation of Financial Statements" interest and other expenses are recognized on accrual basis.

2.09 Allocation of common expenses

Operating expenses in the nature of salary, rent, rates and taxes, management expenses, printing stationary, etc. are not allocated in the current year due to insignificant amount.

2.10 General

a) These financial statements are presented in BDT, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest BDT.

b) Assets and liabilities & income and expenses have been converted into BDT currency @ US\$1 = BDT 84.8020 (closing rate as at 31 December, 2020) and BDT 84.8666 (average rate which represents at the period end).

c) Fixed assets of this unit are appearing in the books of the main operation of the Bank and depreciation is also charged to Profit & loss Accounts of the main operation of the Bank.

	2020		2019	
	USD	BDT	USD	BDT
3.00 Balance with other Banks and financial institutions				
In Bangladesh	-	-	-	-
Outside Bangladesh	562,473	47,698,873	920,023	78,109,935
	562,473	47,698,873	920,023	78,109,935
4.00 Loans and advances				
i) Loans, cash credits, overdrafts etc.				
Term Loan	31,133,867	2,640,214,168	23,201,830	1,969,835,409
Usance Payable at Sight (UPAS)	149,453,604	12,673,964,542	111,354,152	9,453,967,519
	180,587,471	15,314,178,710	134,555,983	11,423,802,928
ii) Bills purchased and discounted				
Payable Inside Bangladesh				
Inland Documentary bills purchased	3,263,575	276,757,654	9,183,470	779,676,603
Foreign Documentary bills purchased	78,874	6,688,652	1,692,781	143,717,107
	3,342,448	283,446,306	10,876,251	923,393,710
Payable Outside Bangladesh	-	-	-	-
	183,929,919	15,597,625,016	145,432,234	12,347,196,638
4.01 Loans and Advances to Industrie				
Agro-based and agro-processing industry	-	-	7,689,498	652,838,384
Battery Manufacturing Industries	1,979,962	167,904,744	-	-
Beverage and Soft Drinks manufacturing Companies	160,034	13,571,178	-	-
Cement	4,415,522	374,445,098	4,718,821	400,627,903
Ceramic	690,867	58,586,909	1,910,333	162,187,272
Chemical & Chemical Products	196,793	16,688,442	2,564,718	217,744,558
Construction Companies	3,583,951	303,926,234	-	-
EDIBLE OIL MILLS	527,612	44,742,588	3,260,942	276,853,976
ELECTRICITY CO POWER & ENERGY	3,036,931	257,537,857	3,522,841	299,089,201
Electronic Goods Manufacturing/Assembling Industries (TV, Computer etc)	10,518,960	892,028,836	7,638,868	648,539,893
ENGINEERING AND SHIP BUILDING	-	-	600,879	51,014,627
Engineering, Metal & Metal Products	-	-	657,005	55,779,725
EXPORTER	1,090,451	92,472,455	-	-
FERTILIZER COMPANY	130,460	11,063,280	20,567	1,746,138
Fish feed and fish meal processing for poultry and livestock	7,931,345	672,593,897	-	-
FOOD PROCESSING INDS. (INCLUDING AGRO-BASED INDS.)	2,141,111	181,570,482	1,596,802	135,568,490
Garments Accessories manufacturing industries (Zipper, Button etc)	3,208,054	272,049,381	2,997,993	254,529,567

	2020		2019	
	USD	BDT	USD	BDT
GARMENTS FACTORIES	4,808,333	407,756,293	27,207,611	2,309,926,174
GLASS & GLASSWARE PRODUCTS FACTORIES	464,483	39,389,086	-	-
HOSPITALS & CLINICS	1,426,215	120,945,873	2,285,912	194,073,929
IMPORTER AND EXOORTER	5,620,182	476,602,716	-	-
LEATHER	167,294	14,186,837	65,356	5,548,724
LP GAS COMPANIES	3,334,672	282,786,863	-	-
Manufacturing of Electrical equipment & spares (cables, bulbs, switches etc)	12,576,175	1,066,484,776	694,539	58,966,361
Manufacturing of Transport Equipment	127,631	10,823,345	-	-
Manufacturing of Unani and Ayurvedic Medicines/Herbal Cosmetics	-	-	38,931	3,305,242
MILK PROCESSING INDUSTRIES	4,265,460	361,719,542	-	-
Other Agro based Industries.	1,413,671	119,882,163	-	-
Other Service Providing Organisations	2,708,810	229,712,478	-	-
OTHERS	4,492,089	380,938,127	7,202,581	611,499,149
Packaging Industries including paper boards	2,118,054	179,615,180	2,232,681	189,554,617
PAPER & PAPER PRODUCTS MANF. INDUSTRIES	40,112	3,401,536	-	-
Pharmaceuticals	4,071,489	345,270,386	11,166,098	948,001,720
Plastics and Rubber	-	-	1,065,872	90,492,533
Polymer and polythene industries	6,762,093	573,438,980	3,952,239	335,545,091
POULTRY FARMERS	172,909	14,663,004	112,037	9,511,941
POWER & ENERGY (including battery)	-	-	5,036,290	427,581,021
PRINTING & DYEING INDUSTRIES	7,455,273	632,222,036	8,702,436	738,836,816
PUBLISHING INDUSTRIES	-	-	83,666	7,103,243
Processing of bread and biscuits, vermicelli, laccha, chanachur, noodles etc.	480,827	40,775,052	-	-
Residential Hotels (Including 3star & Above)	528,779	44,841,517	-	-
RMG & Textile	-	-	11,968	1,016,083
RUBBER & PLASTIC INDUSTRIES	3,237,925	274,582,498	471,158	40,001,314
Satellite Cable Operator	22,710	1,925,838	116,025	9,850,523
Ship Breaking Industries	6,984,946	592,337,375	5,643,394	479,124,151
SPINNING MILLS	8,513,775	721,985,123	4,939,278	419,344,702
STEEL ENGG. & METALLIC PRODUCTS INDUSTRIES	28,882,651	2,449,306,554	6,987,671	593,253,268
SUGAR MILLS	216,064	18,322,680	434,624	36,899,578
TEXTILE MILLS	5,725,025	485,493,595	17,945,607	1,523,582,034
TOBACCO PROCESSING INDUSTRIES	292,102	24,770,834	-	-
WEAVING MILLS	16,360,541	1,387,406,626	-	-
WHOLE SALE TRADERS	6,464,627	548,213,300	-	-
WOOD & WOOD PRODUCTS MANF. INDUSTRIES	4,582,951	388,643,426	1,856,993	157,658,690
	183,929,919	15,597,625,016	145,432,234	12,347,196,638

4.02 Classification of Loans and Advances including bill discounted

Unclassified (UC):

Standard	183,929,919	15,597,625,016	145,432,234	12,347,196,638
Special Mention Account (SMA)	-	-	-	-
Sub total	183,929,919	15,597,625,016	145,432,234	12,347,196,638
Classified:				
Substandard	-	-	-	-
Doubtful	-	-	-	-
Bad & Loss	-	-	-	-
Sub total	-	-	-	-
Total	183,929,919	15,597,625,016	145,432,234	12,347,196,638

4.03 Geographical Location wise Loans and Advances

Inside Bangladesh

Urban

	2020		2019	
	USD	BDT	USD	BDT
Dhaka Division	129,312,553	10,965,963,121	119,649,708	10,158,260,231
Chittagong Division	43,103,230	3,655,240,096	17,698,989	1,502,644,197
Rajshahi Division	1,299,627	110,210,978	2,888,562	245,238,888
Sylhet Division	5,170,331	438,454,417	3,069,926	260,636,721
Khulna Division	1,225,145	103,894,757	1,915,238	162,603,744
Rangpur Division	-	-	112,038	9,512,013
Mymensingh Division	-	-	97,772	8,300,844
	180,110,886	15,273,763,370	145,432,234	12,347,196,638

Rural

Dhaka Division	-	-	-	-
Chittagong Division	1,295,515	109,862,261	-	-
Rajshahi Division	2,523,518	213,999,384	-	-
Sylhet Division	-	-	-	-
Khulna Division	-	-	-	-
Barishal Division	-	-	-	-
	3,819,033	323,861,646	-	-

Outside Bangladesh

	-	-	-	-
	183,929,919	15,597,625,016	145,432,234	12,347,196,638

5.00 Other Assets

Adjusting A/C Debit	311,231	26,392,976	2,051,643	174,184,451
Parking Account for Assets	2,500,000	212,005,000	-	-
	2,811,231	238,397,976	2,051,643	174,184,451

6.00 Borrowings from other Banks, financial institutions and agents

In Bangladesh

Outside Bangladesh	83,566,687	7,086,622,191	23,647,850	2,007,702,465
	98,503,690	8,353,309,920	121,251,542	10,294,255,894
	182,070,377	15,439,932,111	144,899,392	12,301,958,359

In Bangladesh:

Borrowing from Bank:				
Bangladesh Bank	3,166,687	268,541,391	3,647,850	309,702,465
Mutual Trust Bank Limited	50,400,000	4,274,020,800	-	-
Other Bank	30,000,000	2,544,060,000	20,000,000	1,698,000,000
	83,566,687	7,086,622,191	23,647,850	2,007,702,465

Outside Bangladesh

	98,503,690	8,353,309,920	121,251,542	10,294,255,894
	182,070,377	15,439,932,111	144,899,392	12,301,958,359

Outside Bangladesh

ASIAN DEVELOPMENT Bank	5,000,000	424,010,000	11,300,000	959,370,000
Bank MUSCAT SAOG	5,000,000	424,010,000	-	-
CAIXA Bank S.A.	29,350,000	2,488,938,700	32,000,000	2,716,800,000
COMMERZBank AG	-	-	5,000,000	424,500,000
DEG-DEUTSCHE INVESTITIONS	4,000,000	339,208,000	6,000,000	509,400,000
HABIB Bank AG ZURICH	153,690	13,033,220	-	-
HABIB Bank LIMITED SINGAPORE	2,500,000	212,005,000	-	-
HDFC Bank LIMITED	-	-	9,900,000	840,510,000
ICICI Bank LIMITED	5,000,000	424,010,000	5,000,000	424,500,000
INDUSIND Bank LTD	-	-	5,000,000	424,500,000
NOOR Bank P.J.S.C.	-	-	4,100,000	348,090,000
NORFUND	16,000,000	1,356,832,000	20,000,000	1,698,000,000
NMB Bank LTD	10,000,000	848,020,000	-	-
THE COMMERCIAL Bank (Q.S.C)	5,000,000	424,010,000	7,000,000	594,300,000
THE NATIONAL Bank OF RAS AL KHAIMAH	13,500,000	1,144,827,000	12,900,000	1,095,210,000
UNITED Bank LTD.	3,000,000	254,406,000	3,051,542	259,075,894
	98,503,690	8,353,309,920	121,251,542	10,294,255,894

	2020		2019	
	USD	BDT	USD	BDT
7.00 Deposits and other accounts				
Bank deposits	-	-	-	-
Customer Deposits:	-	-	-	-
Current deposits	-	-	7,982	677,690
Fixed Deposits	261,978	22,216,220	252,927	21,473,471
Sundry Deposits	-	-	13,000	1,103,700
	261,978	22,216,220	273,909	23,254,861
8.00 Other liabilities				
Adjusting A/C Credit	2,092,430	177,442,230	43,815	3,719,887
Due to Head Office (Retained earnings)	1,875,055	159,129,517	1,463,617	123,657,338
Interest Payable on Borrowing	1,003,784	85,122,915	1,723,167	146,296,837
Translation gain/(loss)	-	(121,129)	-	603,743
	4,971,269	421,573,533	3,230,598	274,277,803
9.00 Contingent Liabilities & Commitments				
Letter of Guarantee	-	-	130,000	11,037,000
	-	-	130,000	11,037,000
10.00 Interest income				
Interest on loans and advances	7,994,405	678,457,932	8,682,406	733,554,741
Foreign Currency Lending	212,990	18,075,737	-	-
	8,207,395	696,533,669	8,682,406	733,554,741
10.01 Interest on loans and advances				
Interest on term loan	1,306,488	110,877,200	962,900	81,353,016
Interest on UPAS	6,288,168	533,655,434	7,465,634	630,752,760
Interest on Placement to other OBU	-	-	1,896	160,174
Inland Documentary bills purchased	380,034	32,252,175	212,954	17,991,981
Foreign Documentary bills purchased	19,715	1,673,123	39,021	3,296,809
	7,994,405	678,457,932	8,682,406	733,554,741
10.02 Foreign Currency Lending				
Foreign Currency Lending	212,990	18,075,737	-	-
	212,990	18,075,737	-	-
11.00 Interest on deposits and borrowings, etc.				
Interest paid on deposits	6,480	549,949	5,570	470,586
Interest paid on borrowings	6,107,463	518,319,579	7,195,341	607,916,332
	6,113,943	518,869,528	7,200,910	608,386,918
12.00 Commission				
Commission on Letter of Guarantee	-	-	563	47,566
	-	-	563	47,566
13.00 Other Income				
Rebate & Other	90	7,652	193,980	16,388,885
	90	7,652	193,980	16,388,885
14.00 Other Expenses				
Bank Charge	59,437	5,044,243	55,291	4,671,415
Other Fees and Commission	159,050	13,498,033	157,130	13,275,521
	218,487	18,542,276	212,421	17,946,936



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHATTOGRAM OFFICE:

National House (1st Floor),
109, Agrabad Commercial Area,
Chattogram -4100, Bangladesh.
Phone : 880-31-711561
Pho/Fax : 880-31-723680
Web: www.shafiqbasak.com
E-mail: basak_sbc@yahoo.com
basak@shafiqbasak.com

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

DHAKA OFFICE - (1) :

Shatabdi Centre (4th & 6th Floor)
292, Inner Circular Road.
Fakirapool, Motijheel, Dhaka.
Phone/Fax: 880 -2-7192098,
Cell : +88 01730-080666
E-mail: skzislam86@gmail.com
skz4sbc@gmail.com
Web: www.shafiqbasak.com

Independent Auditor's Report To the Shareholders of MTB Securities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MTB SECURITIES LIMITED** which comprise the Statement of Financial Position as at 31st December 2020, Statements of profit or Loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the statement of financial position of **MTB SECURITIES LIMITED** as at 31st December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

While the overall effect on the company's business in the past year relating to the COVID-19 global pandemic still evolving at this point. The company is regularly monitoring the potential future impact on the company's operations.



INDEPENDENT MEMBER OF
A B A C U S
W O R L D W I D E

DHAKA OFFICE - (2) : House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.

Phone : 88-02-99859602-3, 01819-285196, E-mail: mahmoods.bd@gmail.com

In Practice Since 1993

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;
- c) The statements of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns.

Place: Dhaka
Date: March 03, 2021



Shafiq Basak
Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS608132

MTB Securities Limited

Statement of Financial Position As at 31 December, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
ASSETS			
A Non-Current Assets			
Property, plant & equipment	4	61,828,914	66,997,489
Investment in Stock Exchange	5	54,113,290	54,113,290
Strategic Investment in securities	6	40,382,014	39,920,046
		156,324,218	161,030,825
B Current assets			
Advances and prepayments	7	12,549,544	30,718,218
Investment in Marketable securities	8	917,259,318	745,699,093
Margin loan to clients	9	2,758,173,678	2,719,986,781
Accounts receivable	10	66,745,258	15,427,758
Advance Income Tax (AIT)	11	148,889,081	117,712,051
Cash & cash equivalents	12	853,809,508	559,619,728
		4,757,426,387	4,189,163,629
C Total Assets (A+B)		4,913,750,605	4,350,194,454
EQUITY AND LIABILITIES			
D Shareholders' equity			
Share capital	13	3,250,000,000	3,250,000,000
Retained earnings	14	321,894,832	253,536,377
Capital reserved for investment in DSE Share	15	48,113,290	48,113,290
		3,620,008,122	3,551,649,667
E. Liabilities			
Current Liabilities			
Accounts payable	16	764,974,766	336,438,852
Loan from MTB	17	20,708,246	-
Liabilities for expenses	18	25,189,231	16,578,855
Provision for income tax	19	94,084,956	71,973,559
Deferred tax liability	20	4,796,493	5,079,361
Provision for margin loan	21	313,988,791	308,474,160
Provision for investment in securities	22	70,000,000	60,000,000
		1,293,742,483	798,544,787
Total equity and liabilities(D+E)		4,913,750,605	4,350,194,454
Net Assets Value (NAV) per share	23	11.14	10.93

The annexed notes form an integral part of these financial statements.


Chief Executive Officer


Vice Chairman


Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: March 03, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS608132

MTB Securities Limited

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December, 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Operating Income		364,556,173	328,614,644
Brokerage commission	24	203,510,873	160,454,397
Interest income	25	91,308,510	111,183,618
Income from investment	26	59,671,993	45,807,527
Margin account maintenance	27	608,940	714,692
Depository participant	28	9,089,722	9,829,381
Other operating income	29	366,135	625,029
Less: Operating expenses		178,823,752	164,468,957
Laga charge		12,813,167	10,392,333
CDBL charge	30	14,364,650	12,309,234
Sales Associate Commission		14,391,133	4,897,152
Office & administrative expenses	31	137,254,802	136,870,238
Net operating income		185,732,421	164,145,687
Less: Financial expenses	32	2,702,519	73,333
Profit before provision		183,029,902	164,072,354
Less: Provision for margin loan	33	80,000,000	39,000,000
Less: Provision for investment in securities	34	10,000,000	31,000,000
		90,000,000	70,000,000
Net profit before income tax		93,029,902	94,072,354
Less: Income tax expenses	35	24,671,447	32,352,669
Net profit after tax		68,358,455	61,719,685
Other Comprehensive Income:			
Unrealized Gain / (Loss) from Investment In DSE Shares	15	-	-
Total Comprehensive Income		68,358,455	61,719,685
Earnings Per Share (EPS)	36	0.21	0.19

The annexed notes form an integral part of these financial statements.


Chief Executive Officer


Vice Chairman


Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: March 03, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS608132

MTB Securities Limited

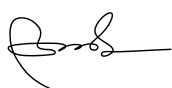
Statement of Changes in Equity For the year ended 31 December, 2020

Amount in BDT

Particulars	Paid up capital	Retained Earnings	Capital Reserved for DSE Investment	Total
Balance as on 01 January, 2020	3,250,000,000	253,536,377	48,113,290	3,551,649,667
Add: Net profit after tax for the year	-	68,358,455	-	68,358,455
Balance as on 31 December, 2020	3,250,000,000	321,894,832	48,113,290	3,620,008,122

Amount in BDT

Particulars	Paid up capital	Retained Earnings	Capital Reserved for DSE Investment	Total
Balance as on 01 January, 2019	3,250,000,000	191,816,692	48,113,290	3,489,929,982
Add: Net profit after tax for the year	-	61,719,685	-	61,719,685
Add: Addition during the year	-	-	-	-
Balance as on 31 December, 2019	3,250,000,000	253,536,377	48,113,290	3,551,649,667



Chief Executive Officer



Vice Chairman



Chairman

Place: Dhaka


Date: March 03, 2021

MTB Securities Limited

Statement of Cash Flows For the year ended 31 December, 2020

Particulars	Amount in BDT	
	2020	2019
Cash flow from operating activities:		
Net profit during the year (after tax)	68,358,455	61,719,685
Add : Amount considered as non cash items :		
Depreciation charge during the year	5,963,672	6,442,730
Increase/(decrease) in provision for expenses	8,610,376	(1,578,200)
Increase/(decrease) in provision for margin loan	5,514,631	(9,989,716)
Increase / (decrease) in provision for investment in securities	10,000,000	31,000,000
Loss on sales on fixed assets	862,832	-
Increase/(decrease) in provision for income tax	22,111,397	32,109,036
Increase/(decrease) in deferred tax liability	(282,868)	243,633
Sub total of non cash items	52,780,040	58,227,483
Changes in working capital components		
Increase/(decrease) in accounts payable	428,535,914	(50,263,825)
(Increase)/decrease in accounts receivable	(51,317,500)	27,498,479
(Increase)/decrease in advance income tax	(31,177,030)	(30,131,994)
(Increase)/decrease in advance & prepayment	18,168,674	5,394,680
	364,210,058	(47,502,660)
A) Net cash inflow from operating activities	485,348,553	72,444,508
Cash flow from investing activities:		
(Increase)/decrease in Investment in securities Dealer	(171,560,225)	(167,136,449)
(Increase)/decrease in purchase of premises & fixed asset	(1,796,649)	(1,600,424)
Sales of Assets	138,721	-
(Increase)/decrease in margin loan to clients	(38,186,897)	(71,785,325)
(Increase)/decrease in Membership at cost	-	-
(Increase)/decrease in Investment in Strategic Investment	(461,968)	(11,196,738)
B) Net cash outflow from investing activities	(211,867,018)	(251,718,936)
Cash flow from financing activities :		
Increase/(decrease) in short term borrowing	20,708,246	-
Dividend paid	-	-
C) Net cash outflow from financing activities	20,708,246	-
D) Net cash increase / (decrease) (A+B+C)	294,189,781	(179,274,428)
E) Opening cash and cash equivalents	559,619,728	738,894,156
F) Closing cash and cash equivalents (D+E)	853,809,508	559,619,728
Net operating cash flow per share (NOCFPS)	1.49	0.22

Note: 37



Chief Executive Officer



Vice Chairman



Chairman

Place: Dhaka

Date: March 03, 2021

MTB Securities Limited

Notes to the Financial Statements For the year ended 31 December, 2020

1.00 Company and its activities

i.01 Legal status of the company

MTB Securities Limited was incorporated in Bangladesh as a private limited company on March 01, 2010 vide its registration No. 82868/10 and converted into public Ltd. company in the year 2015 under The Companies Act 1994. The company has started its commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Brokerage registration is REG 3.1/DSE-197/2010/427 and Dealer registration is REG 3.1/DSE-197/2010/428.

1.02 Nature of business

The main object of MTB Securities Limited is to act as a TREC holder of stock exchange, the depository participant of the Central Depository System (CDS) and to carry on business of broker, or dealers in stocks, securities, bonds, debentures etc. The company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the company in shares, stocks, and fixed income securities

2.00 Significant accounting policies

2.01 Basis of preparation of financial statements

The Financial Statement of MTB Securities Limited includes the Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and notes to the Financial Statements and disclosures. This Financial Statement have been prepared under the historical cost convention on a going concern basis in accordance with International Accounting Standards (IAS), The Companies Act 1994, Securities and Exchange Rules, 1987 and other Laws and Regulations applicable to the company.

2.02 Implimentation of IFRS 16 "Leases"

The company has currently low value lease agreements of its offices. The lease are short term leases. Resultantly the leases are not treated as right-of-us assets. As such thje effect of IFRS 16 is very immaterial compared to the volume of whole financial statements.

2.03 Statement of cash flows

Cash flow statement is prepared in accordance with the International Accounting Standards (IAS - 7): "Statement of Cash Flows" and the cash flows from operating activities have been presented under indirect method.

2.04 Property and equipment

Depreciation of fixed asset is charged using reducing balance method as per IAS- 16 "Property, Plant and Equipment". Depreciation of an asset begins, when it is available for use. The rates of depreciation used to write off the amount of assets are as follows:

Category of assets	Rate of depreciation
Furniture	10%
Office equipment	20%
Furniture and fixtures	10%
Premises	5%

2.05 Revenue recognition

Revenue which comprises of brokerage commission, interest income and other income are recognized in accordance with International Financial Reporting Standard (IFRS) 15: "Revenue from Contracts with Customers".

2.06 Provision for income tax

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2020.

2.07 Provision for expenses

Provision for expenses is recognized when the company has a present obligation as a result of a past event and it is probable that an outflow of resources embedding economic benefits will be required to settle the present obligations and reliable estimate of the amount can be measured.

2.08 Cash and cash equivalent

Cash and cash equivalent includes cash at Bank which are held and are available for use by the Company

2.09 Reporting period

The financial statement covers for the period from January 01, 2020 to December 31, 2020.

3.00 General

The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

		Amount in BDT	
		2020	2019
9.00	Margin loan to clients		
	This amount represents the margin loan balance with clients provided by the company at the balance sheet date, which includes principal amount and accrued interest on margin loan during the year 2020.		
	Opening Balance	2,719,986,781	2,648,201,456
	Add: Addition during the year	261,450,000	108,576,197
	Add: Interest during the year	70,953,888	68,733,309
	Less: Written off during the year	74,485,369	48,989,716
	Less: Adjustment during the year	219,731,622	56,534,465
		2,758,173,678	2,719,986,781
10.00	Accounts receivable		
	Receivable from (DSE) Broker (Note 10.01)	65,732,248	8,813,811
	Receivable from (DSE) Dealer (Note 10.02)	1,013,010	77,154
	Dividend receivable	-	6,536,793
		66,745,258	15,427,758
10.01	Receivable from Dhaka Stock Exchange (DSE)-Broker		
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Broker.		
10.02	Receivable from Dhaka Stock Exchange (DSE)-Dealer		
	This balance has been resulted from sale of shares through Dhaka Stock Exchange Limited (DSE)-Dealer.		
11.00	Advance income tax		
	Opening balance	117,712,051	87,580,057
	Add: Addition during the year (Note 11.01)	32,571,720	30,131,994
	Less: Adjusted during the year	1,394,690	-
		148,889,081	117,712,051
11.01	Addition during the year		
	Brokerage commission	26,813,972	21,079,948
	Bank interest	2,035,462	4,245,031
	Dividend income	3,722,286	4,807,015
		32,571,720	30,131,994
12.00	Cash and cash equivalents		
	FDR		
	Mutual Trust Bank Limited	100,000,000	100,000,000
	Union Capital Limited	44,000,000	74,000,000
	Hajj Finance Company Limited	-	30,000,000
		144,000,000	204,000,000
	SND		
		A/C No.	
	Mutual Trust Bank Ltd (SND)	0002-0320000724	100,843
	Mutual Trust Bank Ltd (SND)	0002-0320001438	265,024
	Mutual Trust Bank Ltd (SND)	0002-0320001081	-
	Mutual Trust Bank Ltd (CCA)	0087-0320000296	336,535,787
	Mutual Trust Bank Ltd (SND)	0002-0320002080	888,657
	Mutual Trust Bank Ltd (SND)	0087-0320000278	751,524
	Mutual Trust Bank Ltd (SND)	0002-0320001634	-
	Mutual Trust Bank Ltd (Dealer)	0087-0320000287	1,117,488
	Mutual Trust Bank Ltd (Strategic)	0087-0320000376	80,098
	Mutual Trust Bank Ltd (IPO)	0087-0320000063	28,482,403
	IFIC Bank limited (Dealer)	1090358680041	451,864
	Standard Chartered (CCA)	01114647901	330,475,204
	Standard Chartered (SND)	02114647901	50,313
			699,199,205
	Cash in hand (Cheque in hand)	10,610,303	951,375
		853,809,508	559,619,728

		Amount in BDT	
		2020	2019
13.00	Share capital		
13.01	Authorized capital 500,000,000 ordinary shares of Taka 10 each.	5,000,000,000	5,000,000,000
13.02	Issued, subscribed and paid-up capital 325,000,000 ordinary shares of Taka 10 each fully paid.	3,250,000,000	3,250,000,000
13.03	Shareholding Position of the Company		
	Share Holders	Number of Share	Percentage
	Mutual Trust Bank Limited	324,994,000	99.998%
	Mr. Chowdhury Akhtar Asif	1,000	0.002%
	Mr. Md. Hashem Chowdhury	1,000	
	Mr. Goutam Prosad Das	1,000	
	Md. Khalid Mahmood Khan	1,000	
	Mr. Abdul Mannan	1,000	
	Mr. Md. Nazrul Islam Mazumder	1,000	
	Total	325,000,000	100.00%
14.00	Retained earnings		
	Opening balance	253,536,377	191,816,692
	Net profit during the year	68,358,455	61,719,685
	Dividend paid during the year	-	-
		321,894,832	253,536,377
15.00	Capital reserve for investments with DSE		
	Shares issued by DSE	48,113,290	48,113,290
	Less: Membership cost	-	-
		48,113,290	48,113,290
16.00	Accounts Payable		
	It represents money deposited by client for trading purpose. The details are as follows:		
	Payable to clients (Note 16.01)	674,458,998	276,020,912
	Payable to (DSE) (Note 16.02)	2,364,256	23,211,122
	Payable to (DSE) -dealer (Note 16.02)	108,823	2,911
	IPO Payable (Note 16.03)	59,087,200	-
	Suppliers/Vendors & Others Payable (Note 16.04)	28,955,489	37,203,907
		764,974,766	336,438,852
16.01	Payable to clients		
	This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's Bank account.		
16.02	Payable to Dhaka Stock Exchange (DSE)		
	This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.		
16.03	IPO payable		
	This balance represents payable to IPO issuers. IPO Submission date closed 30.12.2020 accordingly fund was transferred to the IPO account on the following working date i.e 03.01.2021.		
16.04	Suppliers/Vendors & Others Payable		
	This balance represents payable to various suppliers, cheques issued to various client but not yet cleared.		
17.00	Loan from MTB		
	This represents amount received from Mutual Trust Bank (MTB) Limited for margin loan paid to customers and other operating purpose for the MTB Securities Limited		
	Opening balance	-	-
	Add: During the year	20,708,246	-
	Less: Cash paid during the year	-	-
		20,708,246	-

		Amount in BDT	
		2020	2019
18.00	Liabilities for expenses		
	Salary & Allowances	10,627,518	8,019,336
	Office rent	2,933,590	165,120
	Electricity bill	583,426	248,130
	Mobile & T&T bill	41,500	48,000
	Advertisement	122,306	74,986
	Audit Fee	69,000	69,000
	Repair & Maintenance	209,873	220,373
	Office Maintenance	316,184	380,184
	Cleaning of Office Premises	211,969	199,347
	Utility bill	1,057,473	310,196
	Entertainment	93,004	203,004
	Security Service Bill	381,828	263,457
	CDBL Charge	1,600,662	368,864
	Software Maintenance	337,700	137,700
	Marketing & Business Development cost	1,042,455	792,455
	Provision for foreign trade commission repatriation	4,671,353	4,671,353
	Travelling expenses	150,000	-
	Profotional Fees	115,000	-
	Others Expenses	624,390	407,350
		25,189,231	16,578,855
19.00	Provision for income tax		
	Opening balance	71,973,559	39,864,523
	Addition during the year (Note: 19.01)	24,954,315	32,109,036
	Payment during the year	(2,842,918)	-
		94,084,956	71,973,559
19.01	Addition during the year		
	Current tax expenses (Note: 35)	24,954,315	32,109,036
		24,954,315	32,109,036
20.00	Deffered Tax Liability		
	Deffered tax is calculated on the difference between tax base of asset & liability and carrying amount of asset & liability on the financial statement as per IAS 12 (Income Taxes).		
	Opening Balance	5,079,361	4,835,728
	Deffered tax income during the year (Annexure-E)	(282,868)	243,633
		4,796,493	5,079,361
21.00	Provision for margin loan:		
	Opening balance	308,474,160	318,463,876
	Add: Addition during the year (Note: 33)	80,000,000	39,000,000
	Less: Written off during the year	74,485,369	48,989,716
		313,988,791	308,474,160
22.00	Provision for investment in Securities)		
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
	Opening balance	60,000,000	29,000,000
	Addition during the year (Note: 34)	10,000,000	31,000,000
		70,000,000	60,000,000
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
23.00	Net Assets Value (NAV) per share		
	Net Assets (23.01)	3,620,008,122	3,551,649,667
	Number of ordinary shares outstanding	325,000,000	325,000,000
		11.14	10.93
23.01	Net Assets		
	Total Assets	4,913,750,605	4,350,194,454
	Less: Liabilities	1,293,742,483	798,544,787
		3,620,008,122	3,551,649,667

		Amount in BDT	
		2020	2019
24.00	Brokerage commission		
	Brokerage commission	203,510,873	160,454,397
		203,510,873	160,454,397
	The amount of Taka 203,510,873 is charged on daily turnover during the year as per rate decided by the management of the company.		
25.00	Interest Income		
	Interest Income Comprises of Interest on margin loan and Interest on Bank deposited with various Bank .		
	Interest on margin loan	70,953,888	68,733,309
	Interest on Bank deposit with MTB	14,992,277	25,770,703
	Interest on Bank deposit with other Bank	5,362,345	16,679,606
		91,308,510	111,183,618
26.00	Income From Investment		
	Gain/ (loss) on sale of securities -Dealer	41,021,557	19,140,128
	Gain/ (loss) on sale of Strategic Investment	39,006	2,632,322
	Dividend Income on Strategic Investment	604,210	1,474,000
	Dividend Income on investment-Dealer	18,007,220	22,561,077
		59,671,993	45,807,527
27.00	Margin account maintenance		
	Margin account maintenance	608,940	714,692
		608,940	714,692
	The amount of Taka 608,940 represents service charges on margin account, which were received from the customer during the year.		
28.00	Depository participant		
	BO maintenance fees	9,002,700	9,542,700
	Dematerialization charges	2,000	10,786
	CDS charges	85,022	275,895
		9,089,722	9,829,381
	This amount represents BO maintenance, demate charge and CDS charges.		
29.00	Other operating income		
	Other Income	366,135	625,029
		366,135	625,029
	Other income represents Cheque return charge & IPO application fee charged on the customer.		
30.00	CDBL charges		
	CDBL charges	14,364,650	12,309,234
		14,364,650	12,309,234
	The amount of Taka represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.		
31.00	Office & administrative expenses		
	Salary & Allowances	83,982,337	81,739,725
	Office rent	26,782,188	26,647,422
	Insurance expenses	274,757	220,448
	Electricity bill	2,148,674	1,699,293
	Postage & telegraph	190,437	85,049
	Mobile & T&T bill	542,400	722,100
	Table/Petty stationary	317,254	532,439
	Computer stationary	305,955	359,751
	Advertisement -Company's Own	47,320	310,511
	Directors' fees	525,800	554,400
	Audit fee	69,000	69,000
	Depreciation	5,963,672	6,442,730
	Repair & Maintenance	336,720	343,618
	Maintenance of office premises	313,996	274,084
	Car expenses	1,587,222	2,026,456
	Securities service	3,376,567	3,217,228

	Amount in BDT	
	2020	2019
Office cleaning	2,138,950	2,385,565
Utility bill	3,648,075	2,181,637
Conveyance	170,494	266,835
Entertainment -Refreshment/Party Diner	777,057	1,658,198
Periodical, Magazine, News paper	38,278	45,506
Bank charge & excise duty	345,090	217,676
Training expenses	-	47,299
Traveling expenses	150,000	300,475
Software maintenance	378,500	200,000
Business Development Expenses	250,000	483,677
Foreign trade commission repatriation	-	2,781,939
Registration charge, fees & renewal	1,355,072	991,677
IPO Apply charge	28,000	-
Loss on sales of Fixed Assets	862,832	-
Professional fees	348,155	65,500
	137,254,802	136,870,238

32.00 Financial expenses

Financial expenses	2,702,519	73,333
	2,702,519	73,333

The amount of Taka 2,702,519 interest expense represents as financial expense on Loan from Mutual trust Bank (MTB).

33.00 Provision for margin loan made during the year

This provision is made as per BSEC guideline and to reduce the risk of investment .

Provision for margin loan	80,000,000	39,000,000
	80,000,000	39,000,000

34.00 Provision for investment in securities made during the year

This provision is made as per BSEC guideline to reduce the risk of investment .

Provision for investment in securities	10,000,000	31,000,000
	10,000,000	31,000,000

35.00 Income tax expenses made during the year

Current tax (Annexure-D)	24,954,315	32,109,036
Deferred tax (Annexure-E)	(282,868)	243,633
	24,671,447	32,352,669

36.00 Earnings Per Share (EPS)

Net profit after tax	68,358,455	61,719,685
Number of ordinary shares outstanding	325,000,000	325,000,000
Earnings Per Share (EPS)	0.21	0.19

37.00 Net operating cash flows per share (NOCFPS)

Net operating cash flows	485,348,553	72,444,508
Number of shares	325,000,000	325,000,000
	1.49	0.22

38.00 Related party transactions

Name of the party	Nature of transactions	Taka
Mutual Trust Bank Limited	Loan from MTB	20,708,246
Md. Nazrul Islam Mazumder (CEO)	Advance	1,070,135

39.00 Number of employees

The number of employees engaged for the whole year or part there of, who received a total remuneration of Taka 40,000 or above, were 56 persons.

Annexure- A

MTB SECURITIES LIMITED

Schedule of Property, Plant & Equipment As at 31 December , 2020

Particulars	Cost				Rate	Depreciation				Written down value as on 31.12.2020
	Balance as on 01.01.2020	Addition during the year	Disposal during the year	Balance as on 31.12.2020		Balance as on 01.01.2020	Charge for the year	Disposal for the year	Balance as on 31.12.2020	
Furniture	1,839,599	96,373	539,174	1,396,798	825,795	106,525	405,387	526,933	869,865	
Fixture & fittings	47,353,198	1,303,163	1,319,596	47,336,765	22,007,398	2,654,907	558,284	24,104,021	23,232,744	
Office equipment	32,453,934	397,113	2,363,924	30,487,123	24,407,334	1,572,675	2,257,471	23,722,538	6,764,585	
Premises	46,365,000	-	-	46,365,000	13,773,715	1,629,565	-	15,403,280	30,961,720	
Balance as December 31, 2020	128,011,731	1,796,649	4,222,694	125,585,686	61,014,242	5,963,672	3,221,142	63,756,772	61,828,914	

Annexure- B

MTB SECURITIES LIMITED

Statement of Strategic Investment in Securities As at 31 December , 2020

Amount in BDT

Serial no.	Name of the Company	Quantity	Cost Value	Market Value
1	ACI Limited	17,710	4,738,310.00	4,356,660.00
2	Apex Tannery Ltd	24,300	3,333,960.00	2,597,670.00
3	BD Steel Re-Rolling Mills Ltd.	11,000	934,450.00	662,200.00
4	Delta Life Insurance	10,000	1,169,100.00	682,000.00
5	Dhaka Bank Ltd.	77,175	1,275,703.00	918,383.00
6	ICB	23,100	2,705,472.00	2,282,280.00
7	Khulna Power Co. Ltd	125,000	9,032,500.00	5,662,500.00
8	Meghna Cement	24,255	2,237,281.00	1,760,913.00
9	Olympic Industries	16,000	3,963,680.00	3,057,600.00
10	Padma Oil Co. Ltd	2,600	638,794.00	533,260.00
11	SAMORITA	21,500	1,490,380.00	1,302,900.00
12	Shasha Denims Ltd	60,637	2,992,436.00	1,309,759.00
13	Summit Power Ltd.	102,500	4,346,000.00	3,987,250.00
14	Unique Hotel &Resort	29,200	1,523,948.00	1,156,320.00
Total			40,382,014.00	30,269,695.00

Annexure- C

MTB SECURITIES LIMITED

Statement of Investment in Securities

As at 31 December , 2020

Amount in BDT

SL.No.	Name of the Company	Share Quantity	Cost Value	Market Value
1	aamra technologies	126,000	4,479,300.00	3,326,400.00
2	ACI Formulations Limited	80,500	11,114,635.00	9,507,050.00
3	ACI Limited	156,000	38,711,400.00	38,376,000.00
4	Active Fine Chemical	600,000	22,758,000.00	10,140,000.00
5	AFC Agro Biotech Ltd	167,200	5,238,376.00	2,842,400.00
6	Aftab Automobiles	35,000	1,722,000.00	934,500.00
7	Agni Systems Limited	225,000	4,520,250.00	4,252,500.00
8	ALLTEX	280,000	5,854,800.00	2,520,000.00
9	Aman Cotton Fibrous Limited	700,000	37,191,000.00	25,550,000.00
10	Apex Tannery Ltd	145,200	17,816,040.00	15,521,880.00
11	ARAMITCEM	80,000	2,151,200.00	1,392,000.00
12	Argon Denims Limited	93,712	2,692,346.00	1,846,126.40
13	Bashundhara Paper	145,200	15,989,424.00	6,446,880.00
14	BBS Cables Ltd.	385,000	27,812,400.00	21,098,000.00
15	BD Steel Re-Rolling Mills Ltd.	818,607	61,649,293.00	49,280,141.40
16	BDCOM ONLINE LTD.	280,000	7,394,800.00	6,720,000.00
17	BSRM Steel Limited	100,000	6,932,000.00	4,250,000.00
18	Central Pharma Ltd	1,386,000	36,715,140.00	16,770,600.00
19	Dragon Sweater and Spinning Ltd.	100,000	1,305,000.00	1,280,000.00
20	Esquire Knit Composite Ltd.	20,890	835,600.00	549,407.00
21	First Finance Ltd.	100,000	2,004,000.00	650,000.00
22	Fortune Shoes Limited	40,750	978,815.00	945,400.00
23	FUWANGCER	150,000	1,845,000.00	1,755,000.00
24	GBB Power Limited	700,000	14,161,000.00	10,290,000.00
25	GSP Finance (BD) Ltd	231,500	4,880,599.00	4,630,000.00
26	Heidelberg Cement	80,000	28,839,200.00	11,968,000.00
27	HRTEX	50,000	2,070,500.00	2,005,000.00
28	Hwa Well Textiles BD	33,000	1,367,520.00	1,148,400.00
29	ICB	200,000	19,950,000.00	19,760,000.00
30	IFIC	200,000	2,952,000.00	3,040,000.00
31	IFIC Bank 1st MF	1,000,000	6,630,000.00	6,100,000.00
32	Jamuna Bank Limited	312,000	6,152,640.00	5,865,600.00
33	Kattali Textile Ltd	1,015,200	16,263,504.00	11,065,680.00
34	LafargeHolecim Bangladesh Limited	120,000	5,761,200.00	5,736,000.00

Annexure- C

MTB SECURITIES LIMITED

Statement of Investment in Securities

As at 31 December , 2020

Amount in BDT

SL.No.	Name of the Company	Share Quantity	Cost Value	Market Value
35	Meghna Cement	743,696	62,358,910.00	53,992,329.60
36	Meghna Petroleum Ltd.	450,000	95,580,000.00	89,100,000.00
37	Mercantile Bank Ltd	525,000	8,121,750.00	6,667,500.00
38	Mercantile Ins. Ltd.	20,000	971,800.00	912,000.00
39	MIDAS Financing Ltd.	265,000	4,642,800.00	4,876,000.00
40	MJL Bangladesh Ltd.	250,000	27,575,000.00	19,225,000.00
41	National Housing Finance	85,000	3,290,350.00	3,417,000.00
42	National Tubes Ltd	260,510	32,516,858.00	26,910,683.00
43	Navana CNG Limited	460,000	21,068,000.00	17,066,000.00
44	New Line Clothings Ltd.	130,000	2,226,900.00	2,210,000.00
45	Orion Pharma Limited	400,000	23,700,000.00	21,880,000.00
46	Padma Oil Co. Ltd	107,000	28,969,180.00	21,945,700.00
47	Peninsula Chittagong	340,000	7,962,800.00	7,650,000.00
48	Pubali Bank Ltd.	120,046	4,260,433.00	2,893,108.60
49	Quasem Industries Limited	710,000	38,332,900.00	32,660,000.00
50	Queen South Textile	410,400	13,826,376.00	10,547,280.00
51	R. N. Spinning Mills	200,000	3,386,000.00	780,000.00
52	Rangpur Foundry Ltd.	27,103	3,685,466.00	3,344,510.20
53	Ratanpur Steel	50,000	2,773,000.00	1,230,000.00
54	Robi Axiata Limited	131,000	1,310,000.00	3,903,800.00
55	Sea Pearl Beach Resort & Spa Ltd.	1,865	18,650.00	147,521.50
56	Shahjibazar Power Co	45,404	3,658,200.00	3,328,113.20
57	Shinepukur Ceramics Ltd.	100,000	3,328,000.00	3,280,000.00
58	Simtex Industries Limited	100,000	1,666,000.00	1,650,000.00
59	Summit Alliance Port	75,316	3,438,175.00	2,334,796.00
60	Tallu Spinning Mills	300,000	9,132,000.00	1,350,000.00
61	The ACME Laboratories Ltd.	200,000	18,850,000.00	14,940,000.00
62	Titas Gas T&D Co. Ltd.	300,000	16,320,000.00	9,240,000.00
63	Tosrifa Industries Ltd.	336,803	7,571,331.00	4,378,439.00
64	UNITED FINANCE	380,000	6,699,400.00	6,726,000.00
65	Western Marine	466,785	11,795,657.00	5,461,384.50
66	Zahintex Industries	120,000	1,508,400.00	672,000.00
Total			897,283,318.00	692,282,130.40

Annexure- D

MTB SECURITIES LIMITED

Calculation of Tax Liability

Accounting year ended 31 December 2020

Calculation of Tax Liability	Taka	Rate	Taka
Income from Business	31,974,545	32.5%	10,391,727
Other income:			
Other income (without Dividend)	20,720,757	32.5%	6,734,246
Income from capital gain (Investment in share)	41,060,563	10%	4,106,056
Income from Dividend	18,611,430	20%	3,722,286
Total income	<u>112,367,295</u>		<u>Tax liability 24,954,315</u>
Less: Tax Paid (S.Tax)			32,571,720
Less: Tax Refund			-
Total tax paid/Refund			<u>32,571,720</u>
Net tax payable			<u><u>(7,617,405)</u></u>

Annexure- E

Calculation of Deffered Tax

For the year ended 31 December, 2020

Deferred Tax Liabilities

	Amount in BDT	
	2020	2019
Taxable Temporary Difference:		
Carrying Value of Depreciable Fixed Assets	61,828,914	66,997,489
TAX Base Value	(47,070,471)	(52,485,026)
Taxable Temporary Difference	<u>14,758,443</u>	<u>14,512,462</u>
Net Taxable temporary differences	<u>14,758,443</u>	<u>14,512,462</u>
Applicable TAX Rate	32.50%	35.00%
Deferred TAX (Assets)/Liabilities	<u>4,796,494</u>	<u>5,079,362</u>
Deferred Tax Expenses is arrived at as follows:		
Closing Deferred TAX Liabilities	4,796,494	5,079,362
Opening Deferred TAX Liabilities	(5,079,362)	(4,835,729)
Deferred Tax (Income)/Expenses for the Year	<u><u>(282,868)</u></u>	<u><u>243,633</u></u>



শফিক বসাক এন্ড কোং
SHAFIQ BASAK & CO.

CHATTOGRAM OFFICE:

National House (1st Floor),
109, Agrabad Commercial Area,
Chattogram -4100, Bangladesh.
Phone : 880-31-711561
Pho/Fax : 880-31-723680
Web: www.shafiqbasak.com
E-mail: basak_sbc@yahoo.com
basak@shafiqbasak.com

CHARTERED ACCOUNTANTS

Partners:

Md. Shafiqul Islam, FCA
Sampad Kumar Basak, FCA
Sarwar Mahmood, FCA
Sheikh Zahidul Islam, MBA, FCA

DHAKA OFFICE - (1) :

Shatabdi Centre (4th & 6th Floor)
292, Inner Circular Road.
Fakirapool, Motijheel, Dhaka.
Phone/Fax: 880 -2-7192098,
Cell : +88 01730-080666
E-mail: skzislam86@gmail.com
skz4sbc@gmail.com
Web: www.shafiqbasak.com

Independent Auditor's Report To the Shareholders of MTB Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MTB Capital Ltd. (the company), which comprise the statement of financial position as at 31 December, 2020, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of MTB Capital Ltd. as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Securities Exchange Rules 1987 and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdictions, and we have fulfilled our other ethical responsibilities in accordance these requirements and with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

While the overall effect on the company's business in the post year relating to COVID-19 global pandemic still evolving at this point. The company is regularly monitoring the potential future impact on the company's operations.



INDEPENDENT MEMBER OF
A B A C U S
W O R L D W I D E

DHAKA OFFICE - (2) : House - 42 (1st Floor), Road - 01, Block - A, Niketan, Gulshan - 01, Dhaka.

Phone : 88-02-99859602-3, 01819-285196, E-mail: mahmoods.bd@gmail.com

In Practice Since 1993

We have fulfilled the responsibilities described in the Auditors' Responsibilities of the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risk of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Other Information

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management but not for the purpose expressing an opinion on the effectiveness of the company's internal control.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

Place: Dhaka
Date: March 03, 2021



Shafiq Basak

Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS795636

MTB Capital Ltd.

Statement of Financial Position As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
ASSETS			
Non-Current Assets		3,708,919	4,300,077
Property, Plant & Equipment	4	3,708,919	4,300,077
Current Assets		638,561,529	473,623,846
Investment in Securities	5	262,994,112	165,060,175
Margin Loan to Clients	6	291,557,048	241,114,007
Accounts Receivable	7	37,630,614	17,441,697
Advance and Prepayments	8	27,821,003	41,266,779
Cash & Cash Equivalents	9	18,558,752	8,741,189
Total Assets		642,270,448	477,923,923
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity		377,328,638	363,848,678
Share Capital	10	356,883,500	339,889,000
Retained Earnings	11	20,445,138	23,959,678
LIABILITIES			
Non-Current Liabilities		123,123	141,535
Deferred Tax Liability	12	123,123	141,535
Current Liabilities		264,818,687	113,933,710
Short Term Loan	13	133,621,742	-
Accounts Payable	14	20,848,881	10,850,432
Provision for diminution in value of Investments	15	22,000,000	20,000,000
Provision for Margin Loan	16	32,000,000	30,000,000
Provision for Current Tax	17	36,675,383	51,717,778
Other Liabilities	18	19,672,681	1,365,500
Total Liabilities		264,941,810	114,075,245
Total Shareholders' Equity and Liabilities		642,270,448	477,923,923
Net Assets Value (NAV) per share	19	105.73	101.95

The annexed notes are integral part of these Financial Statements.


Chief Executive Officer


Director


Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: March 03, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS795636

MTB Capital Ltd.

Statement of Profit or Loss and other Comprehensive Income As at 31 December 2020

Particulars	Notes	Amount in BDT	
		2020	2019
Operating income		46,820,723	59,705,647
Interest Income	20	22,893,511	33,470,666
Income from Investment	21	12,784,445	9,204,906
Underwriting Commission	22	67,500	538,750
Issue Management Fees	23	3,436,000	7,980,937
Settlement Fees and Documentation Charges	24	2,829,715	1,485,606
Portfolio Management Fees	25	3,178,578	4,328,744
Trustee Fees	26	650,000	1,150,000
Other Operating Income	27	980,974	1,546,038
Less: Operating Expense		20,659,394	20,504,219
Office & Administrative Expenses	28	20,659,394	20,504,219
Operating Profit		26,161,329	39,201,428
Less: Interest Expense	29	3,352,742	-
Profit before Provision and Tax		22,808,587	39,201,428
Provision		4,000,000	22,000,000
Provision for Diminution in value of Investments	30	2,000,000	7,000,000
Provision for Margin loan	31	2,000,000	15,000,000
Net Profit before Tax		18,808,587	17,201,428
Income Tax Expenses	32	5,328,627	13,198,157
Current Tax Expense		5,347,039	13,212,994
Deferred Tax Expense/(Income)		(18,412)	(14,837)
Net Profit after Tax		13,479,960	4,003,271
Earnings per Share	33	3.78	1.12

The annexed notes are integral part of these Financial Statements.


Chief Executive Officer


Director


Chairman

Signed as per annexed report on even date.

Place: Dhaka
Date: March 03, 2021.


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103031394AS795636

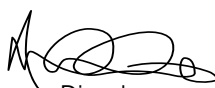
MTB Capital Ltd.

Statement of Changes in Equity For the year ended 31 December 2020

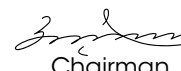
Particulars	Amount in BDT		
	Paid-up Capital	Retained Earnings	Total
Balance as at January 01, 2020	339,889,000	23,959,678	363,848,678
Net profit for the year after tax	-	13,479,960	13,479,960
Stock Dividend	16,994,500	(16,994,500)	-
Balance as at 31 December 2020	356,883,500	20,445,138	377,328,638
Balance as at 31 December 2019	339,889,000	23,959,678	363,848,678



Chief Executive Officer



Director



Chairman

Place: Dhaka

Date: March 03, 2021.

MTB Capital Ltd.

Statement of Cash Flows For the year ended 31 December 2020

Particulars	Amount in BDT	
	2020	2019
Net Profit during the year (after Tax)	13,479,960	4,003,271
Add : Amount consider as Non Cash items :		
Depreciation charged during the year	591,157	683,462
Increase/(decrease) in Provision for diminution in value of Investments	2,000,000	7,000,000
Increase/(decrease) in Provision for Margin Loan	2,000,000	15,000,000
Increase/(decrease) in Provision for Income Tax	(15,042,395)	13,212,994
Increase/(decrease) in Deferred Tax Liability	(18,412)	(14,837)
Increase/(decrease) in Other Liabilities	18,307,181	(165,000)
Sub-total of Non Cash items	7,837,531	35,716,619
Changes in Working Capital Components		
Increase/(decrease) in Accounts Payable	9,998,449	(9,807,518)
(Increase)/decrease in Accounts Receivable	(20,188,917)	5,063,016
(Increase)/decrease in Advance & Prepayment	13,445,776	(10,072,443)
A) Net Cash Flow from Operating Activities	24,572,800	24,902,945
Cash Flow from Investing Activities:		
(Increase)/decrease in Investment in Securities	(97,933,937)	(8,315,035)
(Increase)/decrease in purchase of Premises & Fixed Asset	-	(94,290)
(Increase)/decrease in Margin Loan to Clients	(50,443,041)	(25,906,159)
B) Net Cash Flow from Investing Activities	(148,376,978)	(34,315,483)
Cash Flow from Financing Activities :		
Increase/(decrease) in Short term Borrowings	133,621,742	-
C) Net Cash Flow from financing activities	133,621,742	-
D) Net Cash increase / (decrease) (A+B+C)	9,817,563	(9,412,538)
E) Opening Cash and Cash Equivalents	8,741,189	18,153,727
F) Closing Cash and Cash Equivalents	18,558,752	8,741,189
Net Operating Cash Flow per Share (NOCFPS) (Note: 34.00)	6.89	6.98


Chief Executive Officer


Director


Chairman

Place: Dhaka
Date: March 03, 2021.

MTB Capital Ltd.

Notes to the Financial Statements For the year ended 31 December 2020

1.00 Legal Status of the Company

MTB Capital Ltd. (MTBCL), a fully owned subsidiary of Mutual Trust Bank Limited, was incorporated in Bangladesh as a private limited company. MTBCL obtained registration certificate No. MB-55/2010 under the Bangladesh Securities and Exchange Commission Act, 1993 on December 06, 2010 as a full fledged merchant Bank and obtained registration No. C-80040 from the Registrar of Joint Stock Companies and Firms (RJSC), Dhaka, Bangladesh on October 08, 2009 under the Companies Act, 1994. The company has commenced its operation on April 18, 2011.

The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh.

2.00 Nature of Business

The main activities of the company are issue management, underwriting, portfolio management whether discretionary or non-discretionary, corporate advisory services to the clients including advisory services on merger and amalgamation, capital restructuring, bond services etc.

3.00 Significant Accounting Policies

3.01 Basis of preparation of Financial Statements

The Financial Statements of the company are made up to 31 December 2020 and prepared under the historical cost convention except investment in securities as a going concern and in accordance with the Companies Act 1994, International Financing Reporting Standards (IFRS), the Securities and Exchange Rules 1987, Dhaka & Chittagong Stock Exchange Limited listing Regulations, Income Tax Ordinance, 1984 and other laws and rules applicable in Bangladesh.

3.02 Statement of Cash Flows

Statement of cash flows has been prepared in accordance with the International Accounting Standard (IAS) - 7 "Statement of Cash Flows".

3.03 Property, Plant and Equipment

3.03.1 Recognition and measurement:

Property, plant and equipments are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of asset and bringing to the location and conditioned necessary for it to be capable of operating in the intended manner.

3.03.2 Depreciation

Depreciation is charged using reducing balance method as per International Accounting Standard (IAS)-16 "Property plant & equipment". The rates of depreciation used are as follows:

Category of assets	Rate of depreciation
Furniture & Fixture	10%
Office Equipment	20%
Interior Decoration	10%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the Statement of Profit or Loss and other Comprehensive Income.

3.04 Revenue Recognition

The accounting policies adopted for the recognition of revenue are as follows:

3.04.1 Interest Income

Interest on margin loan to investors is recognized as revenue on an accrual basis and interest receivable on such loan is capitalized with original loan on quarterly basis.

3.04.2 Dividend Income

Dividend income on investment in securities has been recognized when the shareholders right to receive payment is established.

3.04.3 Capital gain / (loss) on sale of Securities

Capital gain/(loss) on sale of securities is accounted for based on difference between average sale proceeds of securities and cost of securities sold.

3.04.4 Fees and commission Income

Fees and commission income includes portfolio management fees, settlement charges, issue management fees, underwriting commissions, trustee fees and any other such fees and commissions.

3.05 Cash and Bank balance

Cash and Bank balance includes cash in hand and cash at Bank, which are held and are available for use by the company without any restriction.

3.06 Investment in Securities

Investment in securities is recognized at the end of the period at cost price of investment made by the company.

3.07 Reporting in the period

These financial statements cover one year from 1st January 2020 to 31 December 2020.

3.08 General

- i) Comparative information have been disclosed for all numerical information of the financial statements and also the narrative and descriptive information so as to clarify the current year position in with that to preceding year.

Changes Format:

Statement of financial position format has been changed for ensuring better comparability in line with IAS-1 without changes facts & figures. Prior period figure has remained unchanged and no rearrangement has been made due to change format.

- ii) The figures in the financial statements are presented in Bangladeshi Taka (BDT), which is the company's functional currency. Figures in these notes and financial statements have been rounded off to the nearest Taka value.

		Amount in BDT	
		2020	2019
4.00	Property, Plant & Equipment		
	Cost:		
	Opening Balance	12,698,889	12,604,599
	Addition during the year	-	94,290
	Total Cost	12,698,889	12,698,889
	Depreciation:		
	Opening Balance	8,398,812	7,715,350
	Add: Depreciation charged during the year	591,157	683,462
		8,989,970	8,398,812
	Written Down Value	3,708,919	4,300,077
	(Detail is shown in Annexure - A)		
5.00	Investment in Securities		
	Investment in securities represent the cost price of securities which have been invested by the company in the capital market.		
	Quoted Shares (Annexure-B)	262,994,112	165,060,175
	Unquoted Shares	-	-
		262,994,112	165,060,175
6.00	Margin Loans to Clients		
	Margin Loan to Investors - Non- Discretionary Account (NDA)	290,291,236	237,178,479
	Margin Loan to Investors - Discretionary Account (DA)	1,265,811	3,935,527
		291,557,048	241,114,007
7.00	Accounts Receivable		
	Underwriting Commission	1,288,818	1,538,818
	Issue Management Fees	4,538,115	7,117,556
	Trustee Fees	200,000	500,000
	Dividend Receivable	2,202,364	3,386,536
	Management Fees	-	62,831
	Receivable from MTB Securities Ltd.	24,228,147	4,093,778
	Receivable from CMSL Securities Ltd.	5,173,171	141,644
	Rental Income	-	37,500
	IPOs	-	563,035
		37,630,614	17,441,697
8.00	Advance and Prepayments		
	Advance Income Tax (Note: 8.01)	27,126,360	40,116,584
	Advance to Employees (Note: 8.02)	694,643	1,150,195
		27,821,003	41,266,779
8.01	Advance Income Tax		
	Opening Balance	40,116,584	29,677,469
	Add: Addition during the year	4,789,224	10,439,115
	Less: Adjustment made during the year	17,779,448	-
		27,126,360	40,116,584
8.02	Advance to Employees		
	Advance to Employee Car	694,643	1,150,195
		694,643	1,150,195
9.00	Cash & Cash Equivalents		
	This is made up as under:		
	Cash in Hand	3,917	20,965
	Cash at Bank (Mutual Trust Bank)		
	MTB-0012-0210010572 (CD)	-	678
	MTB Tower 0087-0210000208 (Own Portfolio)	7,052,787	760,173
	MTB Tower 0087-0320000045 (SND)	334,190	569,575
	MTB Tower 0087-0320000054 (IPO)	18,758	22,103
	MTB Tower 0087-0320000214 (NDA)	2,586,926	1,779,969
	MTB Tower 0087-0320000205 (DA)	2,183,921	2,567,315
	MTB Tower 0087-0320000223 (GA)	6,378,253	3,020,411
		18,554,835	8,720,224
	Cash and Cash Equivalents	18,558,752	8,741,189

		Amount in BDT																	
		2020	2019																
10.00	Share Capital																		
	Authorized Capital	500,000,000	500,000,000																
	50,00,000 Ordinary Shares of BDT 100 each.																		
	Issued, Subscribed and Paid-up Capital:	356,883,500	339,889,000																
	3,568,835 Ordinary Shares of BDT 100 each																		
	Shareholding Position:																		
	<table border="1"> <thead> <tr> <th>Particulars</th> <th>No. of Shares</th> <th>Amount</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Mutual Trust Bank Limited</td> <td>3,568,693</td> <td>356,869,300</td> <td>99.996%</td> </tr> <tr> <td>Mr. Md. Hedayetullah</td> <td>142</td> <td>14,200</td> <td>0.004%</td> </tr> <tr> <td>Total</td> <td>3,568,835</td> <td>356,883,500</td> <td>100%</td> </tr> </tbody> </table>	Particulars	No. of Shares	Amount	Percentage	Mutual Trust Bank Limited	3,568,693	356,869,300	99.996%	Mr. Md. Hedayetullah	142	14,200	0.004%	Total	3,568,835	356,883,500	100%		
Particulars	No. of Shares	Amount	Percentage																
Mutual Trust Bank Limited	3,568,693	356,869,300	99.996%																
Mr. Md. Hedayetullah	142	14,200	0.004%																
Total	3,568,835	356,883,500	100%																
11.00	Retained Earnings																		
	Opening Balance	23,959,678	50,855,407																
	Add: Net Profit after Tax during the year	13,479,960	4,003,271																
	Less: Stock Dividend	16,994,500	30,899,000																
	Closing Balance	20,445,138	23,959,678																
12.00	Deferred Tax Liability																		
	Opening Balance	141,535	156,372																
	Deferred Tax during the year (Note-32.02)	(18,412)	(14,837)																
		123,123	141,535																
13.00	Short Term Loan																		
	Mutual Trust Bank Ltd.																		
	MTB SOD (G) Business	133,621,742	-																
		133,621,742	-																
14.00	Accounts Payable																		
	LeadSoft BD Ltd.	414,556	414,556																
	Audit fees payable	54,000	55,000																
	Payable to MTB Securities Ltd.	5,269,262	4,101,206																
	Payable to CMSL Securities Ltd.	606,089	49,739																
	Client Deposits	13,383,159	5,093,288																
	VAT, Source Tax and Others	1,121,816	1,136,643																
		20,848,881	10,850,432																
15.00	Provision for diminution in value of Investments																		
	Opening Balance	20,000,000	13,000,000																
	Add: Provision made during the year (Note-30.00)	2,000,000	7,000,000																
		22,000,000	20,000,000																
16.00	Provision for Margin Loan																		
	Opening Balance	30,000,000	15,000,000																
	Add: Provision made during the year (Note-31.00)	2,000,000	15,000,000																
		32,000,000	30,000,000																
17.00	Provision for Current Tax																		
	Opening Balance	51,717,778	38,504,784																
	Add: Addition during the year (Note-32.01)	5,347,039	13,212,994																
	Less: Adjustment made during the year	20,389,434	-																
		36,675,383	51,717,778																
18.00	Other Liabilities																		
	Provision for Expenses (18.01)	1,463,700	1,365,500																
	Interest Suspense (18.02)	17,895,725	-																
	Management fee Suspense (18.03)	313,255	-																
		19,672,681	1,365,500																
18.01	Provision for Expenses																		
	Incentive Bonus:																		
	Opening Balance	1,365,500	1,530,500																
	Add: Addition during the year	586,100	754,200																
	Less: Paid during the year	487,900	919,200																
	Closing Balance	1,463,700	1,365,500																
18.02	Interest Suspense Account																		
	Opening Balance	-	-																
	Add: Addition during the year	17,895,725	-																
	Less: Adjustment made during the year	-	-																
	Closing Balance	17,895,725	-																

		Amount in BDT	
		2020	2019
18.03	Portfolio Management Fee Suspense Account		
	Opening Balance	-	-
	Add: Addition during the year	313,255	-
	Less: Adjustment made during the year	-	-
	Closing Balance	313,255	-
19.00	Net Assets Value (NAV) per share		
	Net Assets (19.01)	377,328,638	363,848,678
	Number of ordinary shares outstanding	3,568,835	3,568,835
		105.73	101.95
19.01	Net Assets		
	Total Assets	642,270,448	477,923,923
	Less: Non-current Liabilities	123,123	141,535
	Less: Current Liabilities	264,818,687	113,933,710
		377,328,638	363,848,678
20.00	Interest Income		
	Interest on Margin Loan - Non- Discretionary Account (NDA)	22,708,740	33,325,056
	Interest on Margin Loan - Discretionary Account (DA)	165,703	139,568
	Interest on Bank Accounts	19,068	6,041
		22,893,511	33,470,666
21.00	Income from Investment		
	Dividend Income	2,911,297	3,495,979
	Capital gain on sale of Securities	9,873,148	5,708,927
		12,784,445	9,204,906
22.00	Underwriting Commission		
		67,500	538,750
		67,500	538,750
23.00	Issue Management Fees		
		3,436,000	7,980,937
		3,436,000	7,980,937
24.00	Settlement Fees & Documentation Charges		
	Settlement Fee	2,814,215	1,463,606
	Documentation Charge	15,500	22,000
		2,829,715	1,485,606
25.00	Portfolio Management Fees		
	Non-discretionary Account	3,015,264	4,058,698
	Discretionary Account	163,314	270,047
		3,178,578	4,328,744
26.00	Trustee Fees		
		650,000	1,150,000
		650,000	1,150,000
27.00	Other Operating Income		
	Rental income	622,250	732,000
	Transmission fee	204,176	138,114
	Annual BO account charge	141,700	163,350
	IPO Charge	8,360	10,340
	Dematerialisation fee	4,488	502,234
		980,974	1,546,038
28.00	Office & Administrative Expenses		
	Salary and Allowances	12,520,445	11,919,883
	Office Rent Expense	3,487,392	3,487,392
	Postage, Telephone, Fax, Stamp	81,220	111,000
	Printing & Stationery	187,343	211,267
	Advertising Expense	11,900	-
	Directors' Fee	557,000	658,833
	Auditors' Fee	69,000	68,750
	Depreciation Expenses	591,157	683,462
	Repairs and Maintenance	274,150	267,700

		Amount in BDT	
		2020	2019
	Car Expense	1,082,163	901,182
	CDBL Charge	316,080	483,305
	Entertainment	328,239	627,682
	Cleaning Service Charge	396,880	405,900
	Fees and Registration	335,510	199,540
	Bank Charges and Excise Duty	122,393	80,481
	Conveyance	146,745	251,053
	Internet Expense	28,488	28,488
	Training Expense	-	3,450
	Travelling Expense	-	26,800
	Books & Newspaper	3,914	9,495
	Domain and Hosting Charge	8,000	8,000
	Professional Fees	84,375	55,556
	IPO Expenses	27,000	15,000
		20,659,394	20,504,219
29.00	Interest Expense		
	Interest on Loan from Mutual Trust Bank Ltd.	3,352,742	-
		3,352,742	-
30.00	Provision for diminution in value of Investments	2,000,000	7,000,000
	This provision is made as per BSEC guideline and to reduce the risk of Investment.		
31.00	Provision for margin loan	2,000,000	15,000,000
	This provision is made as per BSEC guideline and to reduce the risk of Investment.		
32.00	Income Tax Expenses		
	Current Tax (Note-32.01)	5,347,039	13,212,994
	Deferred Tax (Note-32.02)	(18,412)	(14,837)
		5,328,627	13,198,157
	Income Tax Expenses is calculated as per guideline of Income Tax Ordinance and Rules.		
32.01	Current Tax	5,347,039	13,212,994
32.02	Deferred Tax Expense/(Income)	(18,412)	(14,837)
	(Detail is shown in Annexure - C)		
33.00	Earnings per share		
	Net profit after tax	13,479,960	4,003,271
	Number of ordinary shares outstanding	3,568,835	3,568,835
	Earnings per share	3.78	1.12
34.00	Net operating cash flows per share (NOCFPS)		
	Net operating cash flows	24,572,800	24,902,945
	Number of shares	3,568,835	3,568,835
		6.89	6.98
35.00	Related Party Transaction		
	Name of Party		
	Mutual Trust Bank Ltd.		
	Nature of Transactions		
	SOD Loan	133,621,742	-
		133,621,742	-
36.00	Number of employees		
	The number of employees engaged for the whole year or part there of, who received a total remuneration of Taka 36,000 or above were 07 persons.		
37.00	Events after the balance sheet date		
	Subsequent to the reporting date, the Board of Directors recommended 5% stock dividend.		

Annexure- A

MTB Capital Ltd.

Schedule of Property, Plant & Equipment As at 31 December 2020

Amount in BDT

Particulars	Cost				Depreciation				Written Down Value as on 31.12.2020	
	Opening Balance	Addition during the year	Disposal during the year	Balance as on 31.12.2020	Rate (%)	Opening Balance	Charged during the year	Disposal for the year		Accumulated Depreciation
Furniture & Fixture	1,367,694	-	-	1,367,694	10%	493,649	87,405	-	581,053	786,641
Office Equipment	8,565,556	-	-	8,565,556	20%	6,954,061	322,299	-	7,276,360	1,289,196
Interior Decoration	2,765,639	-	-	2,765,639	10%	951,103	181,454	-	1,132,557	1,633,082
Balance as on 31 December 2020	12,698,889	-	-	12,698,889		8,398,812	591,157	-	8,989,970	3,708,919
Balance as on 31 December 2019	12,604,599	94,290	-	12,698,889		7,715,350	683,462	-	8,398,812	4,300,077

Annexure- B

MTB Capital Ltd.

Investment in Quoted Securities As at 31 December 2020

Amount in BDT

Name of the company	No. of shares	Total cost	Market rate per share	Market value	Difference
ACI Formulations Limited	27,263	5,689,521	118.10	3,219,908	(2,469,613)
Agni Systems Ltd.	200,000	3,953,972	18.90	3,780,000	(173,972)
Apex Tannery	47,000	5,248,821	106.90	5,024,300	(224,521)
BATBC	5,000	6,351,005	1,180.80	5,904,000	(447,005)
BBS Cables Ltd.	121,000	10,751,051	54.80	6,630,800	(4,120,251)
Beximco Pharma	91,032	13,132,197	190.50	17,341,596	4,209,399
BRAC Bank Limited	50,000	2,148,730	44.30	2,215,000	66,270
Central Pharmaceuticals Ltd.	466,830	13,018,392	12.10	5,648,643	(7,369,749)
City Bank	110,000	2,710,323	24.80	2,728,000	17,677
Confidence Cement Limited	70,076	9,256,809	121.30	8,500,219	(756,590)
Crystal Insurance Company Limited	10,878	108,780	39.40	428,593	319,813
Dhaka Bank	165,375	2,757,842	11.90	1,967,963	(789,880)
Dutch-Bangla Bank Limited	93,382	6,045,669	65.00	6,069,830	24,161
Esquire Knit Composite Ltd	20,000	981,537	26.30	526,000	(455,537)
EXIM Bank Limited	50,000	595,636	11.80	590,000	(5,636)
Familytex(BD) Limited	106,581	2,430,056	2.80	298,427	(2,131,629)
Far Chemical Ind. Ltd.	137,758	3,590,454	9.80	1,350,028	(2,240,425)
Fu-Wang Food	105,000	1,972,838	15.70	1,648,500	(324,338)
Genex Infosys Limited	110,000	6,664,479	55.00	6,050,000	(614,479)
Golden Harvest Agro Ind. Ltd.	90,000	2,094,319	16.70	1,503,000	(591,319)
Grameen Phone Limited	3,510	1,573,371	347.10	1,218,321	(355,050)
H R Textile Ltd.	66,125	2,950,687	40.10	2,651,613	(299,074)
Heidelberg Cement Bd. Ltd.	220	52,836	149.60	32,912	(19,924)
Hwa Well Textile BD Ltd.	25,100	1,306,625	34.80	873,480	(433,145)
IPDC of Bangladesh Limited	180,000	4,916,339	27.60	4,968,000	51,661
Islamic Finance & Investment Ltd.	200,000	3,612,511	19.00	3,800,000	187,489
IT Consultants Limited	40,642	1,268,672	32.10	1,304,608	35,936
Libra Infusions Limited	1,010	1,130,549	642.80	649,228	(481,321)
Meghna Petroleum Ltd.	56,100	13,740,249	198.00	11,107,800	(2,632,449)
Mercantile Bank Limited	150,072	1,849,682	12.70	1,905,914	56,232
Monno Ceramics	29,453	9,597,644	126.80	3,734,577	(5,863,067)
National Tubes	80,000	9,375,046	103.30	8,264,000	(1,111,046)
Olympic Accessories Limited	154,073	2,747,783	7.80	1,201,769	(1,546,013)
Olympic Industries	25,000	6,091,509	191.10	4,777,500	(1,314,009)
Orion Pharma Ltd.	230,000	13,368,961	54.70	12,581,000	(787,961)
Padma Oil	70,100	23,943,183	205.10	14,377,510	(9,565,673)
Paramount Textile Ltd.	100,000	5,475,930	53.00	5,300,000	(175,930)
Pragati Life Insurance	40,249	603,735	88.30	3,553,987	2,950,252
Premier Bank Limited	367,500	4,766,522	11.00	4,042,500	(724,022)
Rangpur Foundry	47,642	6,271,770	123.40	5,879,023	(392,747)
Ratanpur Steel Re-Rolling M	60,000	3,924,433	24.60	1,476,000	(2,448,433)
Republic Insurance	8,200	454,367	55.60	455,920	1,553
Ring Shine Textiles L	13,538	134,040	6.40	86,643	(47,397)
Robi Axiata Limited	271,253	2,712,530	29.80	8,083,339	5,370,809
Runner Automobiles Limited	44,440	3,769,395	50.90	2,261,996	(1,507,399)
Sea Pearl Beach R & Spa L.	1,865	18,650	79.10	147,522	128,872
Shasha Denims Limited	132,300	7,457,699	21.60	2,857,680	(4,600,019)
Summit Power Limited	205,000	8,012,621	38.90	7,974,500	(38,121)
Titas Gas T & D Co. Ltd.	215,360	18,729,349	30.80	6,633,088	(12,096,261)
Wata Chemicals Ltd.	3,000	1,154,975	314.00	942,000	(212,975)
Western Marine Ship. Ltd	129,663	2,480,021	11.70	1,517,051	(962,969)
Total		262,994,112		206,084,288	(56,909,823)

Annexure- C

MTB Capital Ltd.

Calculation of Deffered Tax

For the year ended 31 December, 2020

	Amount in BDT	
	2020	2019
Deferred Tax Expense/(Income)		
Carrying amount of Property, Plant & Equipment	3,708,919	4,300,077
Less: Tax base Property, Plant & Equipment	3,380,591	3,922,650
Taxable temporary difference	328,328	377,427
Applicable Tax Rate	37.50%	37.50%
Deferred Tax (Assets)/ Liabilities	123,123	141,535
Less: Opening Balance	141,535	156,372
Deferred Tax Expense/(Income)	(18,412)	(14,837)

MTB Exchange (UK) Limited

Directors' Report For the year ended 31 December 2020

The directors present their annual report and the financial statements for the year ended 31 December 2020

Principal activities

Principal activity of the company during the financial year was of financial intermediation.

Directors

The directors who served the company throughout the year were as follows:

Md. Hedayetullah
Syed Manzur Elahi
Mohamed Abdur Rouf
Rashed Ahmed Chowdhury
Syed Mahbubur Rahman

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently
- make judgments and accounting estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

This report was approved by the board and signed on its behalf by:



Syed Mahbubur Rahman

Director

Date approved: 13 January 2021

MTB Exchange (UK) Limited

Accountants' Report

For the year ended 31 December 2020

In order to assist you to fulfil your duties under Companies Act 2006, we have prepared for your approval the accounts of MTB EXCHANGE (UK) LIMITED for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position and related notes from the company's accounting records and from information and explanations you have given us.

As a practising member of the Chartered Institute of Management Accountants, we are subject to its ethical and other professional requirements which are detailed at CIMA's website.

This report is made solely to the member of MTB EXCHANGE (UK) LIMITED, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of MTB EXCHANGE (UK) LIMITED and state those matters that we have agreed to state to the Board of MTB EXCHANGE (UK) LIMITED, as a body, in this report in accordance with the requirements of the Chartered Institute of Management Accountants and as detailed at its website. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MTB EXCHANGE (UK) LIMITED and its members as a body for our work or for this report.

It is your duty to ensure that MTB EXCHANGE (UK) LIMITED has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and Loss of MTB EXCHANGE (UK) LIMITED. You consider that MTB EXCHANGE (UK) LIMITED is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of MTB EXCHANGE (UK) LIMITED. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.



Jahan & Co.

Chartered Management Accountants

22 Osborn Street

London

E1 6TD

13 January 2021

MTB Exchange (UK) Limited

Profit and Loss Account

For the Year Ended 31 December 2020

	Notes	2020 £	2019 £
Turnover		27,458	238,008
Gross profit		<u>27,458</u>	<u>238,008</u>
Selling and Distribution costs		(2,605)	(4,454)
Administrative expenses		(158,126)	(185,353)
Other operating income	2	34,059	30,000
Operating Profit/(loss)	3	<u>(99,214)</u>	<u>78,201</u>
Profit/(Loss) on ordinary activities before taxation		<u>(99,214)</u>	<u>78,201</u>
Tax on profit on ordinary activities	6	-	(744)
Profit/(Loss) for the financial year		<u>(99,214)</u>	<u>77,457</u>

MTB Exchange (UK) Limited

Balance Sheet As at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible fixed Assets	7	-	13,431
		<u>-</u>	<u>13,431</u>
Current assets			
Debtors: amounts falling due within one year	8	13,240	50,904
Debtors: amounts falling due after one year	9	-	8,750
Cash at Bank and in hand		77,147	104,517
		<u>90,387</u>	<u>164,171</u>
Creditors: amounts falling due within one year	10	(13,237)	(1,772)
Net Current Assets		<u>77,150</u>	<u>162,399</u>
Total assets less current liabilities		77,150	175,830
Creditors: Amounts falling due after more than one year	11	(338,308)	(338,580)
Net assets		<u>(261,158)</u>	<u>(162,750)</u>
Capital and reserves			
Called up share capital	12	230,000	230,000
Other Comprehensive Income	13	806	-
Profit and loss account	14	(491,964)	(392,750)
Shareholders funds		<u>(261,158)</u>	<u>(162,750)</u>

For the year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the companies act 2006 relating to small companies.

Directors' Responsibilities:

- 1 The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.
- 2 The directors acknowledge their responsibilities for complying with the requirements of the companies act 2006 with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of Part 15 of the Companies Act 2006.

The financial statements were approved by the board of directors on 13 January 2021 and were signed on its behalf by:



Syed Mahbubur Rahman

Director

MTB Exchange (UK) Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Equity share capital	Retained Earnings	Total
	£	£	£
At 01 January 2019	230,000	(470,207)	(240,207)
Profit for the year	-	77,457	77,457
Total comprehensive income for the year	-	77,457	77,457
Total investments by and distributions to owners	-	-	-
At 31 December 2019	230,000	(392,750)	(162,750)
At 01 January 2020	230,000	(392,750)	(162,750)
Profit for the year	-	(99,214)	(99,214)
Total comprehensive income for the year	-	(99,214)	(99,214)
Total investments by and distributions to owners	-	-	-
At 31 December 2020	230,000	(491,964)	(261,964)

MTB Exchange (UK) Limited

Notes to the Accounts For the Year Ended 31 December 2020

General Information

MTB EXCHANGE (UK) LIMITED is a private company, limited by shares, registered in England and Wales, registration number 07282261, registration address C/O Jahan & Co, 22 Osborn Street, LONDON, E1 6TD. The company ceased to trade in March 2020

1. Accounting Policies

Significant accounting policies

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland (as applied to small entities by Section 1A of the standard)

Going concern basis

The company has stopped trading in March 2020. Thus it did not adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Government grants

Government grants received are credited to deferred income. Grants towards capital expenditure are released to the income statement over the expected useful life of the assets. Grants received towards revenue expenditure are released to the income statement as the related expenditure is incurred.

Tangible fixed assets

Tangible fixed assets, other than freehold land, are stated at cost or valuation less depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Fixtures and Fittings

20 % Reducing Balance

	2020	2019
	£	£
2. Other operating income		
Government grants	7,808	
Rents Received	26,251	30,000
	26,251	30,000
3. Operating Profit		
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	1,915	3,007
Profit/loss on disposal of tangible fixed assets	9,685	-
	11,600	3,007
4. Directors' Emoluments		
The directors did not withdraw any salary during the period.	-	-
5. Staff Costs		
Wages and salaries	32,127	47,769
Pension cists, defined contribution plan	1,195	1,571
Other staff costs	21,978	1,196
	55,300	50,536
Average number of employees during the year	Number	Number
Administration	1	1
Sales	2	2
	3	3

	2020 £	2019 £	
6. Tax on profit on ordinary activities			
UK Corporation tax	-	744	
	<u>-</u>	<u>744</u>	
7. Tangible fixed assets			
Cost or Valuation	Fixtures and Fittings £	Computer Equipment £	Total £
At 1 January 2020	57,064	14,565	71,629
Additions	-	-	-
Disposals	(57,064)	(14,565)	(71,629)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Depreciation			
At 1 January 2020	46,116	12,082	58,198
Charge for year	1,562	354	1,916
On Disposals	(47,678)	(12,436)	(60,114)
At 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Net Book values			
Closing balance as at 31 December 2020	<u>-</u>	<u>-</u>	<u>-</u>
Opening balance as at 01 January 2020	<u>10,948</u>	<u>2,483</u>	<u>13,431</u>
8. Debtors: Amounts falling due within one year			
Total Debtors		1,990	
Prepayments & Accrued Income		-	3,356
Other debtors		11,250	32,647
Money in Transit		-	14,901
		<u>13,240</u>	<u>50,904</u>
9. Debtors: Amounts falling due after one year			
Other debtors		-	8,750
		<u>-</u>	<u>8,750</u>
10. Creditors: amount falling due within one year			
Corporation tax		-	744
Accrued Expenses		13,237	900
Pension Scheme		-	128
		<u>13,237</u>	<u>1,772</u>
11. Creditors: amount falling due after more than one year			
Other Creditors		338,308	338,580
		<u>338,308</u>	<u>338,580</u>
12. Share Capital			
Allotted			
230,000 Class A shares of £ 1.00 each		230,000	230,000
		<u>230,000</u>	<u>230,000</u>
13. Other Comprehensive Income			
Unrealized Gains or losses		806	-
		<u>806</u>	<u>-</u>
14. Profit and loss account			
Balance at 01 January 2020		(392,750)	(470,207)
Profit for the year		(99,214)	77,457
Balance at 31 December 2020		<u>(491,964)</u>	<u>(392,750)</u>



Disclosure & Other Information





MTB Events



MTB handed over cheque of BDT 50 MILLION to Bangabandhu Memorial Trust



Observance of Mujib Borsho in front of the MTB Corporate Head Office



MTB Celebrates the Centennial Birth Anniversary of Bangabandhu



Closing & Prize Distribution Ceremony of Mujib Borsho 2nd MTB Victory Day Squash Tournament 2020-21



MTB Dhaka Town Hall 2020



MTB Chattogram Town Hall 2020



MTB Jashore Town Hall



MTBF supports Monomela Foundation



Workshop on "Customer Service, Customer Experience & Complaint Management" for MTB Card Sales Team



Celebration of 1 Million Likes in MTB Official Facebook page



MTB inks deal with PricewaterhouseCoopers (PwC) Bangladesh Private Limited



The 21st Anniversary of MTB



MTBF Supports Centre for Disability in Development (CDD)



Launching Ceremony of MTB Angona



MTB BAMLCO Conference 2020



MTB Celebrates International Women's Day



MCCB Champions League - 2020



Launching of MTB Grameen Greeho Reen



Inauguration of MTB ATM Booth at Chef's Table



Agreement Signing Ceremony between MTB and Millennium Information Solutions Ltd. for MTB Islamic Banking



Signing Ceremony between MTB & UDDIPAN for Cash Management Service



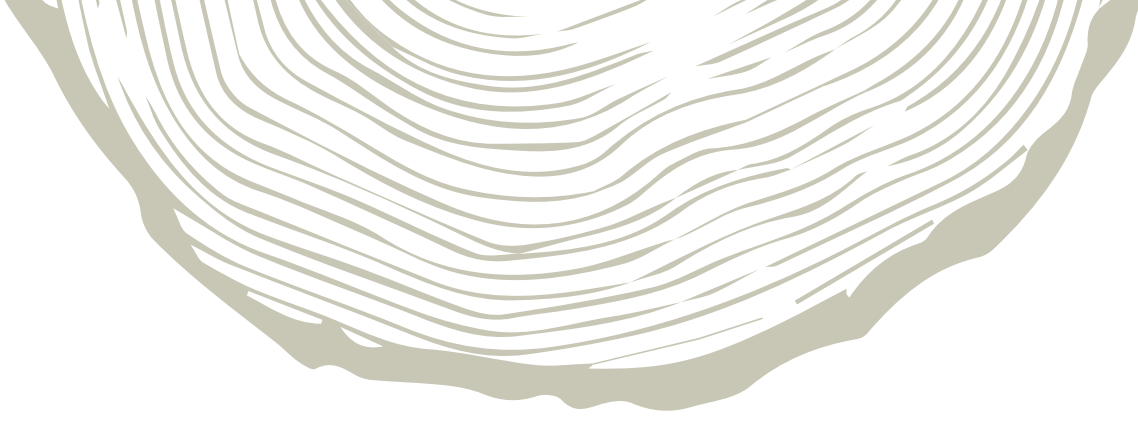
Agreement Signing Ceremony between MTB and LankaBangla Finance



Agreement signing ceremony between MTB & EW VM Health BD Ltd.



Agreement Signing Ceremony between MTB & GD Assist Limited



Agreement Signing Ceremony between MTB & United Property Solutions Ltd. (UPSL)



Agreement Signing Ceremony between MTB & Assure Group



Agreement Signing Ceremony between MTB & Samorita Hospital



Agreement Signing Ceremony between MTB & Sarah Resort



Agreement Signing Ceremony between MTB & Millennium



Agreement Signing Ceremony between MTB & Renaissance Dhaka Hotel



Agreement Signing Ceremony between MTB & Nitol Insurance Co. Ltd



Agreement Signing Ceremony between MTB and Hotel Star Pacific



Inauguration of Relocated MTB Naria Branch



MoU between MTB and Rancon British Motors Ltd.



Inauguration of MTB Naria ATM Booth



Inauguration of MTB Naria Sub-Branch



Inauguration of MTB ATM Booth at Samarita Hospital



MTB ATM & CDM at Gazipur Bar Association, Gazipur



Blanket Distribution at Cadet College Club

Standard Disclosure Checklist



Distribution of Marks under different criteria	
Items	Page Ref.
Corporate objectives, values & structure	
Clarity and Presentation:	
• Vision and Mission	20
• Overall strategic objectives	22, 155, 167
• Core values and code of conduct/ethical principles	20, 82
• Profile of the company	24
• Director's profiles and their representation on Board of other companies & Organizational chart	38, 164
Management Report/ Commentary and analysis including Director's report/ Chairman's Review/ CEO's Review etc.	
• A general review of the performance of the company	52-79
• Description of the performance of the various activities/ Products/ segments of the company and its group companies during the period under review. (Weightage to be given for pictorial/ Graphical/ tabular presentation used for this purpose)	248-312
• A brief summary of the business and other risks facing the organization and steps taken to effectively manage such risks	109-154
• A general review of the future prospectus/ outlook	22
• Information on how the company contributed to its responsibilities towards the staff (including health & safety)	304-307
• Information on company's contribution to the national exchequer & to the economy	363
Sustainability Reporting	
• Social Responsibility Initiatives	289
• Environment Related initiatives	325-328
• Environmental & Social Obligations	314-289
• Integrated Reporting	11-18
Appropriateness of Disclosure of Accounting policies and general disclosure	
• Disclosure of all adequate and properly worded accounting policies relevant to assets, liabilities, income and expenditure in the line with best reporting standards.	397-419
• Any specific accounting policies	397-419
• Impairment of assets	397-419
• Changes in accounting policies/ changes in accounting estimates	397-419
• Accounting policies on subsidiaries (if there is no any subsidiary, full marks should be granted)	397-419
Segment information	
• Comprehensive segment related information bifurcating segment revenue, segment results and segment capital employed.	357-358
• Availability of information regarding different segments and units of the entity as well as non-segmental entities/units	357-358
• Segment analysis of	357-358

Items	Page Ref.
• Segment revenue	357-358
• Segment results	357-358
• Turnover	357-358
• Operating profit	357-358
• Carrying amount of net segment assets	357-358
Financial statements (Including Formats)	
• Disclosures of all contingencies and commitments	379-519
• Comprehensive relate party disclosure	379-519
• Disclosure of remuneration & facilities provided to directors & CEO	379-519
• Statement of financial position/ Balance sheet and relevant schedules	379-519
• Income statement/ Profit & loss account & relevant schedules	379-519
• Statement of charges in equity/ reserves & surplus schedule	379-519
• Disclosure of types of share capital	379-519
• Statement of cash flow	379-519
• Consolidated financial statement (CFS)	379-519
• Extent of compliance with the core IAS/IFRS or equivalent national standards	379-519
• Disclosure/ Content of notes accounts	379-519
Information about Corporate Governance	
• Board of Directors, Chairman and CEO	38-50
• Audit Committee (composition, role, meetings, attendance, etc) Internal control & Risk management	160,242-246
• Ethics and compliance	82
• Remuneration and other Committees of board	159-162
• Human Capital	302
• Communication to shareholders & stakeholders	
• Information available on website	276
• Other information	276
• Management review and responsibility	248
• Disclosure by board of directors or audit committee on evaluation of quarterly reports	359
• Any other investor friendly information	348-377
Risk Management & Control Environment	
• Description of the risk management framework	118
• Risk mitigation methodology	124
• Disclosure of risk reporting	133
Shareholders information	
• Distribution of shareholding (number of shares as well as category wise, e.g promoter group, FII etc)	195
• Shares held by directors/ executives and relatives of directors/ executives	194
• Redressal of investors complaints	276
Graphical/ Pictorial Data	
• Earnings per share	371
• Net Assets	371
• Stock Performance	371
• Shareholders fund	371
• Return on shareholders' fund	371
Horizontal/ Vertical Analysis including following.	
• Operating Performance (Income Statement)	353

Items	Page Ref.
• Total revenue	353
• Operating profit	353
• Profit before tax	353
• Profit after tax	353
• EPS	353
• Statement of Financial Position (Balance Sheet)	353
• Shareholders fund	353
• Property plant & equipment	353
• NET Current assets	353
• Long term Liabilities/ Current Liabilities	353
Profitability/ Dividends/ Performance and liquidity ratios	
• Net Interest income ratio	368-370
• Profit before provisions and tax	368-370
• Price earnings Ratio	368-370
• Capital adequacy ratio	368-370
• Return on capital employed	368-370
• Debt equity ratio	368-370
Statement of value added and its distribution	
• Government as taxes	363
• Shareholders as dividend	91-92
• Employees as bonus/ remuneration	
• Retained by the entity	
• Market share information of the company's product/ services	251-301
• Economic value added	361
Presentation on Financial Statements	
• Quality of the report/ layout of contents	Qualitative
• Cover and printing including the theme on the cover page	
• Appropriateness and effectiveness of photographs and their relevance	
• Effectiveness of the charts and graphs	
• Clarity, simplicity and lucidity in presentation of financial statements	
Timeliness in issuing financial statements and holding AGMs	
• 3 months time to produce the annual report and hold AGM are considered reasonable for full marks	24 June, 2021
• Delay after the initial period of 3 months- deduction of 2 marks is to be made for each month	
• If the period is over 6 months- no marks shall be awarded	
Additional Disclosures	
For example	
• Human Resource Accounting	307
• Any other good additional disclosures	348-377
Specific Areas for Banking Sector	
• Disclosure of ratings given by various rating agencies for the Bank and for its instruments issued by/ of Bank. For eg. FD,CD,Tier- 1 & Tier- 11 bonds	367
• Details of advances portfolio classification wise as per the direction issued by the central Bank of the respective countries	426-432
• Disclosure on Non Performing Assets	
• Movements in NPA	430
• Sector Wise Break up of NPA	430
• Movement of provisions made against NPA	439

Items	Page Ref.
<ul style="list-style-type: none"> • Details of accounts restructured as per regulatory guidelines 	430
<ul style="list-style-type: none"> • Maturity pattern of Key Assets and Liabilities (ALM) 	390, 396
<ul style="list-style-type: none"> • Classification and valuation of investments as per regulatory guidelines/ Accounting standards 	424-426
<ul style="list-style-type: none"> • Business Ratio/ Information 	368-370
<ul style="list-style-type: none"> • Statutory liquidity reserve (ratio) 	
<ul style="list-style-type: none"> • Net interest income as a percentage of working funds/ operating cost efficiency ratio 	
<ul style="list-style-type: none"> • Return on average asset 	
<ul style="list-style-type: none"> • Cost/ Income ratio 	
<ul style="list-style-type: none"> • Net Asset Value per share 	
<ul style="list-style-type: none"> • Profit per employee 	
<ul style="list-style-type: none"> • Capital adequacy ratio 	
<ul style="list-style-type: none"> • Cost of funds 	
<ul style="list-style-type: none"> • Cash reserve ratio/ liquid asset ratio 	
<ul style="list-style-type: none"> • Dividend cover ratio 	
<ul style="list-style-type: none"> • Gross nonperforming assets to gross advances 	
Note: Meaning of working funds- these are total resources (total liabilities or total assets) of a Bank as on a particular date. Total resources include capital, reserves and surplus, deposits, borrowings, other liabilities and provision.	
<ul style="list-style-type: none"> • Detail of credit concentration/ sector wise exposure 	428
<ul style="list-style-type: none"> • The break- up of 'provisions and contingencies' included in the profit and loss account 	452-453
<ul style="list-style-type: none"> • Disclosure under regulatory guidelines 	137
<ul style="list-style-type: none"> • Details of Non- Statutory investment portfolio 	458-460
<ul style="list-style-type: none"> • Disclosure in respect of assets given on operating & finance lease 	N/A
<ul style="list-style-type: none"> • Disclosure for derivative investments 	N/A
<ul style="list-style-type: none"> • Bank's Network: List of Centers or Branches 	550
<ul style="list-style-type: none"> • TOTAL MARKS 	

Corporate Governance Disclosure List



ITEMS		PAGE NO
Board of Directors, Chairman & CEO		
1.1	Company's policy on appointment of directors disclosed	180
1.2	Adequate representation of non executive directors i.e. one third of the board, subject to a minimum of two	179
1.3	At least one independent director on the board and disclosure/affirmation of the board on such director's independence.	179
1.4	Chairman to be independent of CEO	179
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non Executive Directors	180
1.6	Existence of a scheme for annual appraisal of the boards performance and disclosure of the same	
1.7	Disclosure of policy on annual evaluation of the CEO by the Board	185
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the boards performance	178
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	180
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	192
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	202
2. Vision/Mission and Strategy		
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	20
2.2	Identification of business objectives and areas of business focus disclosed.	84
2.3	General description of strategies to achieve the company's business objectives	22, 155
3. Audit Committees		
3.1	Appointment and Composition	
3.1.1	Whether the Audit Committee chairman is an independent Non- Executive Director & professionally Qualified.	185, 193
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate/ question employees & retain external counsel.	185
3.1.3	More than two thirds of the members are to be Non Executive Directors.	185
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance & Accounting.	185, 186,
3.1.5	Head of internal audit to have direct access to audit committee	187
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	187
3.2	Objectives & Activities	
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administrated and satisfactorily monitored.	244

3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of Statutory dues.	244
3.2.3	Statement of Audit committee involvement in the review of the external audit function. <ul style="list-style-type: none"> • Ensure effective coordination of external audit function • Ensure independence of external auditors • To review the external auditors findings in order to be satisfied that appropriate action is being taken • Review and approve any non-audit work assigned to the external auditor and ensure that such such work does not compromise the independence of the external auditors. • Recommend external auditor for appointment/ reappointment 	244
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	244
3.2.5	Statement of Audit committee involvement in the review & recommend to board of directors, annual and interim financial releases.	244
3.2.6	Reliability of the management information used for such computation.	244
4. Internal Control & Risk Management		
4.1	Statement of Director's responsibility to establish appropriate system of internal control	242
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management.	242
4.3	Statement that the Director's have reviewed the adequacy of the system of internal controls	244
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally.	118
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	124
5. Ethics & Compliance		
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	82
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same	82
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	82
5.4	Establishing effective anti fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	276, 278
6. Remuneration Committee		
6.1	Disclosure of the charter (role and responsibilities) of the committee	
6.2	Disclosure of the composition of the committee (majority of the committee should be non-executive directors, but should also include some executive directors)	
6.3	Disclosure of key policies with regard to remuneration of directors, senior management & employees.	175
6.4	Disclosure of number of meetings and work performed	175
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	174
7. Human Capital		
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect of Human Resources Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling.	182, 302
7.2	Organizational Chart	164
8. Communication To Shareholders & Stakeholders		
8.1	Disclosure of the company's policy/ strategy to facilitate effective communication with shareholders and other stake holders.	198
8.2	Disclosure of Company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	175
9. Environmental & Social Obligations		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	319, 325
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices.	325

Integrated Reporting Checklist



SI No.		Pg Ref	Chapter Ref
1. Elements of an Integrated Report			
1.1	Organizational overview and external environment		
	An integrated report should disclose the main activities of the organization and the environment of which it operates		
	An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as:	24 34 84 94 95 99	Corporate structure: Group Profile Products and Services Business Model: Canvas Model Operating Framework Microeconomic Landscape Competitive Landscape
	The organization's:		
	<ul style="list-style-type: none"> • culture, ethics and values 	20, 21 82	Vision, Mission and Core Values Code of Conduct
	<ul style="list-style-type: none"> • ownership and operating structure including size of the organization, location of its operations) 	24 32 84 317 441 550	Corporate Structure: Group Profile Our Touch Points Business Model Note: 1 Note: 14 MTB Branch Network
	<ul style="list-style-type: none"> • principal activities and markets 	34 84 397 550	Products and Services Business Model: Canvas Model Note: 1 MTB Branch Network
	<ul style="list-style-type: none"> • competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry) 	99 103 60	Competitive Landscape Organizational Position Statement of the Managing Director & CEO
	<ul style="list-style-type: none"> • position within the value chain 	90	Value Creation and Distribution Process
	Key quantitative information:		
	<ul style="list-style-type: none"> • The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods 	6 654 247 347	Performance 2020 Correspondent Banking Management Discussion & Analysis Shareholder's Information

SI No.		Pg Ref	Chapter Ref
	Significant factors affecting the external environment and the organization's response (including aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term)	22 95	Outlook 2021 Macroeconomic Landscape
	<ul style="list-style-type: none"> The legitimate needs and interests of key stakeholders 	316 319-325	Social and Relationship Capital Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Macro and micro economic conditions, such as economic stability, globalization, and industry trends 	96 60 176	Macroeconomic Landscape- Economic Growth Statement of the Managing Director & CEO- Economic Review Director's Report to the Shareholders
	<ul style="list-style-type: none"> Market forces, such as the relative strengths and weaknesses of competitors and customer demand 	99 52 60	Competitive Landscape Statement of the Chairman Statement of the Managing Director & CEO
	<ul style="list-style-type: none"> The speed and effect of technological change 	95 52	Macroeconomic Landscape- Technological Dimension Statement of the Chairman
	<ul style="list-style-type: none"> Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems 	95 60	Macroeconomic Landscape- Social Dimension Statement of the Managing Director & CEO
	<ul style="list-style-type: none"> Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached 	95	Macroeconomic Landscape- Environmental Dimension Natural Capital
	<ul style="list-style-type: none"> The legislative and regulatory environment in which the organization operates 	95 118 137	Macroeconomic Landscape- Legal Dimension Risk Management Market Discipline Pillar 3 Disclosure
	<ul style="list-style-type: none"> The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy. 	95	Macroeconomic Landscape- Political Dimension
1.2	Governance		
	An integrated report should how show does the organization's governance structure support its ability to create value in the short, medium and long term	52 90 155 159	Statement of the Chairman Value Creation and Distribution Process Allocation of Resources based on Strategies Corporate Governance Report
	Insight about how such matters as the following are linked to its ability to create value:		
	<ul style="list-style-type: none"> The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure 	38 158	Profile of the Board of Directors Corporate Governance Report

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> Mandatory and voluntary code of corporate governance adopted by the Company 	158	Corporate Governance Report
	<ul style="list-style-type: none"> Code of ethical conduct adopted by the Company in relation to ethical business 	82 158	Code of Conduct Corporate Governance Report
	<ul style="list-style-type: none"> Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues 	158 82 118 248	Corporate Governance-Report- Codes of Conduct, Credit & Risk Management Risk Management
	<ul style="list-style-type: none"> Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management 	158 82 118	Corporate Governance Report- Codes of Conduct, Credit & Risk Management
	<ul style="list-style-type: none"> How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders 	20, 21 158	Vision, Mission, Core Values Corporate Governance Report Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies 	158	Corporate Governance Report
	<ul style="list-style-type: none"> The responsibility those charged with governance take for promoting and enabling innovation 	52 165	Statement of Chairman- Towards Digital Banking Transformation Directors Report to the Shareholders- Strategic Priorities, Core Banking Software (CBS) Transformation: Investing in Future
	<ul style="list-style-type: none"> How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals. 	302 307	Human Capital- MTB HR Benefits Human Resource Accounting
1.3	Stakeholder Identification/ relationships		
	Identification of key stakeholders and insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.	318	Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> How the company has identified its stakeholders. 	318	Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Stakeholder engagement methodology. 	318	Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Identification of material matters of stakeholders. 	318	Material Matters Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> How the Company has applied such matters. 	318	Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> How the stakeholders are engaged in assessing impacts, implications and outlook unrespects of Company's business model 	318	Stakeholder Engagement and Materiality- Engaging our Stakeholders
	Capitals		

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term 	84 90 155	Business Model Value Creation and Distribution Process Allocation of Resources Based on Strategies
	<ul style="list-style-type: none"> An integrated report need to identify the various forms of capitals which are essential for the success of its business operations. 	84 90	Business Model Value Creation and Distribution Process
	Eg:		
	<ul style="list-style-type: none"> Financial Capital – The pool of funds that is available to the organization for use in the production of goods or provision of services 	348	Financial Capital
	<ul style="list-style-type: none"> Manufacturing Capital – Manufactured physical objects that are available to the organization for use in the production of goods and provision of services 	249	Manufacturing Capital
	<ul style="list-style-type: none"> Intellectual Capital – Organizational, Knowledge based intangibles 	267 308	Intellectual Capital
	<ul style="list-style-type: none"> Human Capital – People’s competencies, capabilities and experience, and their motivations to innovate 	302	Human Capital
	<ul style="list-style-type: none"> Social and Relationship Capital – The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing 	316	Social and Relationship Capital
	<ul style="list-style-type: none"> Natural Capital – All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization. 	325	Natural Capital
	Note: However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects.		
1.4	Business model		
	An integrated report should describe the organization’s business model	84	Business Model
	An integrated report need to describe the business model, including key inputs, business activities, outputs, outcomes	84 90	Business Model Value Creation and Distribution Process
	Features that can enhance the effectiveness and readability of the description of the business model include:		
	<ul style="list-style-type: none"> Explicit identification of the key elements of the business model 	89	Business Model

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization 	84 90	Business Model- Crafted for Value Creation Value Creation and Distribution Process
	<ul style="list-style-type: none"> Narrative flow that is logical given the particular circumstances of the organization 	84 90	Business Model Value Creation and Distribution Process
	<ul style="list-style-type: none"> Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment 	99 318	Material Matters That Affect Value Creation Competitive Landscape Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues). 	16 90 103 155	Integrated Report Mapping Out Value Creation and Distribution Process Material Matters That Affect Value Creation Organizational Position Allocation of Resources based on Strategies
	<p>Inputs</p> <p>An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.</p>	84 90 155	Business Model Value Creation and Distribution Process Allocation of Resources based on Strategies- Business Model Flexibility for Adapting to Change Forces
	Business activities		
	An integrated report describes key business activities. This can include:		
	<ul style="list-style-type: none"> How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing) 	84 99 155	Business Model- Crafted for Value Creation competitive Landscape Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> The extent to which the business model relies on revenue generation after the initial point of sale (e.g., extended warranty arrangements or network usage charges) 	84 155	Business Model- Crafted for Value Creation Allocation Resources based on Strategies
	<ul style="list-style-type: none"> How the organization approaches the need to innovate 	52 60 308	Statement of the Chairman- Towards Digital Banking Transformation Statement of the Managing Director & CEO- Becoming the 'Digital Bank of Choice' Intellectual Capital- IT
	<ul style="list-style-type: none"> How the business model has been designed to adapt to change. 	155	Allocation of Resources based on Strategies- Business Model Flexibility for Adapting to Change Forces
	When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management.	248	Performance Analysis with the Management

SI No.		Pg Ref	Chapter Ref
	<p>Outputs</p> <p>An integrated report identifies an organization's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.</p>	34 90 84	Products & Services Value Creation and Distribution Process Business Model
	<p>Outcomes</p> <p>An integrated report describes key outcomes, including:</p> <ul style="list-style-type: none"> Both internal outcomes (e.g., employee morale, organizational reputation, revenue and cash flows) and external outcomes (e.g. customer satisfaction, tax payments, brand loyalty, and social and environmental effects) 	90 165	Value Creation and Distribution Process Directors Report to the Shareholders
	<ul style="list-style-type: none"> Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value). 	60 165	Statement of the Managing Director & CEO Directors Report to the Shareholders
	<p>Organizations with multiple business models</p> <p>Some organizations employ more than one business model (e.g., when operating in different market segments). This requires a distinct consideration of each material business model as well as commentary on the extent of connectivity between the business models (such as the existence of synergistic benefits). The integrated report of an organization with multiple businesses needs to balance disclosure with need to reduce complexity; however material information should not be omitted.</p>	84	Business Model- Canvas Model Business Model- Crafted for Value Creation
1.5	Performance		
	<p>An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals</p>	6 60 165 248 347	Performance 2020 Statement of the Managing Director & CEO Directors Report to the Shareholders Performance Analysis with the Management Shareholder's Information
	<p>An integrated report should contain qualitative and quantitative information about performance that may include matters such as:</p>		
	<ul style="list-style-type: none"> Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them 	60 165 347	Statement of the Managing Director & CEO Directors Report to the Shareholders Shareholder's Information
	<ul style="list-style-type: none"> The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain 	90 84	Value Creation and Distribution Process Business Model

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests 	318	Stakeholders Engagement and Materiality
	<ul style="list-style-type: none"> The linkages between past and current performance, and between current performance and the organization's outlook. 	60	Statement of the Managing Director & CEO
	KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use).	40 89	Value Creation and Distribution Process Business Model
	Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.	95	Microeconomic Landscape
1.6	Risks, opportunities and internal controls		
	An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them and effectiveness of the system of internal controls.	118 113	Risk Management Report on Risk Management by GCRO
	This can include identifying: <ul style="list-style-type: none"> The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two. 	163 118 113	Organizational Position Risk Management Report on Risk Management by GCRO
	<ul style="list-style-type: none"> The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does. 	103 113	Organizational Position Report on Risk Management by GCRO
	<ul style="list-style-type: none"> The specific steps being taken to mitigate or manage key risks (eg: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs. 	118 113	Risk Management Report on Risk Management by GCRO
	<ul style="list-style-type: none"> Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating) 	118 113	Risk Management Report on Risk Management by GCRO

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest. 	242	Report on Internal Control and Compliance
1.7	<p>Strategy and resource allocation</p> <p>An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)</p> <p>An integrated report need to identify:</p>	60 115	Statement of the Management Director & CEO Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> The organization's short, medium and long term strategic objectives 	20, 4 60 153	Vision, Mission and Core Values Statement of the Management Director & CEO Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> The strategies it has in place, or intends to implement, to achieve those strategic objectives 	52 60 155	Statement of the Chairman Statement of the Management Director & CEO Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> How the entity has positioned in the wider market. 	52 60 103 89	Statement of the Chairman Statement of the Managing Director & CEO Organizational Position Business Model
	<ul style="list-style-type: none"> How the long term strategies relate to current business model. 	155	Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> The resource allocation plans it has to implement its strategy 	89 90 155	Our Business Model- Crafted for Value Creation Value Creation and Distribution Process Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> How it will measure achievements and target outcomes for the short, medium and long term. 	84 90 361	Our Business Model- Crafted for Value Creation Value Creation and Distribution Process Value Added Statement Economic Value Added (EVA) Going Concern
	This can include describing:		
	<ul style="list-style-type: none"> The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans 	90 89	Value Creation and Distribution Process Business Model Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change 	401 89 155 157	Value Creation and Distribution Process Business Model Allocation of Resources based on Strategies- Business Model Flexibility For Adapting to Change Forces

SI No.		Pg Ref	Chapter Ref
	<ul style="list-style-type: none"> are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals 	93 118	Microeconomic Landscape Risk Management
	<ul style="list-style-type: none"> What differentiates the organization to give it competitive advantage and enable it to create value, such as: 	89	Business Model- Crafted for Value Creation
	<ul style="list-style-type: none"> the role of innovation 	308	Intellectual Capital- IT
	<ul style="list-style-type: none"> how the organization develops and exploits intellectual capital 	308	Intellectual Capital- IT
	<ul style="list-style-type: none"> the extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage 	95 316 325	Microeconomic Landscape Sustainability Analysis Social Relationship Capital Natural Capital
	<ul style="list-style-type: none"> Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans. 		Stakeholders Engagement and Materiality
1.8	Outlook		
	An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?	52 60	Statement of the Chairman Managing Director & CEO's Statement Business Environment Analysis and Risk Management
	An integrated report should highlight anticipated changes over time and provides information on		
	<ul style="list-style-type: none"> The organization's expectations about the external environment the organization is likely to face in the short, medium and long term 	22 95 99	Outlook 2021 Microeconomic Landscape Competitive Landscape
	<ul style="list-style-type: none"> How that will affect the organization 	95 99	Microeconomic Landscape Competitive Landscape
	<ul style="list-style-type: none"> How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise. 	95 155 157	Microeconomic Landscape Allocation of Resources based on Strategies – Business Model Flexibility For Adapting To Change Forces
	The discussion of the potential implications, including implications for future financial performance may include:		
	<ul style="list-style-type: none"> The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives 	95 103	Microeconomic Landscape Organizational Position
	<ul style="list-style-type: none"> The availability, quality and affordability of capitals the organization uses or affects (e.g., the continued availability of skilled labour or natural resources), including how key relationships are managed and why they are important to the organization's ability to create value over time. 	90 155 348 249, 308, 302, 316	Value Creation and Distribution Process Allocation of Resources Based of Strategies Financial Capital, Manufacturing Capital, Human Capital, Intellectual Capital, Natural Capital, Social Capital

SI No.		Pg Ref	Chapter Ref
	An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyses. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	22 165	Forward Looking Statements Directors' Report to the Shareholders Shareholders' Information
	Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject.	11	Scope of Integrated Reporting
1.9	Basis of preparation and presentation		
	An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated	11 90 92 318	Scope of Integrated Reporting Value Creation and Distribution Process- Material Matters Stakeholder Engagement and Materiality
	An integrated report describes its basis of preparation and presentation, including:		
	<ul style="list-style-type: none"> A summary of the organization's materiality determination process 	92 318	Creation and Distribution Process- Material Matters Stakeholder Engagement and Materiality
	<ul style="list-style-type: none"> Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters 	11 90 92	Scope of Integrated Reporting Value Creation and Distribution Process- Material Matters
	<ul style="list-style-type: none"> identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters. 	11 90 92	Scope of Integrated Reporting Value Creation and Distribution Process- Material Matters
	<ul style="list-style-type: none"> A description of the reporting boundary and how it has been determined 	11	Scope of Integrated Reporting
	<ul style="list-style-type: none"> Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity 		
	<ul style="list-style-type: none"> A summary of the significant frameworks and methods used to quantify or evaluate material matters 	11 90 92	Scope of Integrated Reporting Value Creation and Distribution Process- Material Matters
	<ul style="list-style-type: none"> (e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry based framework for evaluating risks). 		
2. Responsibility for an integrated report			
	An integrated report should include a statement from those charged with governance that includes:	11 176	About Integrated Reporting Scope of the Integrated Reporting Directors' Responsibilities for Financial Reporting

SI No.		Pg Ref	Chapter Ref
	An acknowledgement of their responsibility to ensure the integrity of the integrated report	176 158	Directors' Responsibilities for Financial Reporting, Corporate Governance Report: Roles and Responsibilities for Financial Reporting
	An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report	11 176	About Integrated Reporting Directors' Responsibilities for Financial Reporting
	Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework	176 11 158	Directors' Responsibilities for Financial Reporting, Scope of the integrated Reporting- Compliance Statement Corporate Governance Report: Roles and Responsibilities- Compliance with Existing Laws and Regulations
3. Other Qualitative Characteristics of an Integrated Report			
3.1	Conciseness		
	An integrated report should be concise.		
	An integrated report need to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information.	16 19 37 1 92 93-155 158-244 315-325 347-377 378	Mapping of the contents provided in: Integrated Report Mapping Out Contents, insights and information are provided in logical structure: Background of This Report About Mutual Trust Bank Limited (MTB) Organization and Leadership Business Environment Analysis and Risk Management Corporate Governance Management Discussion and Analysis Sustainability Analysis Shareholder's Information Financial Statements
	Eg:		
	<ul style="list-style-type: none"> Follows logical structure and includes internal cross-reference as appropriate to limit repetition. May link to more detailed information, information that does not change frequently or external sources. 		
	<ul style="list-style-type: none"> Express concepts clearly and in as few words. 		
	<ul style="list-style-type: none"> Favours plain language over the use of jargon or highly technical terminology. 		
	<ul style="list-style-type: none"> Avoids highly generic disclosures. 		
3.2	Reliability and completeness		
	An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.	92 176	Material Matters That Affect Value Creation Directors' Responsibilities for Financial Reporting

SI No.		Pg Ref	Chapter Ref
	The organization achieve the reliability and completeness through. Eg :		
	<ul style="list-style-type: none"> Selection of presentation formats that are not likely to unduly or inappropriately influence assessments made on the basis of integrated report. 	11 176	About Integrated Reporting Directors' Responsibilities for Financial Reporting
	<ul style="list-style-type: none"> Giving equal consideration to both increases and decreases in the capitals, both strengths and weaknesses of the organization, both positive and negative performance etc. 	60 163 248	Statement of the Managing Director & CEO Organizational Position Performance Analysis with the Management
	<ul style="list-style-type: none"> When information includes estimates, this is clearly communicated and the nature and limitations of the estimation process are explained. 		
3.3	Consistency and comparability		
	The information in an integrated report should be presented On a basis that is consistent over time	176 398	Directors' Responsibilities for Financial Reporting Note- 2.00
	In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time. Eg:	176 347	Directors' Responsibilities for Financial Reporting Shareholders' Information
	Using benchmark data, such as industry or regional benchmarks	52 60	Statement of the Chairman Statement of the Managing Director & CEO
	Presenting information in the form of ratios (e.g., research expenditure as a percentage of sales, or carbon intensity measures such as emissions per unit of output)	347	Shareholders' Information
	Reporting quantitative indicators commonly used by other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization (e.g., an industry body).		
	Reporting policies are followed consistently from one period to other unless a change is needed to improve the quality of information reported.	347	Shareholders' Information
	Reporting the same KPIs if they continue to be material across reporting period.	398 165 399	Note- 2 Director's Report to the Shareholders- Accounting Policy and Implementation of IAS/IFRS
	When a significant change has been made, the organization explains the reasons for the change describing its effect.	165 398	Director's Report to the Shareholders- Accounting Policy and Implementation of IAS/IFRS

SI No.		Pg Ref	Chapter Ref
3.4	Connectivity of information		
	An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time. Eg:	16 84 90 155	Integrated Report Mapping Out Business model- Crafted for Value Creation Value Creation and Distribution Process Allocation of Resources based on Strategies
	<ul style="list-style-type: none"> Connectivity between – Capitals Content elements 	16 90	Integrated Report Mapping Out Value Creation and Distribution Process
	<ul style="list-style-type: none"> Past , Present & Future 	52 60 155 247	Statement of the Chairman Statement of the Managing Director & CEO Allocation of Resources based on Strategies Management Discussion and Analysis
	<ul style="list-style-type: none"> Finance and other information 	90 348	Value Creation and Distribution Process Financial Capital
3.5	Materiality		
	An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	22 90 92	MTB Outlook 2020 And Forward-Looking Statement Value Creation and Distribution Process- Material Matters
3.6	Assurance on the Report		
	<ul style="list-style-type: none"> The policy and practice relating to seeking assurance on the report, 	11 165 175 176	Scope of Integrated Reporting- External assurance Directors' Report to the Shareholders- Appointment of Auditors Directors' Responsibilities for Financial Reporting
	<ul style="list-style-type: none"> the nature and scope of assurance provided for this particular report 	11 176 380 479 498 514	Scope of Integrated Reporting- External assurance Directors' Responsibilities for Financial Reporting Independent Auditor's Report to the Shareholders- MTBL MTBSL MTBCL MTB Exchange UK
	<ul style="list-style-type: none"> any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers 		N/A



Abbreviations

ABB	Association of Bankers, Bangladesh
AC	Audit Committee
ADC	Alternative Delivery Channel
AGM	Annual General Meeting
ALCO	Asset Liability Committee
ALS	Assured Liquidity Support
AmCham	American Chamber of Commerce in Bangladesh
ATM	Automated Teller Machine
BAB	Bangladesh Association of Banks
BACH	Bangladesh Automated Clearing House
BAFEDA	Bangladesh Foreign Exchange Dealer Association
BAPLC	Bangladesh Association of Publicly Listed Companies
BB	Bangladesh Bank (Central Bank of Bangladesh)
BIBM	Bangladesh Institute of Bank Management
BOD	Banking Operation Division
BRMC	Board Risk Management Committee
BRPD	Banking Regulation and Policy Department
CAD	Credit Administration Department
CAR	Capital Adequacy Ratio
CBS	Core Banking System
CCU	Central Compliance Unit
CDBL	Central Depository Bangladesh Limited
CDCS	Certified Documentary Credit Specialist
CHO	Corporate Head Office
CIB	Credit Information Bureau
CMU	Cash Management Unit
CP	Commercial Paper
CRAR	Capital to Risk Weighted Asset Ratio
CRGM	Credit Risk Grading Matrix

CRISL	Credit Rating Information and Services Ltd.
CRMD	Credit Risk Management Division
CRR	Cash Reserve Ratio
CSR	Corporate Social Responsibility
DCCI	Dhaka Chamber of Commerce & Industry
DEPZ	Dhaka Export Processing Zone
DR	Disaster Recovery
DSE	Dhaka Stock Exchange Limited
EC	Executive Committee
EFT	Electronic Fund Transfer
EMI	Equal Monthly Installment
EPZ	Export Processing Zone
ETP	Effluent Treatment Plant
FBCCI	Federation of Bangladesh Chambers of Commerce and Industry
FD	Fixed Deposit
FTP	Fund Transfer Pricing
GDP	Gross Domestic Product
GOB	Government of Bangladesh
GRI	Global Reporting Initiative
HFT	Held for Trading
HRD	Human Resources Division
HTM	Held to Maturity
IAS	International Accounting Standard
IBB	The Institute of Bankers, Bangladesh
ICAAP	Internal Capital Adequacy Assessment Process
ICAB	Institute of Chartered Accountants of Bangladesh
ICCB	International Chamber of Commerce Bangladesh
ICCD	Internal Control & Compliance Division
IFC	International Finance Corporation
IPO	Initial Public Offering

ITS	Information Technology System
LC	Letter of Credit
LG	Letter of Guarantee
MANCOM	Management Committee
MCCI	Metropolitan Chamber of Commerce and Industries
MCDB	MTB Chittagong Division Branches
MCR	Minimum Capital Requirement
MD&A	Management Discussion & Analysis
MDBB	MTB Dhaka Division Branches
MFIs	Micro Finance Institutions
MICR	Magnetic Ink Character Recognition
MID	MTB Infrastructure Division
MIT	MTB International Trade Services
MODB	MTB Other Division Branches
MTB	Mutual Trust Bank Limited
MTBCL	MTB Capital Limited
MTBSL	MTB securities Limited
MTBUK	MTB Exchange (UK) Limited
NBFI	Non-Bank Financial Institution
NCBs	Nationalized Commercial Banks
NII	Net Interest Income
NPL	Non Performing Loan (Classified Loan)
NRB	Non Resident Bangladeshi
OBU	Offshore Banking Unit
OCI	Other Comprehensive Income

PC	Purchase Committee
PCBs	Private Commercial Banks
PD	Probability of Default
PDBL	Primary Dealers Bangladesh Limited
PF	Providend Fund
POS	Point of Sale
PPG	Product Program Guidelines
PRI	Prime Risk Indicator
RBCA	Risk Based Capital Adequacy
RBIA	Risk Based Internal Audit
RFCD	Resident Foreign Currency Deposit
RMG	Readymade Garments
ROA	Return on Assets (excluding contingent items)
ROE	Return on Equity
RWA	Risk Weighted Assets
SAFA	South Asian Federation of Accountants
SAMD	Special Asset Management Division
SFU	Structured Finance Unit
SLR	Statutory Liquidity Ratio
SME	Small and Medium Enterprise
SRP	Supervisory Review Process (Pillar II of Basel III)
TFP	Trade Finance Program
WACRG	Weighted Average Credit Risk Grade
WBD	Wholesale Banking Division



Branch Network

Principal Branch

WW Tower, (1st-2nd Floor), 68, Motijheel C/A, Dhaka-1000
Bangladesh,
Phone: +88(02)47113237-38, 47110931, 47119031, 9515748
Fax: 880-2-47110931
Email: principal.br@mutualtrustbank.com

Panthapath Branch

Chandrashila Suvastu Tower, 69/1 Bir Uttam Kazi Nuruzzaman
Sarak (28 Sheikh Rasel Square) Panthapath, Dhaka.
Phone: +88(02) 9634453, 9641027, 9641281
Fax: 880-2-8624687
Email: panthapath.br@mutualtrustbank.com

Babu Bazar Branch

Aman Court, 15 Armenian Street, Armanitola, Babu Bazar
Dhaka-1100.
Phone: 02-5731 4821-2
Fax: 02-5731 6393
Email: bbazar.br@mutualtrustbank.com

Agrabad Branch

Akhtaruzzaman Centre, 21-22, Agrabad C/A Chattogram
Phone: +880312523287, +880312524269
Email: agrabad.br@mutualtrustbank.com

Sonargaon Branch

Khandker Plaza, Thana Road, Mogradpara, Sonargaon, Narayngonj
Phone: +88 027656347
Fax: 027656347
Email: sonargaon.br@mutualtrustbank.com

Uttara Model Town Branch

Auckland Centre (1st & 2nd floor), House No.11, Road No.06,
Sector No.04, Uttara, Dhaka-1230.
Phone: 58954379, 8960724, 8962464 (D)
Fax: 58957184
Email: uttara.br@mutualtrustbank.com

Progati Sarani Branch

15/5, Progati Sarani, Dhaka-1229
Phone: 8411804, 8410948, 8413082
Fax: 8411863
Email: progati.br@mutualtrustbank.com

CDA Avenue Branch

1005/2/1872, CDA Avenue,
East Nasirabad, Chattogram
Phone: +88031-656810-1, 656813
Fax: +88031-656814
Email: cda.br@mutualtrustbank.com

Sreenagar Branch

M. Rahman Complex (1st Floor), Sreenagar Bazar
Bhaggakul Road, Sreenagar, Munshigonj-1550
Phone: +8802-7627165
Email: sreenagar.br@mutualtrustbank.com

Pallabi Branch

14/11, Pallabi, Mirpur-12, Dhaka
Mobile: +8801708808497, +8801717224477
Email: pallabi.br@mutualtrustbank.com

Dilkusha Branch

Hotel Purbani International Building, 1 Dilkusha C/A,
Dhaka-1000
Phone: 9551627 (D), 9578580-1
Fax: 9578505
Email: dilkusha.br@mutualtrustbank.com

Khatungonj Branch

Crown Chamber, 325, Asadganj, Asadganj Road, Chattogram.
Phone: 031-612254, 031-626966, 031-2867959
Fax: 031-2860718
Email: khatungonj.br@mutualtrustbank.com

Dhanmondi Branch

Green Taj Center (1st Floor), Plot # 81, Road # 8/A (New), 1st
Floor, Dhanmondi, Dhaka 1209
Phone: +88029133148, 55155607, 88152213
Fax: +8802 55000241
Email: dhanmondi.br@mutualtrustbank.com

Aman Bazar Branch

Kamal Khan Plaza . Chikondandy, Hathazari, Chattogram
Phone: 031-681022, 031-2584330, 031-2584331 (D)
01819820185
Fax: 031-2580308
Email: amanbazar.br@mutualtrustbank.com

Bashundhara City Branch

Bashundhara City Shopping Mall, Level-3, Block-A, Panthapath, Dhaka.

Phone: 9124021 (Fax), 9120982, 9111440, 8121801, 8121732, 9136113

Fax: 00880-2-9124021

Email: bcity.br@mutualtrustbank.com

Chandra Branch

Dewan Plaza, Chandra Polly Biddut, Kaliakoir, Gazipur.

Phone: 06822-51968

Fax: 06822-51969

Email: chandra.br@mutualtrustbank.com

Jubilee Road Branch

Amafnha Centre, 214 Jubilee Road, Chattogram-4000, Bangladesh

Phone: +880 (31) 624922, +880 (31) 627533

Fax: +880 (31) 623463

Email: jubilee.br@mutualtrustbank.com

Nazirhat Branch

M.M. Plaza, Nazirhat Bazar, Fatikchari, Chattogram

Phone: 01713 403675

Email: nazirhat.br@mutualtrustbank.com

Chokoria Branch

Shah Amanat Shopping Complex (1st Floor), Chiringa,

Chakoria, Cox's Bazar

Phone: 03422-56502

Email: chokoria.br@mutualtrustbank.com

Pabna Branch

Abdul Hamid Road, Dilalpur, Pabna

Phone: 0731-51829, 0731-51830

Fax: 0731-51830

Email: pabna.br@mutualtrustbank.com

Gulshan Branch

120 Gulshan Avenue, Dhaka 1212

Phone: 880 (2) 222297325, 880 (2) 222282753

Fax: 880 (2) 8837840

Email: gulshan.br@mutualtrustbank.com

Sylhet Branch

Sylhet City Center, (1st Floor), Zindabazar, Sylhet

Phone: 0821-711328, 0821-711354, 0821 716820

Fax: 0821-2830273

Email: sylhet.br@mutualtrustbank.com

Moulvi Bazar Branch

103, M. Saifur Rahman Road, Moulvi Bazar

Phone: 0861 62840, 62841

Fax: 0861-62840

Email: moulvibazar.br@mutualtrustbank.com

Savar Branch

United Super Market, Savar Bazar Bus Stand, Savar, Dhaka.

Phone: 7741452 (PABX), 7741453 (Direct)

Fax: 7741453

Email: savar.br@mutualtrustbank.com

Fulbaria Branch

Annexco Tower, 8, Phonix Road, Fulbaria, Dhaka

Phone: 880 (2) 955 9842, 880 (2) 955 6285, 80 (2) 951 1708

Fax: 880 (2) 955 9867

Email: fulbaria.br@mutualtrustbank.com

Madaripur Branch

Melbourne Plaza, Main Road, Puran Bazar, Madaripur 7900

Phone: 0661-62483(Direct), 0661-62482(PABX)

Fax: +88066162482

Email: madaripur.br@mutualtrustbank.com

Dholaikhal Branch

25, Jorpool Lane, Dholaikhal New Road, P.S. Wari, Dhaka

Phone: Direct:9583542, PABX:9583895

Fax: 029581932

Email: dholaikhal.br@mutualtrustbank.com

Raipur Branch

Akota Super Market (1st Floor), 790-93 Main Road, Raipur,

Laxmipur

Phone: 0382256495, 0382256493

Fax: 03822-56493

Email: raipur.br@mutualtrustbank.com

Aganagar Branch

Babul Tower-2, Shahid Delowar Hossain Rd, East Aganagar,

South Keraniganj, Dhaka-1310

Phone: 880-27762226, 880-27762227

Fax: 880-27762227

Email: aganagar.br@mutualtrustbank.com

Joypurhat Branch

553 Main Road, Joypurhat Sadar, Joypurhat

Phone: 0571- 63585

Fax: 0571-63584

Email: joypurhat.br@mutualtrustbank.com

Narayanganj Branch

Padma City Plaza 2, 55/D S. M. Maleh Road, Tanbazar,

Narayanganj

Phone: 7648209

Fax: 7648210

Email: narayanganj.br@mutualtrustbank.com

Rangpur Branch

Mostofa Super Market (1st & 2nd floor), 1 Jahaj company

Mour, Rangpur Sadar, Rangpur

Phone: 0521-52325, 0521-52326

Fax: 0521-52326

Email: rangpur.br@mutualtrustbank.com

Banani Branch

Lintoo Centre (1st floor and 2nd floor), House- 82, Rd-11

Block-D, Ward-19, Banani, Dhaka-1213

Phone: 988-3831 (PABX), 988-3861 (Direct)

Fax: 988-3861

Email: banani.br@mutualtrustbank.com

Kushtia Branch

Eden Complex
169 (94/6 old) NS road, 1st Floor, Thanapara, Kushtia
Phone: 071-71662 (Direct), 071- 71663 (PABX)
Fax: 071-71662
Email: kushtia.br@mutualtrustbank.com

Gournadi Branch

Holding No: 3594, Chargadhatoli, Bandar Road Gournadi,
Barishal
Phone: 04322-56266, 04322-56267
Fax: 04322-56267
Email: gournadi.br@mutualtrustbank.com

Tongji Branch

United Shopping Complex (1st floor),
Hossain Market, Tongji, Gazipur.
Phone: +88 02 9816250, 9816251
Fax: +88 02 9816251
Email: tongji.br@mutualtrustbank.com

Elephant Road Branch

Pentium Point, 160 Elephant Road, Dhaka - 1205
Phone: 9611596 (Manager), 9611597 (Hunting)
Fax: 9611595
Email: elephantroad.br@mutualtrustbank.com

Feni Branch

Rabi Shopping Complex, 1st & 2nd Floor
10-11, Trunk Road, Feni Sadar, Feni
Phone: 033161986, 033161984-5
Email: feni.br@mutualtrustbank.com

Dania Branch

Dhaka Shopping Complex, 852- Zia Shorani, Shanir Akhra
Dhaka
Phone: 02-7551169, 02-7551195
Fax: + 880-02-7551203
Email: dania.br@mutualtrustbank.com

Bogura Branch

Amicus Center, Mofiz Paglar Mor, 416-418, Sherpur Road
Sutrapur, Bogura Sadar, Bogura
Phone: +8805178108-9
Fax: +88051-78110
Email: bogura.br@mutualtrustbank.com

Dhorkora Bazar Branch

Dhorkora Bazar, Chaudagram, Cumilla
Phone: Mobile No:01730080633
Email: dhorkora.br@mutualtrustBank.com

Mohammadpur Branch

80/C Asad Avenue, Mohammadpur, Dhaka-1207
Phone: 9128494 (Direct), 9127887 (PABX)
Fax: 8158682 (Fax)
Email: mohammadpur.br@mutualtrustbank.com

Rajshahi Branch

419, PARENTS PLAZA., ALUPATY, GHORAMARA, RAJSHAHI-6100
Phone: 88-0721-776203(DIRECT), 88-0721-776290(PABX)
Fax: 88-0721-776380
Email: rajshahi.br@mutualtrustbank.com

Alankar Mor Branch

D.T.Road, Abdul Ali Hat, Alankar Mor, North Pahartali,
Chattogram
Phone: 88-02-43151470 Direct-Manager, 88-02-43151472,
43151473,43151474
Fax: 88-02-43151471
Email: alankar.br@mutualtrustbank.com

MTB Centre Corporate Branch

MTB Centre, 26 Gulshan Avenue, Plot 5, Block SE(D)
Gulshan 1, Dhaka 1212
Phone: 880 2 881 8453, 8821472
Fax: 880 2 881 8452
Email: mtbcentre.br@mutualtrustbank.com

Cox's Bazar Branch

Green Valley Business Centre, 01, Main Road, Jawtala, Cox's
Bazar
Phone: PABX: +88 0341-52262, 52260
Direct: +88 0341 52261
Fax: FAX: +88 0341 52258
Email: coxsbazar.br@mutualtrustbank.com

Chawk Moghaltuli Branch

93, Chawk Moghaltuli, Chawk Bazar, Dhaka.
Phone: 02-57318437, 02-57318698, 02-57319637
Fax: 57319637
Email: chowkm.br@mutualtrustbank.com

Jashore Branch

10 R N Road, (1st floor), Jashore
Phone: +88042166161, +88042160105
Fax: +88042160104
Email: jashore.br@mutualtrustbank.com

Gazipur Branch

Ahsania Complex, (1st floor), Vogra Eastern Bypass, Gazipur
Phone: 9293305, 9293345, IP Phone: 8500
Fax: 9293345
Email: gazipur.br@mutualtrustbank.com

Baridhara Branch

The Alliance Building, 63, Pragati Sarani(1st Floor), Shahjadpur,
Gulshan, Dhaka 1212
Phone no: +88 02-9848680, 02-9892826
Fax: +8802-8818667
Email: baridhara.br@mutualtrustbank.com

Cumilla Branch

Rama Complex, 416/379 Badurtola, Kandirpar, Cumilla
Phone: Direct: 081-64556, PABX : 081-64557, Ex-101
Fax: 081-64556
Email: cumilla.br@mutualtrustbank.com

Oxygen Mor Branch

Plasma Hospital Building, 3692/E Oxygen Mor, Bayazid Bostami,
Chattogram 4210
Phone: 031-2583957, 2584315
Fax: 031-2583958
Email: oxygen.br@mutualtrustbank.com

Mymensingh Branch

23-24 Ananda Mohan Avenue, Bara Bazar, Mymensingh 2200
Phone: 091-63909, 091-63944 & 091-63945
Fax: 091-63908
Email: mymensingh.br@mutualtrustbank.com

Habiganj Branch

Jamil Complex (1st Floor), New Pourashava Road
Shayestanagar, Habiganj
Phone: 0831-63193 (PABX), 0831-63192-3
Mobile # 01755592735
Fax: 0831-63191
Email: habiganj.br@mutualtrustbank.com

Kerani Hat Branch

Hoque Tower Shopping Complex, & Apartments (1st Floor)
Kerani Hat, Satkania, Chattogram
Phone: +8809666775555,
Mobile: +88 01755558272
Email: keranihat.br@mutualtrustbank.com

Thakurgaon Branch

IRS Tower, Bangabandhu Sarak, Chowrasta Thakurgaon
Phone: 0561-61195, 61901
Fax: 0561-61357
Email: thakurgaon.br@mutualtrustbank.com

Shahparan Gate Branch

Janani Complex, Shahparan Gate, Khadim Nagar-3103, Sylhet.
Phone: (0821)2870111, 2870112, 2870042 (D)
Email: shahparan.br@mutualtrustbank.com

Karnaphuli EPZ Branch

Mohajan Golden Tower, Mohajan Ghata, North Patenga
Chattogram 4204
Phone: 031-2502305 (Direct), 031-2502301-3 (PABX)
Fax: 031-2502304
Email: kepz.br@mutualtrustbank.com

Bashundhara Branch

House 257, Road 1, Block B, Bashundhara R/A, Dhaka 1229
Phone: 88(02) 8417821, 8417822
Fax: 8417823
Email: bashundhara.br@mutualtrustbank.com

Shah Mokhdum Avenue Branch

House - 35 (1st Floor), Sector - 12, Shah Mokhdum Avenue,
Uttara, Dhaka.
Phone: 55087006 (PABX) 55085883 (Dir)
Mobile: 01990602638
Fax: No
Email: smokhdum.br@mutualtrustbank.com

Brahmanbaria Branch

Sapnil Community Centre, 1st Floor, T.A. Road, Brahmanbaria
Sadar, Brahmanbaria
Phone: +88 (0851) 61911, +88 (0851) 58595
Email: brahmanbaria.br@mutualtrustbank.com

Kapasias Branch

Thanar More, Kapasia, Gazipur 1730
Phone: +8802-92092223
Fax: +88 02 920209222
Email: kapasia.br@mutualtrustbank.com

Meghna Branch

Fresh Sales Center(1st Floor), Meghna Industrial Park,
Sonargaon, Narayanganj
Email: meghna.br@mutualtrustbank.com

Khilpara Branch

Hanufa Plaza, 1st Floor, Khilpara Bazar, Khilpara, Chatkhil
Noakhali-3872
Phone: 01755615012
Email: khilpara.br@mutualtrustbank.com

Kamrangir Char Branch

Pannu Plaza, Rasulpur Main Road, Sultangonj, Ashrafabad
Kamrangirchar, Dhaka
Phone: 02-55160215; 02-55160216
Fax: 02-55160217
Email: kamrangirchar.br@mutualtrustbank.com

Kakrail Branch

House# 89, Green City Edge (1st Floor), Kakrail C/A,
Dhaka-1000
Phone: +88 02 8300172-3
Fax: +8802 8300171
Email: kakrail.br@mutualtrustbank.com

Narayanganj BSCIC Branch

A. Rahman Plaza (1st Floor), Sasangaon, BSCIC Gate Enayet
Nagar, Fatullah, Narayanganj-1421
Phone: +8802-47671062, 02-47671063
Email: nbscic.br@mutualtrustbank.com

Naogaon Branch

Jolly Plaza, Main Road, Chalkdev, Naogaon
Phone: 0741-81251, 0741-81250 Ex. 101
Fax: 0741-81251
Email: naogaon.br@mutualtrustbank.com

Gobindaganj Branch

Kalpna Super Complex, Gobindaganj, Gaibandha
Phone: 05423-75186
Fax: 05423-75398
Email: gobindaganj.br@mutualtrustbank.com

Dinajpur Branch

Modern Mor, Ganeshtola, Dinajpur
Phone: +88 0531-66530, +88 0531-66540.
Fax: +88 0531-66540
Email: dinajpur.br@mutualtrustbank.com

Chattogram Medical College Branch

Epic Center, 19 Panchlaish, Chattogram
Phone: 031-656880, 031-656884
Fax: 031-656881
Email: cmc.br@mutualtrustbank.com

Mirpur Branch

Fahad Plaza, Plot No- 1, Road No- 1, Section-10, Thana: Kafur
Mirpur, Dhaka 1216
Phone: 02-9026281
Email: mirpur.br@mutualtrustbank.com

Kadair Bazar Branch

Mollah Market, Kadair Bazar, Shuvopur, Thana: Chouddagram,
Cumilla 3500
Phone: 01755558261
01791794070
Email: kadairbazar.br@mutualtrustbank.com

Jamirdia Masterbari Branch

Abdur Rashid Plaza, Jamirdia Masterbari, Habirbari,
Thana: Bhaluka, Mymensingh 2240
Phone: +8801708808463
Email: jamirdia.br@mutualtrustbank.com

Kalurghat Industrial Area Branch

Wajib Tower, C&B Mor, Arakan Road, Chandgaon, Kalurghat
Chattogram 4212.
Phone: 031-2573476; 031-2573474-75
Email: kalurghat.br@mutualtrustbank.com

Ashulia Branch

Rajobi Plaza, Jamgora, Yearpur, Ashulia, Dhaka 1341.
Phone: +8801777755507
Email: ashulia.br@mutualtrustbank.com

Monipur Bazar Branch

Sikder Market, Monipur Bazar, Hotapara-Nuhash Palli Road
Bhawalgor, Gazipur Sadar, Gazipur 1700.
Phone: 88 068255517, +88 01755656536
Email: monipurbazar.br@mutualtrustbank.com

Tangail Branch

Noor Tower, 311/ 312 Boro Masjid Road, Tangail 1900.
Phone: 01708808442, 0921-61536
Email: tangail.br@mutualtrustbank.com

Sirajganj Branch

Jan Bux Bhaban, 452 Station Road (S.S. Road), Sirajganj 6700
Phone: 88 0751-65110-1
Email: sirajganj.br@mutualtrustbank.com

Dumni Branch

Top Super Market, 2 Ananda Bazar, Dumni, Khilkhet, Dhaka
Phone: +8801730281611
Email: dumni.br@mutualtrustbank.com

Baraipara Branch

K.D. Super Market, Baraipara Bazar, Shimulia
Ashulia, Dhaka 1750
Phone: 01703788618 (Branch)
Email: baraipara.br@mutualtrustbank.com

Khulna Branch

Rahim Plaza, 15 KDA Avenue, Sonadanga, Khulna
Phone: +8802477727381, +8802477727189, +8802477722557
Email: khulna.br@mutualtrustBank.com

Abu Torab Bazar Branch

Bhuiyan Market, Abu Torab Bazar, Mirsarai, Chattogram
Phone: 01730080488
Email: atbazar.br@mutualtrustbank.com

Muradpur Branch

K. Plaza, Mirzarpul, Muradpur, Chattogram
Phone: 031-653381-3
Email: muradpur.br@mutualtrustbank.com

MTB Tower Branch

MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka 1000
Phone: 88 02 9344153
Email: mtbtower.br@mutualtrustbank.com

Bormi Branch

Khan Plaza, Bormi Bazar, Sreepur, Gazipur
Phone:
Email: bormi.br@mutualtrustbank.com

Bagher Bazar Branch

Borobari Super Market, Bagher Bazar, Gazipur Sadar, Gazipur
Phone: +880 1730080560
Email: babazar.br@mutualtrustbank.com

Barishal Branch

Fatema Centre, 523 Sadar Road, Barishal
Phone: +88 0431-62969, +88 0431-2177722
Email: barishal.br@mutualtrustbank.com

Laldighirpar Branch

Laldighi Complex, Laldighirpar, Sylhet-3100.
Phone: 0821-726449, 0821-726433, 0821-726448
Email: laldighirpar.br@mutualtrustbank.com

Madhabdi Branch

M. B. Tower, 256 Parkashipur, Madhabdi, Narsingdi 1604
Email: madhabdi.br@mutualtrustbank.com

Goalmari Bazar Branch

Goalmari, Daudkandi, Cumilla 3516
Phone: 01938411404
Email: goalmari.br@mutualtrustbank.com

Malibagh Chowdhurypara Branch

KBG Tower, 15 DIT Road, Malibagh Chowdhurypara, Dhaka
Phone: 8802222220487, 8802222220486
Email: malibagh.br@mutualtrustbank.com

Faridpur Branch

Moni Bhaban, 1st Floor, Janata Bank Mor, Mujib Sarak, Faridpur
Phone: +880 (631) 66004-5
Email: faridpur.br@mutualtrustbank.com

Ulipur Branch

Holding No.06, Ward No.06, Ulipur Pourashova, Ulipur, Kurigram
Phone: +880582-956307 & 01730080350
Email: ulipur.br@mutualtrustbank.com

Hemayetpur Branch

Lalon Tower & Shopping Complex, Hemayetpur Bus Stand,
Tatuljhora, Savar, Dhaka
Phone: 88 02 44065070-1
Email: hemayetpur.br@mutualtrustbank.com

Sarkerhat Branch

Gani Shopping Centre (1st & 2nd floor), Sarkerhat, Mirzapur
Hathazari, Chattogram
Email: sarkerhat.br@mutualtrustbank.com

Haidergonj SME/ Agri Branch

Gazi Super Market (1st floor), Haidergonj, Raipur, Laxmipur.
Phone: 01755508664
Email: haidergonj.br@mutualtrustbank.com

Dagon Bhuiyan SME/Agri Branch

R. B. Plaza (1st Floor), Fazilerghat Road, Dagoanbhuiyan, Feni.
Phone: 03323-79129, 01714108862
Fax: 03323-79126
Email: dagonbhuiyan.br@mutualtrustbank.com

Laksam SME/Agri Branch

308, By-Pass Road, By-Pass Laksam, Cumilla.
Phone: 08032-51042
Fax: 08032-51041
Email: laksham.br@mutualtrustbank.com

Bhojeswar SME/Agri Branch

Commissioner Plaza, 1st Floor, Bhojeswar Bazar, Union & PO:
Bhojeswar, Naria, Shariatpur
Mobile: +8801954 798081
Email: bhojeswar.br@mutualtrustbank.com

Kaliganj SME/Agri Branch

Azad Market (2nd Floor), Kaliganj Bazar, Kaliganj, Gazipur.
Phone: 06823-52194
Fax: 06823-52193
Email: kaliganj.br@mutualtrustbank.com

Ramchandrapur Bazar SME/Agri Branch

Ramchandrapur Bazar Muradnagar, Cumilla
Phone: 01868 74 95 74
Email: ramchandrapur.br@mutualtrustbank.com

Gaffargaon SME/Agri Branch

Ashraf Market (1st floor), Gafargaon Sadar Gafargaon,
Mymensingh
Phone: 01749969699
Fax: 09025-56425
Email: gafargaon.br@mutualtrustbank.com

Ishwardi SME/Agri Branch

Niaz Tower, Post Office More, Ishwardi 6620, Pabna
Phone: Direct 07326-64550,
PABX 07326-64551, Fax: 07326-64549
Email: ishwardi.br@mutualtrustbank.com

Belkuchi SME/Agri Branch

2nd Floor of Rabeya Plaza, 296, Mukundogati Bazar Ward
No. 07; PO: Sohagpur 6741, PS: Belkuchi Under Belkuchi
Municipality, Upazilla: Belkuchi; District - Sirajganj
Phone: 07522-56353
Fax: 07522-56353
Email: belkuchi.br@mutualtrustbank.com

Nazumeah Hat SME/ Agri Branch

Salim Market (1st Floor), Nazumeah Hat, Hathazari,
Chattogram
Phone: 031-670053
Email: nazumeah.br@mutualtrustbank.com

Dhanbari SME/ Agri Branch

Dhanbari New Market, Dhanbari, Tangail
Phone: 092169125
Email: dhanbari.br@mutualtrustbank.com

Hasnabad SME/ Agri Branch

Mofiz Uddin Mansion, Block D, Container Port Road, Hasnabad
Housing, South Keraniganj, Dhaka 1310
Phone: 7763908 PABX
Fax: 880-2- 7763984
Email: hasnabad.br@mutualtrustbank.com

Syedpur SME/ Agri Branch

Hazi Asab Ali market, Syedpur, Jagannathpur, Sunamganj
Phone: 01730452044
Email: syedpur.br@mutualtrustbank.com

Sarulia Bazar SME/ Agri Branch

Ismail Mansion, Sarulia Bazar, Demra, Dhaka 1361
Phone: +088 (02) 7500 804, +088 (02) 7500 859
Fax: +088 (02) 7500 583
Email: sarulia.br@mutualtrustbank.com

Mawna Branch

Marfat Ali Fakir Tower, Mawna Bazar Road, Sreepur, Gazipur
Email: mawna.br@mutualtrustbank.com

Mirpur-2 Branch

Jawad Tower, House#74, Road#2, Block-D, Mirpur-2, Dhaka-1216
Email: mirpur2.br@mutualtrustbank.com

Rahattarpool Branch

S.A Complex (1st floor), Rahattarpool, Ward No. 17,
Bakalia, Chattogram
Phone: 031-622576, 622572-4
Email: rahattarpool.br@mutualtrustbank.com

Monohardi Branch

232, Al-Modina Plaza, By-Pass Road, Monohardi
Pourasava, Monohardi, Narsingdi
Email: monohardi.br@mutualtrustbank.com

Joydebpur Branch

District Muktijuddha Complex (1st floor), Rajbari Road, Thana
Joydebpur, Gazipur- 1700
Phone: +88 02 49273227
Mobile: +8801787-657695
email: joydebpur.br@mutualtrustbank.com

Shyamoli Branch

Momtaz Heights (1st floor), 15/2, Mirpur Road, Shyamoli, Dhaka 1207
Phone: +88 02 48110730-1
Email: shyamoli.br@mutualtrustbank.com

Ghior Branch

Atal Saha Plaza (First Floor) Ghior, Manikganj
Email: ghior.br@mutualtrustbank.com

Dhanmondi Road 2 Branch

Khan ABC Tradeplex, Holding No. 37, Road No. 02
Dhanmondi, Dhaka.



Sub Branch

Alimuddin Sarak Sub-Branch

Alimuddin Sarak, Beside Register Office, Feni, Sadar, Feni
Phone: 01815-432901
Email: alimuddinsarak.subbr@mutualtrustbank.com

Avenue-5 Sub-Branch

Doza Villa, House No.- 15, Section- 11
Block- C, Lane- 03, Ward No.- 03, Pallabi, Dhaka.
Email: avenue5.subbr@mutualtrustbank.com

Baghber Bazar Sub-Branch

Baghber Bazar, Ward no. 2, union- Rupganj
Thana- Rupganj, District- Narayanganj.
Phone: +88 01787-657825
Email: baghber.subbr@mutualtrustbank.com

Bangla Bazar Sub-Branch

Mosharaf Tower, House No.- 509/524, Bangla Bazar,
Ward No.- 22, Thana- Gazipur Sadar, District- Gazipur
Phone:
Email: bbazar.subbr@mutualtrustbank.com

Beraid Sub-Branch

Chandartek, College Road, Beraid, Dhaka-1212
IP Phone: 2564, Mobile: +8801711465250, 01811695935
Email: beraid.subbr@mutualtrustbank.com

Boro Bazar Sub-Branch

Aftab Centre, House No. 141, Sir Iqbal Road, Khulna
Email: borobazar.subbr@mutualtrustbank.com

Dakshin Khan Sub-Branch

Dewan Habib Shopping Complex, DNCC, Thana-
dakshin Khan, District- Dhaka
Email: dkhan.subbr@mutualtrustbank.com

Dhaka Uddayan Sub-Branch

House No. 13, Dhaka Uddayan, DNCC Thana-
Mohammadpur, District- Dhaka.
Email: duddayan.subbr@mutualtrustbank.com

Dhalua Bazar Sub-Branch

Solaiman Market, Dhalua Bypass, Dhalua Bazar,
Nangalkot, Cumilla
Mobile: +8801730080312
Email: dhaluabazar.subbr@mutualtrustbank.com

Feni Hospital Mor Sub-Branch

Central Plaza, 2nd Floor, Sador Hospital Mor, Feni.
Email: feniHM.subbr@mutualtrustbank.com

Gangra Bazar Sub-Branch

Abdul Gafur Super Market, Gangra, Ward 08, Cumilla
Email: gangrabazar.subbr@mutualtrustbank.com

Jaleshwar Sub-Branch

Radio Colony, PATC, Ward No. 03, Pourshova- Savar
Thana- Savar, District Dhaka 1340
Mobile: 01986 811611
Email: jaleshwar.subbr@mutualtrustbank.com

Kalachandpur Sub-Branch

House No. Ka 24, Kalachandpur, Gulshan 2, Dhaka- 1212
Email: kalachandpur.subbr@mutualtrustbank.com

Kalir Bazar Sub-Branch

Main Uddin Market, Kalir Bazar, Adarsha Sadar, Cumilla
Phone: +88017(30)080503
Email: kalirbazar.subbr@mutualtrustbank.com

Kamarpara Sub-Branch

House No. 25, Kamarpara Bazar Road, Turag, Dhaka
Email: kamarpara.subbr@mutualtrustbank.com

Majhirghat Sub-Branch

Haji Ala Meah Chamber, 379/1, Strand Road,
Majhirghat, Ward No.-29, Sadarghat, Chattogram

Meradia Sub-Branch

Amin Tower, Meradia, DSCC, Thana- Khilgaon District-Dhaka
Email: meradia.subbr@mutualtrustbank.com

Mongolergaon Sub-Branch

Haji Abdul Jalil Super Market, Mongolergaon Bazar
Sonargaon, Narayanganj
Email: mongolergaon.subbr@mutualtrustbank.com

Nagori Bazar Sub-Branch

House No. 621/46, Nagori New Market, Kaliganj, Gazipur.
Email: nagoribazar.subbr@mutualtrustbank.com

Naria Sub-Branch

Khalesh Cashel, Ward 01, Pouroshova- Naria,
Shariatpur.
Phone: OFFICE : 01730-080376
Email: naria.subbr@mutualtrustbank.com

Netaiganj Sub-Branch

218, B. K. Road, Netaiganj, Narayanganj,
Phone: 02-47651242
Email: netaiganj.subbr@mutualtrustbank.com

Pirerbagh Sub-Branch

Rumi Heights, Ward no. 13, DNCC, Thana- Mirpur
District- Dhaka.
Mobile: +8801787658778
Email: pirerbagh.subbr@mutualtrustbank.com

Rabindra Sarani Sub-Branch

Plot- 38, Rabindra Sarani, Sector- 7, Uttara Model Town,
DNCC, District- Dhaka
Email: rsarani.subbr@mutualtrustbank.com

Ramkrishnapur Bazar Sub-Branch

Hazi Abdus Sattar Market, Ramkrishnapur Bazar
Union-Chanderchar Thana-Homna, District-Cumilla
Email: ramkrishnapur.subbr@mutualtrustbank.com

Saidpur Sub-Branch

M. A. Plaza House No. 17/A Shahid Dr. Zikrul Haque
Road, Saidpur, Nilphamari
Email: saidpur.subbr@mutualtrustbank.com

Solmaid Sub-Branch

House No. 17, Road No. 04, Block- C, Solmaid, DNCC
Thana- Vatara, District- Dhaka
Email: solmaid.subbr@mutualtrustbank.com

Tejgaon Sub-Branch

214/D, Tejgaon Gulshan Link Road, Ward No.- 24,
DNCC, Thana- Tejgaon Industrial Area Dhaka- 1208.
Phone: +880(2)8817271, 8831815-6,
8831824,8831827,8831830, 8831848,8831856,8831858.
Fax: +880(2)8817456
Email: tejgaon.br@mutualtrustbank.com

Trimohoni Sub-Branch

Begume Square, House 4034, Trimohoni, Barkhada
Kushtia
Mobile: +8801708808471
Email: trimohoni.subbr@mutualtrustbank.com

Uttara EPZ Sub-Branch

Zone Services Complex, Uttara Epz, Shangalshi
Nilphamari Sadar, Nilphamari
Phone: 01730 34 37 52
Email: uttaraepz.subbr@mutualtrustbank.com



MTB Agent Banking Centres

AGENT BANKING CENTRE	FULL ADDRESS	PHONE
MTB Jahapur Bazar Agent Banking Centre	Jahapur Bazar, Jahapur, Muradnagar, Comilla	01735996129
MTB Momtajmiar Hat Agent Banking Centre	Momtaj Miar Hat, Dhalia, Feni Sadar, Feni	01820080034
MTB Bagherhat Agent Banking Centre	Bagherhat, Dholia, Feni Sadar, Feni	01820080034
MTB Lauhati Bazar Agent Banking Centre	Lauhati Bazar, Lauhati, Delduar, Tangail	01624724264
MTB Kudimpara Agent Banking Centre	Tilokpur, Babulchora, Digha, Ishwardi, Pabna	01713743363
MTB Khorarchar Agent Banking Centre	Khorarchar, Roail, Dhamrai, Dhaka	01932791079
MTB Chowdhury Bazar Agent Banking Centre	Chowdhury Bazar, Chauddagram, Comilla	01745770401
MTB Khironshal Bazar Agent Banking Centre	Khironshal Bazar, Munshirhat, Chauddagram, Comilla	01814484994
MTB Pathan Nagar Agent Banking Centre	Pathan Nagar, Chhagalnaiya, Feni	01730162011
MTB Madartek Agent Banking Centre	82/5/B Madartek Chowrasta Bazar, Basabo, Sobujbag, Dhaka	01817512092
MTB Surjonagar Bazar Agent Banking Centre	Surjonagar Bazar, Dattapara, Shibchar, Madaripur	01711232710
MTB Vore Bazar Agent Banking Centre	Vore Bazar, Forhad Nagar, Feni Sadar, Feni	01711041662
MTB Kolabagan Agent Banking Centre	Kolabagan, Sreepur, Chauddagram, Cumilla	01619221117
MTB Moricha Bazar Agent Banking Centre	Moricha Bazar, Moricha Palong, Ukhiya, Cox's Bazar	01713124375
MTB Kafilatoli Agent Banking Centre	Kafilatoli, Lakshmipur Sadar, Lakshmipur	01719835613
MTB Putimari Agent Banking Centre	Putimari, Khamar Dhonarua, Shaghata, Gaibandah	01713484669
MTB Mithapukur Agent Banking Centre	Mithapukur, Mithapukur, Rangpur	01710053119
MTB Zero Point Agent Banking Centre	Zero Point, Satkhira Road, Khulna	01711966254
MTB Hossainpur Bazar Agent Banking Centre	College Road, Hossainpur, Kishoreganj	01711484516
MTB Koska Bazar Agent Banking Centre	Koska Bazar, Lemua, Feni Sadar, Feni	01820080034
MTB Kakchira Agent Banking Centre	Kakchira Bazar, Patharghata, Barguna	01812055552
MTB Beraid Agent Banking Centre	Boro Beraid, Badda, Dhaka-1212	01712575157
MTB Muhuriganj Agent Banking Centre	Puraton Muhuriganj (Alam Bazar), Chhagalnaiya, Feni.	01711041662
MTB Bauniabadh Agent Banking Centre	7/11/12, Bauniabadh, Kalshi, Pallabi, Dhaka	01819225212
MTB Taitola Agent Banking Centre	Taitola Bazar, Sonargaon, Narayanganj	01741231474
MTB Badalgachi Agent Banking Centre	Badalgachi, Badalgachi, Naogaon	01715453060
MTB Durgadho Agent Banking Centre	Durgadho Bazar, Joypurhat Sadar, Joypurhat	01714099310
MTB Dhamoirhat Agent Banking Centre	Dhamoirhat, Dhamoirhat, Naogaon	01715453060
MTB Gazipur Bazar Agent Banking Centre	Gazipur Bazar, Sreepur, Gazipur	01689749412

AGENT Banking CENTRE	FULL ADDRESS	PHONE
MTB Borarchar Agent Banking Centre	Borarchar, Jahapur, Muradnagar, Comilla	01819442880
MTB Sreenodi Agent Banking Centre	Sreenodi, Madaripur Sadar, Madaripur	01710849123
MTB Joypura Agent Banking Centre	Joypura, Dhamrai, Dhaka	01932791079
MTB Madaripur Agent Banking Centre	Madaripur, Modhom Madarsha, Hathazari, Chitagong	01819338539
MTB Narayanhat Agent Banking Centre	Narayanhat, Bhujpur, Fatikchari, CHITTAGONG	01819571444
MTB Pirerbag Agent Banking Centre	2/Ka, Uttar Pirerbag, Mirpur, Dhaka	01552369471
MTB Vashantek Agent Banking Centre	Vashantek, Dhaka Cantonment, Dhaka	01917704487
MTB Kabirajhat Agent Banking Centre	Kabirajhat, Birganj, Dinajpur	01715086868
MTB Kedarpur Agent Banking Centre	Kedarpur Bazar, Nagorpur, Tangail	01713543167
MTB Lahini Bottola Agent Banking Centre	Lahini Bottola, Kushtia Sadar, Kushtia	01817181399
MTB Bittipara Agent Banking Centre	Bittipara, Ujangram, Kushtia Sadar, Kushtia	01711578148
MTB Gollamari Agent Banking Centre	Gollamari Bazar, Khulna City Corporation, Khulna	01789353461
MTB Mitora Agent Banking Centre	Mitora Bazar, Manikganj Sadar, Manikganj	01727039500
MTB Shiber Bazar Agent Banking Centre	Shiber Bazar, Sylhet Sadar, Sylhet	01712912036
MTB Nandigram Agent Banking Centre	Nandigram Bazar, Bindhara, Panchbib, Joypurhat	01715464728
MTB Akota Bazar Agent Banking Centre	Akota Bazar, Batisa, Chauddagam, Cumilla	01619221117
MTB Sonar Para Agent Banking Centre	Sonar Para Bazar, Ukhiya, Cox's Bazar	01713124375
MTB Satmile Agent Banking Centre	Satmile Bazar, Hoibotpur, Jashore Sadar, Jashore	01713000926
MTB Sundorpur Agent Banking Centre	Sundorpur Bazar, Baligaon, Feni Sadar, Feni	01817508637
MTB Bairati Agent Banking Centre	Bairati Bazar, Imadpur, Mithapukur, Rangpur	01710053119
MTB West Brahmondi Agent Banking Centre	205/2, West Brahmondi, Narsingdi	01712918611
MTB Chowara Agent Banking Centre	Bazar Chowara, Cumilla City Corporation, 27 No. Ward, Cumilla	01711540321
MTB Anandapur Agent Banking Centre	Anandapur Bazar, Hasnabad, Fulgazi, Feni	01811252525
MTB Bhurghata Agent Banking Centre	Bhurghata Bazar, Kalkini, Madaripur	01707333337
MTB Duaripara Agent Banking Centre	Duaripara Bazar, Eastern Housing, Main Road, Rupnagar, Dhaka	01914489626
MTB Chandgazi Agent Banking Centre	Chandgazi Bazar, Chhagalnaiya, Feni	01818894931
MTB Panchbib Agent Banking Centre	Nandigram Bazar, Bindhara, Panchbib, Joypurhat	01795747575
MTB Hastisunda Agent Banking Centre	Hastisunda Eidgah Market, Wazirpur, Barishal	01674499712
MTB Kabirajpur Agent Banking Centre	Kabirajpur, Rajoir, Madaripur	01710849123

AGENT BANKING CENTRE	FULL ADDRESS	PHONE
MTB Powron Bibi Agent Banking Centre	Powron Bibi Bazar, Begumgonj, Noakhali	01773095139
MTB Kalai Agent Banking Centre	Samad Shopping Complex, Kalai, Joypurhat	01712678711
MTB Gondhomoti Agent Banking Centre	Gondhomoti Bazar, Kotbari, Cumilla	01742347565
MTB Moulavir Dokan Agent Banking Centre	Hafez Market, Moulavir Dokan, Kaliash, Satkania, CHITAGONG	01817744456
MTB Hustala Moar Agent Banking Centre	Hustala Moar, Bokchor, Jashore Sadar, Jashore	01711429126
MTB Darogarhat Agent Banking Centre	Darogarhat, Shuvopur, Chhagalnaiya, Feni	01711391378
MTB Bangla Bazar Agent Banking Centre	Bangla Bazar, Bhola Sadar, Bhola	01710877922
MTB Kaliatol Agent Banking Centre	Kaliatol Bazar, Gunabati, Chauddagam, Cumilla	01817056214
MTB Kalir Bazar Agent Banking Centre	Kalir Bazar, Bahadurpur, Madaripur Sadar, Madaripur	01711073394
MTB Chanderchor Agent Banking Centre	Chanderchor Bazar, Chanderchor, Homna, Cumilla	01814388123
MTB Moheshpur Agent Banking Centre	Moheshpur Bazar, Moheshpur, Jhenaidah	01728752846
MTB Narikelbaria Agent Banking Centre	Narikelbaria Bazar, Bagherpara, Jeshore	01718164440
MTB Par Gandaria Agent Banking Centre	Par Gandaria, Doyagonj Moar, Jatrabari, Dhaka	01989093436
MTB Gareya Road Agent Banking Centre	Gareya Road, Thakurgaon Pourashava, Thakurgaon	01796503373
MTB Madarganj Agent Banking Centre	Madarganj Bazar, Mithipur, Pirganj, Rangpur	01710053119
MTB Ullabazar Agent Banking Centre	Ullabazar, Varotkhali, Saghata, Gaibandah	01719827225
MTB Nazipur Agent Banking Centre	Nazipur Bazar, Nazipur, Patnitala, Naogaon	01770186727
MTB Tikori Agent Banking Centre	Tikori Bazar, Mubarakpur, Shibganj, Chapainawabganj	01712186889
MTB Kheruajani Agent Banking Centre	Kheruajani Bazar, Muktagacha, Mymensingh	01711149920
MTB Gongajoli Agent Banking Centre	Gongajoli Bazar, Chandanpur, Belabo, Narsingdi	01711529250
MTB Jallara Agent Banking Centre	Jallara Bazar, Joynagar, Shibpur, Narsingdi	01711529250
MTB Gozaria Bazar Agent Banking Centre	Gozaria Bazar, Daganbhuiyan, Feni	01818167249
MTB Naiyar Bazar Agent Banking Centre	Naiyar Bazar, Befessor, Daudkandi, Cumilla	01914809731
MTB Kaleer Bazar Agent Banking Centre	Kaleer Bazar, Gozaria, Faridgonj, Chandpur	01739538798
MTB Dhola Bazar Agent Banking Centre	Dhola Bazar, Trishal, Mymensingh	01612610656
MTB Allardarga Agent Banking Centre	Allardarga, Daulatpur, Kushtia	01727280999
MTB Crp Road Agent Banking Centre	Crp Road, Dogormura, Savar, Dhaka	01719464033
MTB Madhupur Agent Banking Centre	Madhupur Bazar, Khagrachari Sadar, Khagrachari	01764788426
MTB Napitkhali Bottoli Agent Banking Centre	Napitkhali Bottoli, Cox's Bazar Sadar, Cox's Bazar	01838853490
MTB Balarhat Agent Banking Centre	Balarhat, Mithapukur, Rangpur	01712643971
MTB Nababpur Agent Banking Centre	Nababpur, Sonagazi, Feni	01711041662
MTB Amtali Agent Banking Centre	Amtali Bazar, Amtali, Barguna	01712795359

AGENT BANKING CENTRE	FULL ADDRESS	PHONE
MTB Bhairab Bazar Agent Banking Centre	Bhairab Bazar, Bhairab, Kishoreganj	01819280699
MTB Kola Bazar Agent Banking Centre	Kola Bazar, Badalgachi, Naogaon	01720963755
MTB Dhamairhat Agent Banking Centre	Dhamairhat, Barama, Chandanaish, CHITTAGONG	01814663266
MTB Hatipara Bazar Agent Banking Centre	Hatipara Bazar, Manikganj Sadar, Manikganj	01915512555
MTB Chandipur Agent Banking Centre	Chandipur Board Bazar, Naogaon Sadar, Naogaon	01713746643
MTB Fulbaria Agent Banking Centre	Fulbaria Yunus Market, Fulbaria, Kapasia, Gazipur	01716314617
MTB Deokhola Bazar Agent Banking Centre	Deokhola Bazar, Fulbaria, Mymensingh	01736327133
MTB Khanabari Bazar Agent Banking Centre	Khanabari Bazar, Mirzanagar, Raipura, Narsingdi	01726924020
MTB Naihati Agent Banking Centre	Naihati Bazar, Shimulia, Savar, Dhaka	01711331724
MTB Kawlar Bazar Agent Banking Centre	House # 556, Kawlar Bazar, Khilkhet, Dakshinkhan, Dhaka	01718642968
MTB Asim Bazar Agent Banking Centre	Asim Bazar, Fulbaria, Mymensingh	01757807634
MTB Rayer Bazar Agent Banking Centre	3/2/Kh, Sultangonj, Hashem Khan Road, Rayer Bazar, Hazaribagh, Dhaka	01819211666
MTB Sararchar Agent Banking Centre	Sararchar Bazar, Bajitpur, Kishoreganj	01711103179
MTB Dwimukha Agent Banking Centre	Dwimukha Bazar, Dwimukha, Dhamrai, Dhaka	01627721852
MTB Shibganj Agent Banking Centre	Shibganj Bazar, Josora, Gafargaon, Mymensingh	01729624272
MTB Keshorganj Agent Banking Centre	Keshorganj Bazar, Fulbaria, Mymensingh	01718885841
MTB Dhap Agent Banking Centre	Dhap, Jail Road, Rangpur	01710053119
MTB Harinagar Agent Banking Centre	Harinagar Bazar, Munshiganj, Shyamnagar, Satkhira	01939665821
MTB Lalpol Agent Banking Centre	Lalpol Bazar, Kalidah, Feni Sadar, Feni	01820080034
MTB East Kalurghat Agent Banking Centre	East Kalurghat, Boalkhali, CHITTAGONG	01819614244
MTB Nalghar Agent Banking Centre	Nalghar Bazar, Chauddagam, Cumilla	01748479680
MTB Bibir Bagicha Agent Banking Centre	79/8/2, Gate No-4, Bibirbagicha, North Jatrabari, Dhaka	01915160390
MTB Tapa Madhupur Agent Banking Centre	Tapa Madhupur Bazar, Kaunia, Rangpur	01970053119
MTB Saldoi Agent Banking Centre	Saldoi, Chowrasta, Ghagotia, Kapasia, Gazipur	01772851105
MTB Chatar Bazar Agent Banking Centre	Chatar Bazar, Bof, Gazipur Sadar, Gazipur	01611542262
MTB Mohammadia Housing Society Agent Banking Centre	House # 36, Road # 3, Mohammadia Housing Society, Mohammadpur, Dhaka	01798560669
MTB Natun Bazar Agent Banking Centre	Natun Bazar, Bm College Road, Barisal Sadar, Kotwali, Barishal	01758404484
MTB Jaigir Bazar Agent Banking Centre	Jaigir Bazar, Dhalla, Singair, Manikganj	01921810274
MTB Chaydana Agent Banking Centre	Hurricane Bus Stand, Chaydana, Gazipur Sadar, Gazipur	01713003737
MTB Bijoy Singh Agent Banking Centre	Bijoy Singh, Circuit House Road, Feni Sadar, Feni	01854021952
MTB Akbaria Agent Banking Centre	Akbaria, Modhom Madarsha, Hathazari, Chitagong	01819338539

AGENT BANKING CENTRE	FULL ADDRESS	PHONE
MTB Murapara Agent Banking Centre	Murapara Bazar, Rupganj, Narayanganj	01913126963
MTB Moulouvi Bazar Agent Banking Centre	77/6, Moulouvi Bazar, Dhaka	01711523697
MTB Panti Agent Banking Centre	Panti Bazar, Kumarkhali, Kushtia	01789009998
MTB Mongolkote Agent Banking Centre	Mongolkote Bazar, Keshabpur, Jashore	01719564070
MTB Samadhinagar Agent Banking Centre	Samadhinagar Bazar, Baliakandi, Rajbari	01964037105
MTB Gongadhorpotti Agent Banking Centre	Gongadhorpotti Road, Thana Road, Manikganj	01713329379
MTB Muslim Bazar Agent Banking Centre	House # 17, Road # 19, Block # D, Muslim Bazar, Pallabi, Dhaka	01841040200
MTB Malakhala Agent Banking Centre	Malakhala Bazar, Daudkandi, Cumilla	01816006348
MTB Modhupur Agent Banking Centre	Anowar Market, Mymensingh Road, Madhupur, Tangail	01712261576
MTB Vaitkandi Agent Banking Centre	South Vaitkandi Bazar, Phulpur, Mymensingh	01819614244
MTB Paikpara Agent Banking Centre	S K Plaza, 278/2, Paikpara, (Chapakhana Mor) Mirpur -1, Dhaka.	01711787471
MTB Binodpur Agent Banking Centre	Binodpur Bazar, Bagha, Rajshahi	01715040371
MTB Kazipur Golam Bazar Agent Banking Centre	Kazipur Golam Bazar, Gangni, Meherpur	01788517270
MTB Nobodoy Agent Banking Centre	Nobodoy Bazar, Adabor, Mohammadpur, Dhaka	01622001100
MTB Jaigirhut Agent Banking Centre	Jaigirhut, Hetampur, Mithapukur, Rangpur.	01768941058
MTB Masarpur Agent Banking Centre	Bypass More, Naogaon Sadar, Naogaon.	01741110679
MTB Morjal Bazar Agent Banking Centre	Morjal Bazar, Morjal, Raipura, Narsingdi	01816694000
MTB Basherpul Agent Banking Centre	Basherpul, Paradogar, Demra, Dhaka.	01717633281
MTB Sundoli Bazar Agent Banking Centre	Sundoli Bazar, Ovaynagar, Jashore	01740877115
MTB Moniram Bazar Agent Banking Centre	Moniram Bazar, Tobgi, Borhanuddin, Bhola	01733120430
MTB Dalil Uddin Khaer Hut Agent Banking Centre	Dalil Uddin Khaer Hut, Daulatkhan, Bhola.	01712556805
MTB Jhitka Agent Banking Centre	Binodgala, Jhitka, Harirampur, Manikganj	01785902402
MTB Kahalgaon Agent Banking Centre	Kahalgaon Bazar, Fullbaria, Mymensingh	01744800009
MTB Kakna Agent Banking Centre	Kakna Bazar, Borohatkora, Doulatpur, Manikganj	01713581198
MTB Nepaltoli Agent Banking Centre	Nepaltoli Bazar, Gabtoli, Bogura	01797691228
MTB Dhoparhat Agent Banking Centre	Dhoparhat, Osmania, Musapur, Sandwip, Chattogram	01817226028
MTB Hamidpur Agent Banking Centre	Hamidpur Bazar, Kalihati, Dighor, Ghatail, Tangail	01725047059
MTB Sakhipur Agent Banking Centre	Sakhipur, Sakhipur Sadar, Tangail	01718884539
MTB Bulbul Bazar Agent Banking Centre	Bara, Barobaria, Goffargaon, Mymensingh	01631491472
MTB Putiakhali Agent Banking Centre	Arua, Boroya, Rajapur, Jhalokathi	01712000144
MTB Tarakandi Agent Banking Centre	Charteki, Tarakandi, Pakundia, Kishoreganj	01784770543

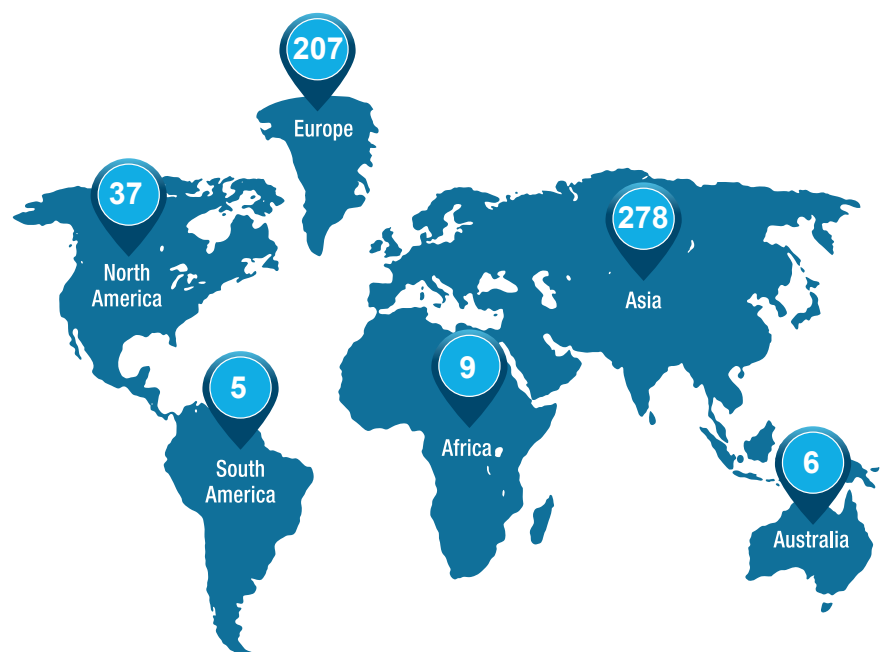
AGENT BANKING CENTRE	FULL ADDRESS	PHONE
MTB Aral Bazar Agent Banking Centre	Karihata, Ikuria, Kapasia, Gazipur	01716526560
MTB Kansat Tulapotti Agent Banking Centre	Kansat Tulapotti, Shibganj, Chapainawabganj	01711392521
MTB Benapol Agent Banking Centre	Benapol, Sharsha, Jashore	01970999999
MTB Bordhushia Agent Banking Centre	Bordhushia Bazar, Shidlai, Brahmanpara, Cumilla	01714083628
MTB Chandanail Agent Banking Centre	Chandanail Bazar, Sreekail, Muradnagar, Cumilla	01753236025
MTB Benarasi Palli Agent Banking centre	Benarasi Palli, Mirpur 10, Dhaka North City Corporation, Dhaka	01682298190
MTB Sararia Agent Banking Centre	Sararia Bazar, South jamsha, Singair, Manikganj	01798490340
MTB Baliadi Agent Banking Centre	Baliadi Bazar, Sreefoltoli, Kaliakoir, Gazipur	01728785505
MTB Dohalia Agent Banking Centre	Dohalia Bazar, Dowara Bazar, Sunamganj	01740986778
MTB Subhanighat Agent Banking Centre	Subhanighat, Sylhet city corporation, Sylhet	01711966649
MTB Matarbari Agent Banking Centre	Matarbari, Moeshkhali, Cox's Bazar	01840876102
MTB Bidyakut Agent Banking Centre	Bidyakut, nabinagar, Brahmanbaria	01713604322
MTB Akrashal Agent Banking Centre	Akrashal Bazar, Baghab, Shibpur, Narsingdi	01712099284
MTB Malumghat Agent Banking Centre	malumghat, Dulahajra, Chakaria, Cox's bazar	01846109494
MTB Ananda Bazar Agent Banking Centre	Ishanpur, Faridpur Sadar, Faridpur	01734664104
MTB Voiraba Agent Banking Centre	Voiraba Bazar, Bashbaria, Moheshpur, Jhenaidah	01733174837
MTB Isabpur Agent Banking Centre	Isabpur, Dhamoirhat, Naogaon	01712314554
MTB Madartek Bazar Agent Banking Centre	Madartek Bazar, Charmatha, Pathalia, savar, Dhaka	01728491432
MTB Taragonj Agent Banking Centre	Taragonj Bazar, Durgapur, Kapasia, Gazipur	01707232219
MTB Mohammadbag Agent Banking Centre	Mohammadbag Chowrasta, Merajnagar, Kadamtoli, Dhaka	01924000018
MTB Shamganj Agent Banking Centre	Shamganj Bazar, Moilkanda, Gouripur, Mymensingh	01911159554
MTB Roghunathpur Agent Banking Centre	Roghunathpur Bazar, kashipur, Homna, Cumilla	01814392880
MTB Kathalbari Agent Banking Centre	Kathalbari Bazar, Rajarhat, Kurigram sadar, Kurigram	01784131277
MTB Ershadmore Agent Banking Centre	Ershadmore, Ranipukur, Mithapukur, Rangpur	01783040805
MTB Charmuguria Agent Banking Centre	Charmuguria Bazar, Madaripur Sadar, Madaripur	01988696414
MTB Navaran Puratan Bazar Agent Banking Centre	Navaran (Puratan Bazar), Sharsha, Jashore	01917985090



Correspondent Banking Relationship

At the beginning of the year until the end week of March 2020, Correspondent Banking Business was business as usual. The business starts with its own stride, strategies were set to go in terms on-boarding new correspondent banks and rebounding the existing relationships to keep pace with the projected business growth. All in a sudden, an ominous sign in the Wuhan city of China has come out into circulation that a viral infections- namely novel coronavirus- was spread throughout the city. When World Health Organization (WHO) declared this phenomena as outbreak as on January 30, 2020, this ominous sign has become dreadful reality in the global trade. Consequently; the massive disruption or interruption in the global supply chain had impacted both the demand and supply side abruptly including free flow of trade documents from one country to another as almost all airports were shut down through government declaration. This rare situation has made huge uncertainty in the global financial markets and made global investors extremely conservative. As a result, we have observed most of the correspondent banks in general, local and regional correspondent banks in particular, were temporarily sealed their correspondent banking business doors from March 2020 to June 2020. During that period of time, there was nosedive of regular business flow as well. But the policy relaxation circular in response to amid COVID-19 to extend the maturity tenor maximum of further 180 days posed extra pressure on overall management of correspondent banking business throughout the year. During this challenging time, we strive to continue our communications with all correspondent banks and pursue them to approve transactions on an exceptional basis for MTB. During this critical time, Asian Development Bank (ADB) has extraordinarily extended their hand through increasing funded credit limit for MTB.

In addition to response to critical pandemic issues, our long term strategy, to deliver import documentary credits at the doorstep of the beneficiary directly through its bank and establish relationships with all issuing banks and remitting banks for our export, is continuing. We are currently maintaining total number of Relationship Management Application (RMAs) 597, of which 542 are with the foreign banks and 55 are with the local banks. We are routing all of our cross border payments through 41 Standard Settlement Instructions (SSIs) with different foreign banks denominated in different foreign currencies, i.e., US Dollar, British Pound, Euro, Japanese Yen, Swiss Franc, Singapore Dollar, United Arab Emirates Dirham, Qatari Riyal, Saudi Riyal, Australian Dollar and Asian Clearing Union in Dollar and Euro.



ASIA | Afghanistan | Bahrain | Bhutan | China | Cambodia | Hong Kong | India | Indonesia | Japan | Korea | Kuwait | Kyrgyzstan | Lebanon | Malaysia | Macau | Nepal | Oman | Pakistan | Philippines | Qatar | Saudi Arabia | Singapore | Sri Lanka | Taiwan | Thailand | United Arab Emirates | Uzbekistan | Vietnam | Jordan

EUROPE | Austria | Belgium | Belarus | Bulgaria | Croatia | Czech Republic | Denmark | Estonia | France | Finland | Germany | Greece | Hungary | Iceland | Ireland | Italy | Latvia | Liechtenstein | Lithuania | Luxembourg | Norway | Malta | Netherland | Poland | Portugal | Russian Federation | San Marino | Serbia | Spain | Slovakia | Switzerland | Sweden | Turkey | Turkmenistan | United Kingdom | Ukraine

AFRICA | Egypt | Mauritius | South Africa | Tunisia

NORTH AMERICA | Cayman Islands | Canada | Dominica | Mexico | United States of America | Panama

SOUTH AMERICA | Argentina | Brazil

AUSTRALIA | Australia | New Zealand



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

you can bank on us

Corporate Head Office: MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212

MTB Share Department: MTB Tower (3rd Floor), 111 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka 1000

E-mail: mm.reza@mutualtrustbank.com, islam.rafique@mutualtrustbank.com, ismail.hossain@mutualtrustbank.com

Website: www.mutualtrustbank.com

PROXY FORM

I/We, of (address)
..... being the shareholder (s) of the Mutual Trust Bank Ltd. (MTB) do hereby appoint Mr. /Ms of (address)..... as my/our proxy to participate and vote on my/our behalf at the **22nd Annual General Meeting (AGM)** of the Bank to be held on **Thursday, June 24, 2021 at 11.30 a.m. (Dhaka Time)** Virtually by using digital platform through the following link <https://mutualtrustbank.bdvirtualagm.com> and any adjournment thereof.

Signed this day of2021

.....
Signature of the shareholder(s)

.....
Signature of the PROXY

Number of Shares held on record date:

Affix
Revenue
Stamp
BDT.20

BOID No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Notes:

1. The PROXY Form duly signed and stamped at BDT.20 must be sent through email to **MTB Share Department** or scanned copy of the Proxy must be sent through email to mm.reza@mutualtrustbank.com or islam.rafique@mutualtrustbank.com or ismail.hossain@mutualtrustbank.com not later than **48 hours before commencement of the AGM.**
2. Signature of the shareholder(s) should be in accordance with the specimen signature recorded with the bank.



WE SUPPORT



Corporate Head Office:
MTB Centre, 26 Gulshan Avenue
Plot 5, Block SE(D), Gulshan 1, Dhaka 1212
Tel: 880 (2) 222283966, 58812298
Fax: 880 (2) 222264303
SWIFT: MTBL BD DH
E-mail: info@mutualtrustbank.com
www.mutualtrustbank.com

 [mutual.trust.bank](https://www.facebook.com/mutual.trust.bank)  [mutualtrustbank](https://www.instagram.com/mutualtrustbank)  [mutualtrustbank](https://www.twitter.com/mutualtrustbank)

