

# Powering Future

Annual Report 2019



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
**Mutual Trust Bank Ltd.**

*you can bank on us*

# Powering Future

Customer experience, over the last couple of years, has become the key competitive differentiator when it comes to banking. The banks that are investing in customer experience are seeing 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 evolving business models. In its effort to enrich the banking experience of its customers, MTB believes in enhancing the digital banking experience with a view to creating a technological breakthrough in competitive dynamics. Known for being farsighted when it comes to providing convenience to its customers, MTB has embraced a 'digital first' mindset and played an important role in bringing about a behavioural shift in the day-to-day banking conducted by customers. With the tagline "MTB will meet you digitally 24/7", the bank consistently puts a thrust on the use of non-branch banking alternatives i.e. digital banking solutions and electronic platforms to fuel the shift towards the digital adoption of financial services which are not burdened by traditional methods. By establishing partnerships with the fintechs, the bank can create Unique Selling Propositions (USPs) for attracting the millennials who demand personalisation from their bank which safeguard their money. At a time when the experience derived from the digital banking engagement determines the future of a financial institution, MTB intends to power the future by reinventing themselves and going beyond a digital revolution all the while achieving a business transformation.

2019







Remembering The Father of the Nation Bangabandhu  
Sheikh Mujibur Rahman on his Birth Centenary



# LETTER OF TRANSMITTAL

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

**MTB ANNUAL REPORT 2019 TOGETHER WITH THE AUDITED FINANCIAL STATEMENTS  
(CONSOLIDATED AND SEPARATE) FOR THE YEAR ENDED ON DECEMBER 31, 2019.**

Dear **Madam/Sir(s)**,

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

We are pleased to enclose a copy of the Annual Report 2019, together with the audited Financial Statements (includes Balance Sheet, Profit and Loss Account, Statement of Cash Flows, Statement of Changes in Equity, Liquidity Statement and Notes to the Financial Statements (on consolidated and separate basis) for the year ended on December 31, 2019, of the Mutual Trust Bank Ltd. (MTB) for your kind information and record.

The Financial Statements of the MTB comprises of MTB Securities Ltd. (MTBSL), MTB Capital Ltd. (MTBCL), MTB UK Exchange Ltd. (MTB UK), subsidiaries of the bank, and MTB Offshore Banking Unit (MTB OBU).

Yours sincerely,



**Malik Muntasir Reza**  
Group Company Secretary



# NOTICE OF THE 21ST ANNUAL GENERAL MEETING (AGM)

## 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 21<sup>st</sup> ANNUAL GENERAL MEETING (AGM)

Notice is hereby given to all the shareholders of Mutual Trust Bank Ltd. (MTB) that, the 21st (Twenty-first) Annual General Meeting (AGM) of the bank will be held virtually (using digital platform) on **Thursday, August 27, 2020 at 3:00 PM**, to transact the following business, and to adopt necessary resolutions:

### AGENDA

1. To receive, consider and adopt the audited Annual Financial Statements (Consolidated and Separate), for the year ended on December 31, 2019, together with the Directors' Report and Auditors' Report thereon.
2. To declare Dividend for the year ended on December 31, 2019.
3. To elect/re-elect Directors and to approve the appointment of Independent Directors.
4. To appoint/reappoint Statutory Auditor and fix their remuneration.
5. To appoint/reappoint Compliance Auditor as per Corporate Governance Code and fix their remuneration.

By order of the MTB Board of Directors

Sunday, July 26, 2020  
Dhaka



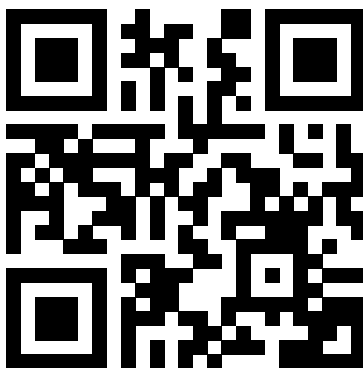
**Malik Muntasir Reza**  
Group Company Secretary

### Notes:

- i) The "Record Date" was **Tuesday, July 21, 2020**. The shareholders whose names appeared in the Members/Depository Register under Central Depository System (CDS) on Record Date would be eligible to attend/participate and vote at the Annual General Meeting (AGM).
- ii) The Board of Directors have recommended **10% (ten percent) Dividend (i.e., 5% in the form of Cash Dividend and 5% in the form of Stock Dividend (Bonus Shares))**.
- iii) Pursuant to the Bangladesh Securities and Exchange Commission's revised Order No. SEC/SRMIC/04-231/25 dated July 08, 2020, the AGM will be held virtually (using digital platform), which will be conducted via live webcast.
- iv) To login into the system, the shareholders need to put their 16-digit Beneficial Owner (BO) Number / Folio number and other credentials as a proof of their identity, details of which will be notified later on. Link of the meeting and login details will 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](http://www.mutualtrustbank.com)
- v) The shareholders will be able to submit their questions / comments electronically to [mm.reza@mutualtrustbank.com](mailto:mm.reza@mutualtrustbank.com) or [islam.rafique@mutualtrustbank.com](mailto:islam.rafique@mutualtrustbank.com) or [rashed.hasan@mutualtrustbank.com](mailto:rashed.hasan@mutualtrustbank.com) **24 hours** before the AGM.
- vi) 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 (July 21, 2020), which was mentioned in the Price Sensitive Information dated June 30, 2020, published on July 01, 2020, to get the Virtual AGM invitation. However, the shareholders who are yet to update their BO ID information through their respective DPs, and shareholders having paper shares are yet

to submit the e-TIN at the **MTB Share Department** are requested to submit their e-TIN and other information to the bank's Share Department or aforementioned email addresses, before **August 06, 2020**. Failure to update 12 digits e-TIN, Income Tax on Cash Dividend will be deducted @ 15% instead of @ 10% as per Income Tax Ordinance, 1984.

- vii) The Merchant Banks, and Stock Brokers are 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 including e-TIN numbers before **August 06, 2020**, for facilitating payment of Cash Dividend, as per lists.
- viii) Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, the soft copies of the Annual Report 2019, will be sent to the email addresses of the shareholders available in the respective Beneficial Owner (BO) Accounts maintained with the Depository Participants (DPs), in time. The Annual Report 2019, will also be available at the bank's website: [www.mutualtrustbank.com](http://www.mutualtrustbank.com), in time.
- ix) A shareholder is entitled to attend and vote at the AGM may appoint a Proxy to attend and vote 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.
- x) M/s. A. Qasem & Co., Chartered Accountants, the existing Auditor of the bank will retire from office at the 21st AGM. Since they have audited the financial statements of the bank for the consecutive last three years, as per prevailing laws, they are not eligible for reappointment.
- xi) In compliance with the Bangladesh Securities & Exchange Commission (BSEC) Circular 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 21st AGM"





# PERFORMANCE 2019

## Core Business Growth

BDT in million/%

7,035

22.69%



Paid-up Capital

16,290

22.23%



Total Shareholders' Equity

190,948

14.92%



Total Deposits

189,730

14.20%



Total Loans and Advances

256,913

15.49%



Total Assets

119,002

0.92%



Imports

64,318

7.09%



Exports

5,240

7.28%



Profit Before  
Provision and Tax

1,338

-22.87%



Net Profit  
After Tax

BDT  
2.03

-25.38%



Earnings Per Share  
(EPS)

BDT  
23.16

22.23%



Net Assets  
Value (NAV) per share

9.03%



Return on  
Average Equity (ROE)

0.56%



Return on  
Average Assets (ROAA)

5.39%

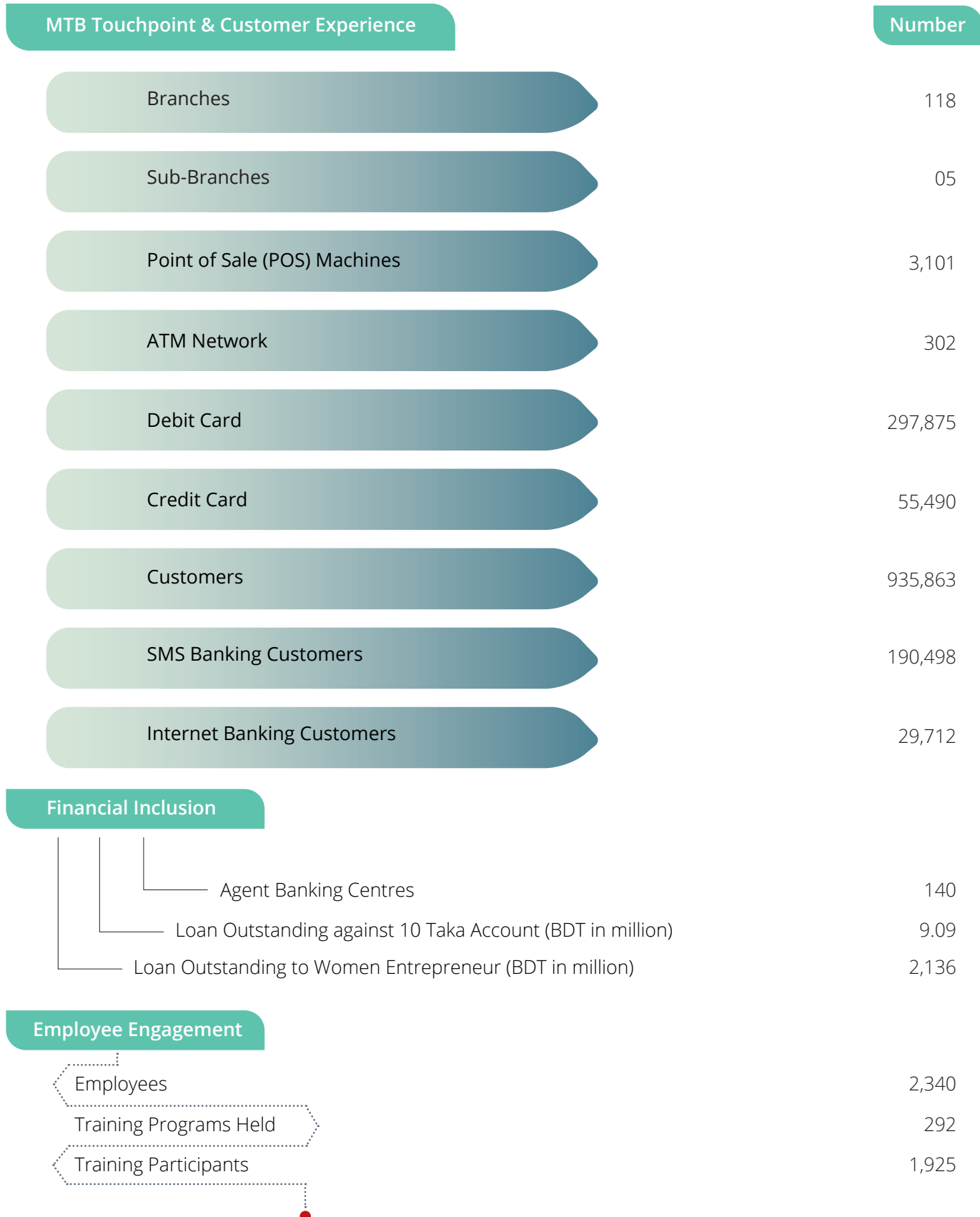
Non Performing Loan  
(NPL) Ratio

12.91%



Capital to Risk  
Weighted Asset Ratio  
(CRAR)

# PERFORMANCE 2019





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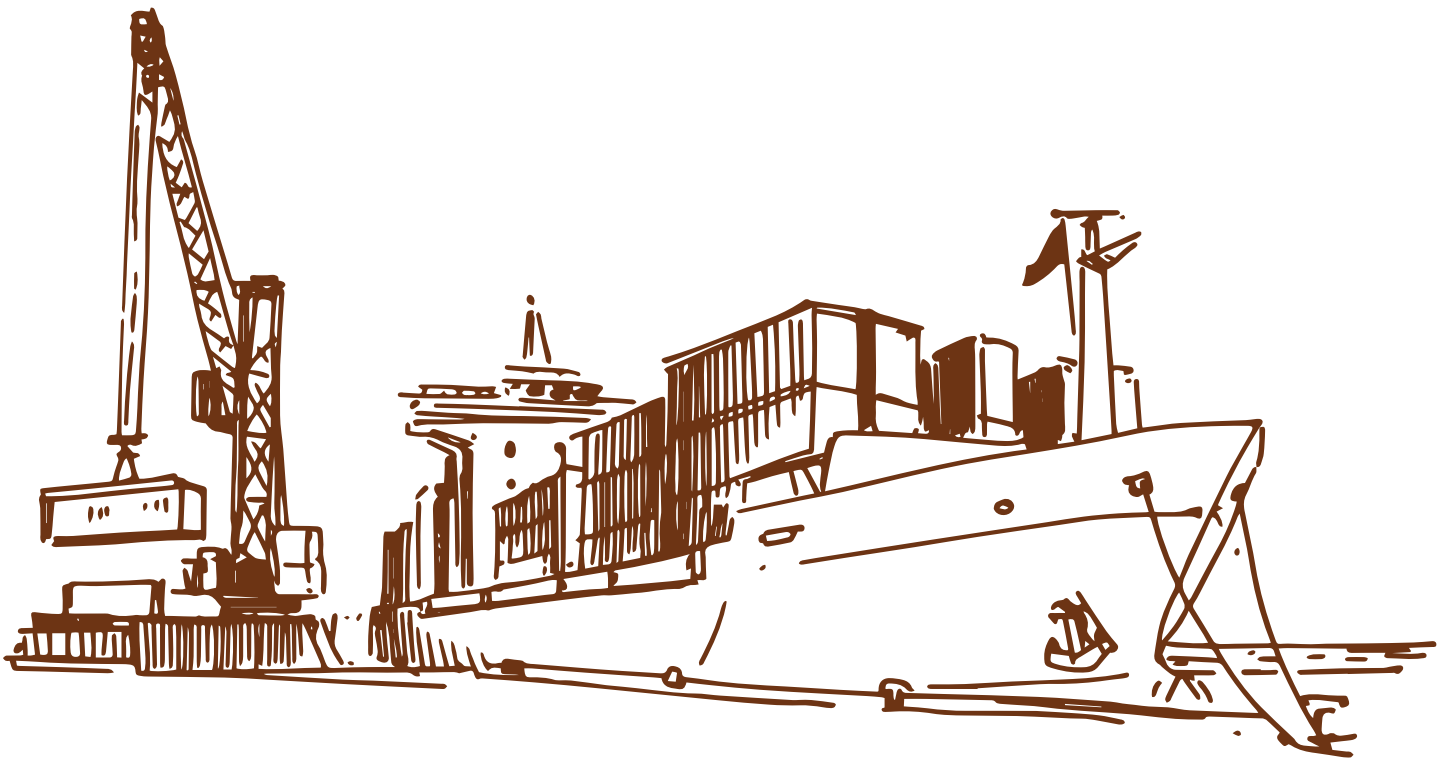
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# BACKGROUND OF THIS REPORT



## **Matarbari Sea Port**

The fourth seaport of the country – after Chattogram, Mongla, and Payra – will be set up at Matarbari in Cox's Bazar at an estimated cost of more than USD 2.0 billion (BDT 17, 777 crore). The port will have two separate 300-metre and 460-metre long terminals where ships with 8,000 TEU (twenty-foot equivalent unit) containers – four times higher than the Chattogram Port – can dock because of the 16-meter draft at the port channel.

# ABOUT INTEGRATED REPORTING

We are pleased to present our Annual Report, which adopts integrated approach, is a comprehensive assessment of the financial and non-financial performance of MTB in 2019 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.

This report covers material information relating to our strategy, business model, operating landscape, material risks and uncertainty, stakeholder interests, performance, governance and prospects of 12 month period ending on December 31, 2019 and includes information about the MTB Group operation in Bangladesh and the UK. However, historic data is mentioned where they are relevant.

This integrated report has been incorporated with non-financial performance, opportunities, risks and outcomes which could be attributed to or associated with our key stakeholders and have significant influence on our ability to create value.

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 how we create value for our stakeholders including staff, clients, regulators, and society.

## ABOUT MUTUAL TRUST BANK LIMITED (MTB)

This chapter introduces MTB to readers and stakeholders of this integrated report. Our corporate vision and mission is mentioned here from which we derive our values. We have given our outlook for 2020, a short account of our journey, key milestones that are achieved, and awards and recognitions that we have accumulated so far.

## 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 Sir 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 2020. 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 social and relationship capital, natural capital and our investment in our human resources and their training and 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 2019.

## FINANCIAL STATEMENTS

This chapter is comprised of different financial statement of Mutual Trust Bank Limited and Subsidiaries of the MTB Group.



# SCOPE OF INTEGRATED REPORTING

Integrated reporting means the integrated representation of a company's performance in terms of both financial and other value relevant information. It provides greater context for performance data, clarifies how value relevant information fits into operations or a business, and may help make company long-term decisions. Establishing a correlation between a bank's business activities and the impact on society in terms value addition is, by its nature, very challenging. 2019 Annual Report of MTB has been presented as an 'Integrated Report' with the aim of articulating how Mutual Trust Bank Limited, as an organization, has excellently managed its business to deliver consistent value to its stakeholders.

## SCOPE OF THE REPORT

Operations of Mutual Trust Bank Ltd and MTB Group subsidiaries during the timeline from 1 January to 31 December 2019 is under consideration for this report. Compared to our annual report of 2018 there has not been any changes in the scope or the boundary of the report or any relevant historic financial data.

## COMPLIANCE STATEMENT

As a forward-looking enterprise, in presenting the Integrated Report, we have referred to 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 so disclosed has been extracted from the Audited Financial Statements for the financial year ended 2019 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
- 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.

## MATERIALITY

The purpose of the report is to address the issues most relevant to our organizational priority. Our Top Management agreed that most pertinent issues are:

- Our effort to enrich banking experience for our customers through providing streamlined services and sound financial advice in order to establish a long term relationship.
- Our commitment to our corporate mission and vision which embodies highest ethical standard, transparency, and corporate governance.
- Our belief that digitization of our operation will transcend us to a new height and will create an atmosphere for safe and secure multi-channel banking experience for our customers.
- Our promise to safeguard the trust of our customers by embracing integrity and sincerity.
- Our responsibility to our customers, our stakeholders, our country and its community and to the planet.
- After close interaction with our stakeholders, our top management decided on our most material issues which are following:
- Performance driven culture embodying transparency in the governance
- Safe and Secure banking services
- Build a future proof bank
- Become a face that upholds social value

## FORWARD LOOKING STATEMENT

This report includes forward looking statement which discusses the risks and opportunities for our bank. These statements are valid only for the date of publication as external factors can materially change after publication date. The bank is not obliged to publicly revise the statement if such changes occur following the publication of the report.

## ASSURANCE

MTB has an effective system in place which is constantly reviewed by the Board as material risks deeply impacts the bank's sustainability. We hold external reports in high regard as we use that information to make our internal decisions. In depth internal and external audits safeguard our operational integrity and sustainability.

## RESPONSIBILITY OF THE BOARD

The Board, along with the Audit and Risk committees, is responsible for this report. The board considers that this report addresses the bank's material issues and accurately presents integrated performance and their impacts.

## EXTERNAL ASSURANCE

The company has the following external assurance for obtaining reports in period under consideration

### A. QASEM & CO. CHARTERED ACCOUNTANTS, AN INDEPENDENT MEMBER OF ERNST & YOUNG (EY)

- Financial Statements Audit Report

### KHAN WAHAB SHAFIQUE RAHMAN & CO. A MEMBER OF MGIWORLDWIDE

- MTB Employees' Welfare Fund
- MTB Employees' Death Benefit Fund
- MTB Employees' Medical Assistance Fund &
- MTB Foundation
- Mutual Trust Bank Limited Employees' Gratuity Fund
- Eligibility Compliance of MTB for participating in the Investment Promotion and Financing Facilities project

### SHAFIQ BASAK & CO., A MEMBER OF ABACUS WORLDWIDE

- Mutual Trust Bank Employees' Provident Fund.

### CREDIT RATING INFORMATION AND SERVICES LIMITED (CRISL)

- Entity Credit Rating

All the information presented in this report is on the same basis as the 2019 report in terms of the entities covered, the measurement methods applied and time frames used. Ratios used are comparable across the industry. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication with our stakeholders.

The hard copy of the Annual Report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available in the website

<https://www.mutualtrustbank.com>.



**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

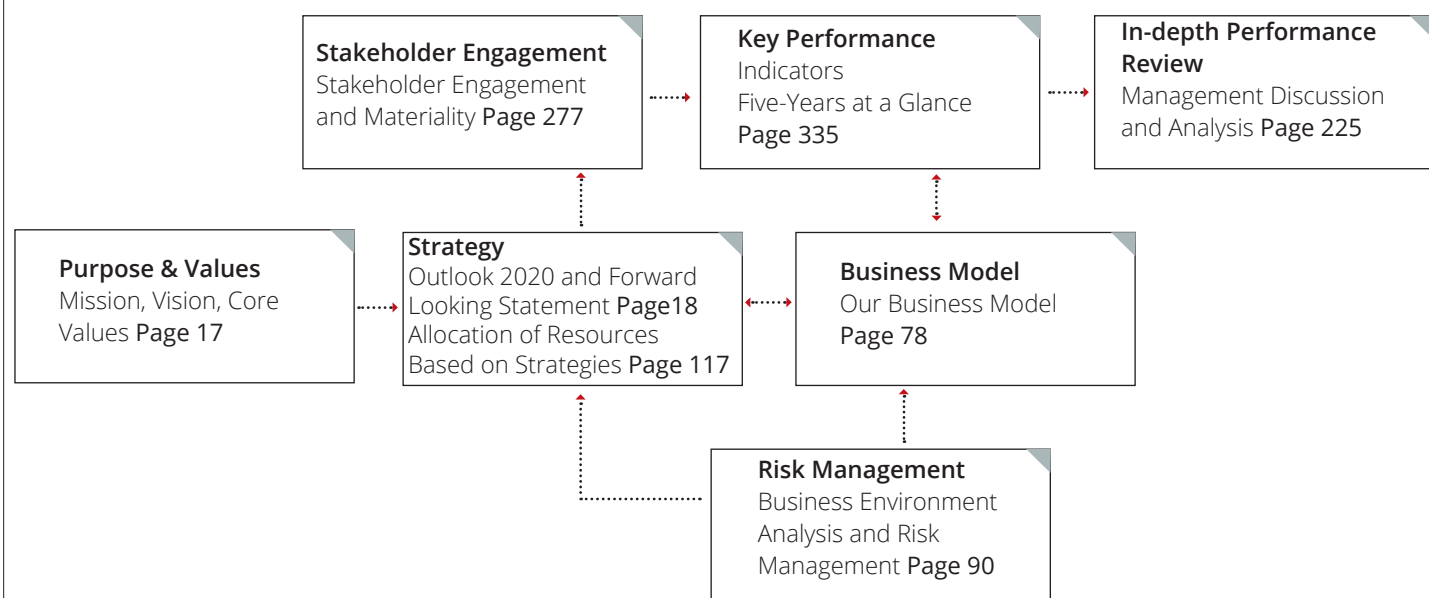
act as a good source of information for all our stakeholders to evaluate how we create shared value through our financial services.

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-

How do we deliver our promises on accountability and how do we organize our activities to maximize value creation?	<b>Value Creation and Distribution-Process</b> Bird's eye view of our role in the big picture Page 84	<b>Corporate Structure and Group Profile</b> The organizational structure designed to complement our Business Model Page 20	
	<b>Corporate Governance</b> Page 127 The governance structure that enables our Business Model		
What are the different challenges within our operating and competitive environment that affect our business ?	<b>Operating Framework</b> Our operating environment analysis Page 90	<b>Macroeconomic Landscape</b> The changing environment and how to mitigate the risks Page 91	<b>Competitive Landscape</b> What external forces can affect the way we operate Page 95
How do we transform our resources-the various capitals-to generate value for our stakeholders?			



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



How does our leadership team address the contemporary issues and challenges of banking industry?	<b>Outlook 2020 and Forward Looking Statement</b> Quick overview of the Bank's route and challenges Page 18	<b>Organization &amp; Leadership</b> The experiences and competence of our dignitaries Page 33	<b>Statement of the Chairman</b> A solid foundation for the future Page 51
	<b>Directors' Report to the Shareholders</b> In-depth review of our performance and control framework. Page 134		<b>Statement of the MD &amp; CEO</b> Broad overview of where we stand and where we are headed Page 57

# ABOUT MUTUAL TRUST BANK LIMITED (MTB)



## **The Dhaka Metro Mass Rapid Transit**

The Dhaka Metro Mass Rapid Transit (MRT) is a new metro rail system being developed by the Dhaka Mass Transit Company (DMTC) in Dhaka, Bangladesh.

The public transport system will aid in the economic and social development of the greater Dhaka area, which is facing traffic congestion and pollution issues.

A total of five lines, MRT Lines 1, 2, 4, 5, and 6, have been proposed for the project. MRT Line-6 is the first line to be approved under the project and is estimated to cost \$2.82bn.

Construction of the A trial operation of the route extending to Agargaon is expected to be conducted towards the end of 2021.

# VISION, MISSION & CORE VALUES

## 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 2020 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 2020, 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 2020	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

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



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 legal and regulatory framework locally and internationally



Changes in policy rates i.e. CRR and SLR of the banks



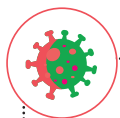
Changes in the bank rate



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 Services
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 Branches	118
Registered Office and Corporate Head Office	MTB Centre 26 Gulshan Avenue Gulshan 1, Dhaka 1212, Bangladesh
SWIFT Code	MTBL BD DH
Contact Information	Phone-880 (2) 984 6966, 984 2429, FAX-880 (2) 984 4303
Contact Center	16219



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

## MTB CAPITAL LIMITED

<b>Type of Business</b>	Merchant Banker	
<b>Key Business Segments</b>	Portfolio Management Issue Management Services Arranger	Underwriting Corporate Advisory Services Trustee of Debt Securities etc.
<b>Date of Incorporation</b>	08 October, 2009	
<b>Date of Commencement</b>	08 October, 2009	
<b>Company Registration No</b>	C-80040/09	
<b>BSEC License No</b>	MB-55/2010	
<b>Number of Branches</b>	N/A	
<b>Registered Office &amp; Corporate Head Office</b>	MTB Tower (Level 3), 111 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka 1000	
<b>Contact Information</b>	Phone- +88 02 44831760      Fax- +88 02 448321543	
<b>Email</b>	Info.mtbcap@mutualtrustbank.com	
<b>Website</b>	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	13
Registered Office & Corporate Head Office	WW Tower (Level 4) 68 Motijheel C/A, Dhaka-1000
Contact Information	Phone- 9570563, 9568163, Fax- 9568175
Email	info.query@mtbsecurities.com

## MTB EXCHANGE (UK) LTD

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 2020



শিল্পী : সত্যেন্দ্র নাথ (১৯৭১)

এমন জীবন তিনি কতদিনে বাক, অমল ইতিহাস কবে ছাড়া

January 2020 শেখ-মাস ১৪২৬

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December 2019

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February 2020

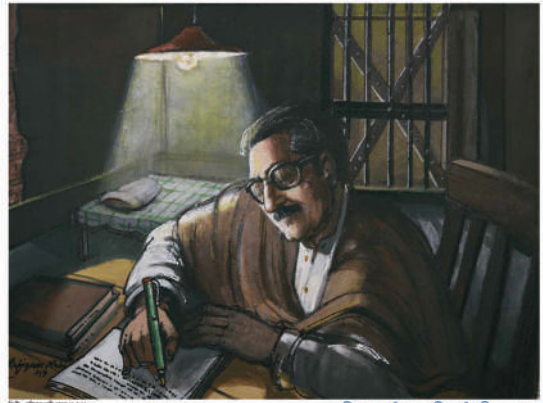
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শিল্পী : সত্যেন্দ্র নাথ (১৯৭১)

কল্পিত আমার বীর কুক, নিকল তাঁর সীমান্তে নো

February 2020 ফাল্গুন-মাস ১৪২৬

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January 2020

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March 2020

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শিল্পী : সত্যেন্দ্র নাথ (১৯৭১)

জাতীয়তাবাদী রাজা যত পড়িবে, একটি অমল ততসিই ছাড়া

March 2020 ফাল্গুন-মাস ১৪২৬

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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February 2020

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April 2020

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শিল্পী : সত্যেন্দ্র নাথ (১৯৭১)

নো বড় লোক মঠে, সন্ধান বড় হয় না, তখনো বড় হয় না

April 2020 চৈত্র-মাস ১৪২৬-১৪২৭

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March 2020

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May 2020

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শিল্পী : নয়ন বাদগাওঁকর (২০১২)

কালের জয়যাত্রার ধ্বনি : বিদ্যুৎ কাকতিবিরত চৌধুরী কবি

May 2020 বৈশাখ-২০৮০ ১৪২৭

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শিল্পী : নয়ন বাদগাওঁকর (২০১২)

অবিস্মরণীয় যন্ত্র সূনে দেয় যে, দেবতা হস্তে থাকে উন্নয়ন জন্মদায়

June 2020 জ্যৈষ্ঠ-শ্রাবণ ১৪২৭

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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শিল্পী : নয়ন বাদগাওঁকর (২০১২)

হৃদ থেকে স্মৃতি, দুঃখের জন্মদায়

July 2020 আষাঢ়-শ্রাবণ ১৪২৭

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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শিল্পী : নয়ন বাদগাওঁকর (২০১২)

অস্তিত্ব ঘটেই জীবন, দুঃখের জন্মদায়

August 2020 শ্রাবণ-ভাদ্র ১৪২৭

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শিল্পী: মিলিট্রী দেবী (১৯৯৫)

প্ৰেম হ'লো গভীৰ, খুঁটি ততাই আন

September 2020 অক্টোবৰ ১৪২৭

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শিল্পী: মিলিট্রী দেবী (১৯৯৫)

হৃদয়ে হৃদয়ে সেই খাঁৰ দেশ, সব সম্পদৰ তাঁৰ কাছে অহিত-অত্ৰস

October 2020 অক্টোবৰ ১৪২৭

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শিল্পী: মিলিট্রী দেবী (১৯৯৫)

বিশ্বজন্যতাৰ শিখৰী দু'জন, পৰস্পৰ হ'লে ওঠে আত্ম-স্বৰ্গ

November 2020 কাৰ্তিক-আহাৰ ১৪২৭

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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শিল্পী: মিলিট্রী দেবী (১৯৯৫)

অতীতৰ এপটাই চাওঁ হৈছিল ঠাঁই, তিনি ছিহনে খাঙি ও বাণীনায়ে

December 2020 অহাৰ ১৪২৭

Sun	Mon	Tue	Wed	Thu	Fri	Sat
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মিউচুয়াল ট্ৰাস্ট ব্যাংক লিমিটেড  
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# MILESTONES: 20 YEARS OF GLORIOUS JOURNEY

**1999**

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

**2003**

Commencement  
of Real-time  
Online Banking

**2007**

Acquiring 100,000  
Customers

**2008**

Card products  
introduced  
Launching of 1st  
SME Service Centre

**2009**

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

**2010**

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

**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

**2012**

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



**2014**

Inauguration of MTB Tower and 100th branch

Recognition as the "SME Bank of the Year" and "Women Entrepreneurs" Friendly Bank of the Year"

**2015**

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

**2016**

Launching of MasterCard  
Inauguration of MTB Agent Banking

**2017**

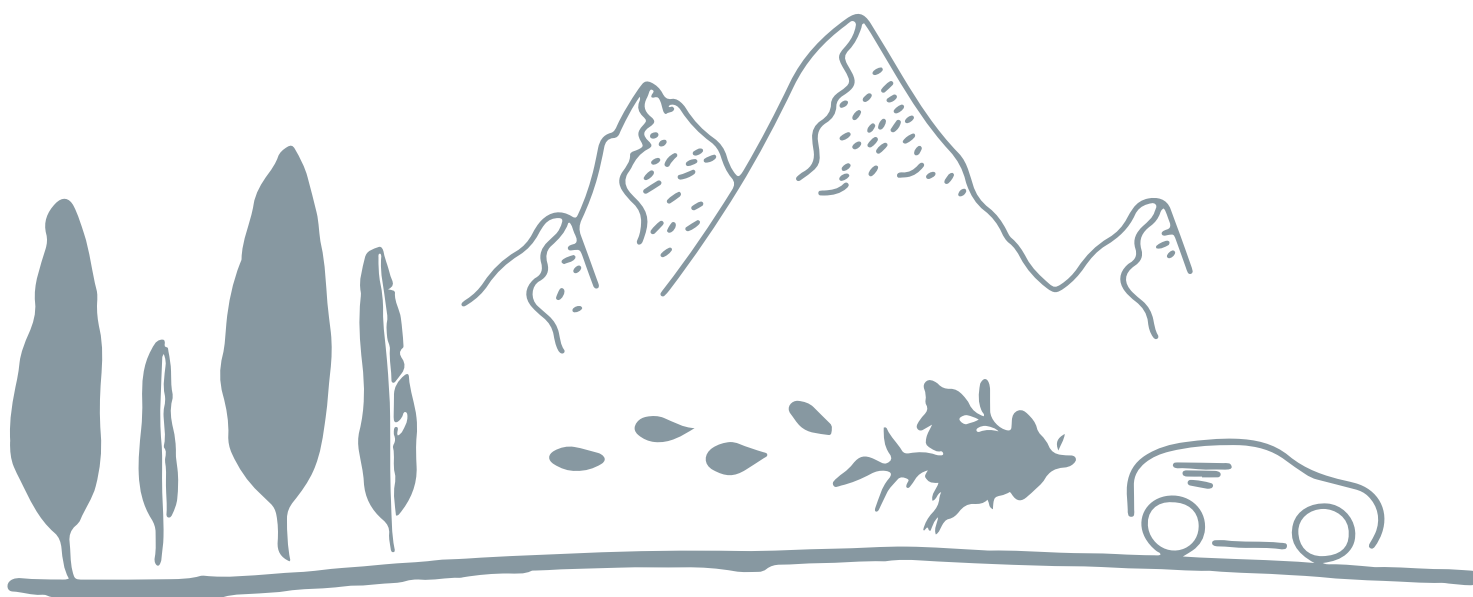
Inauguration of MTB Air Lounge, Dhaka

**2018**

Inauguration of MTB Air Lounge, Chattogram

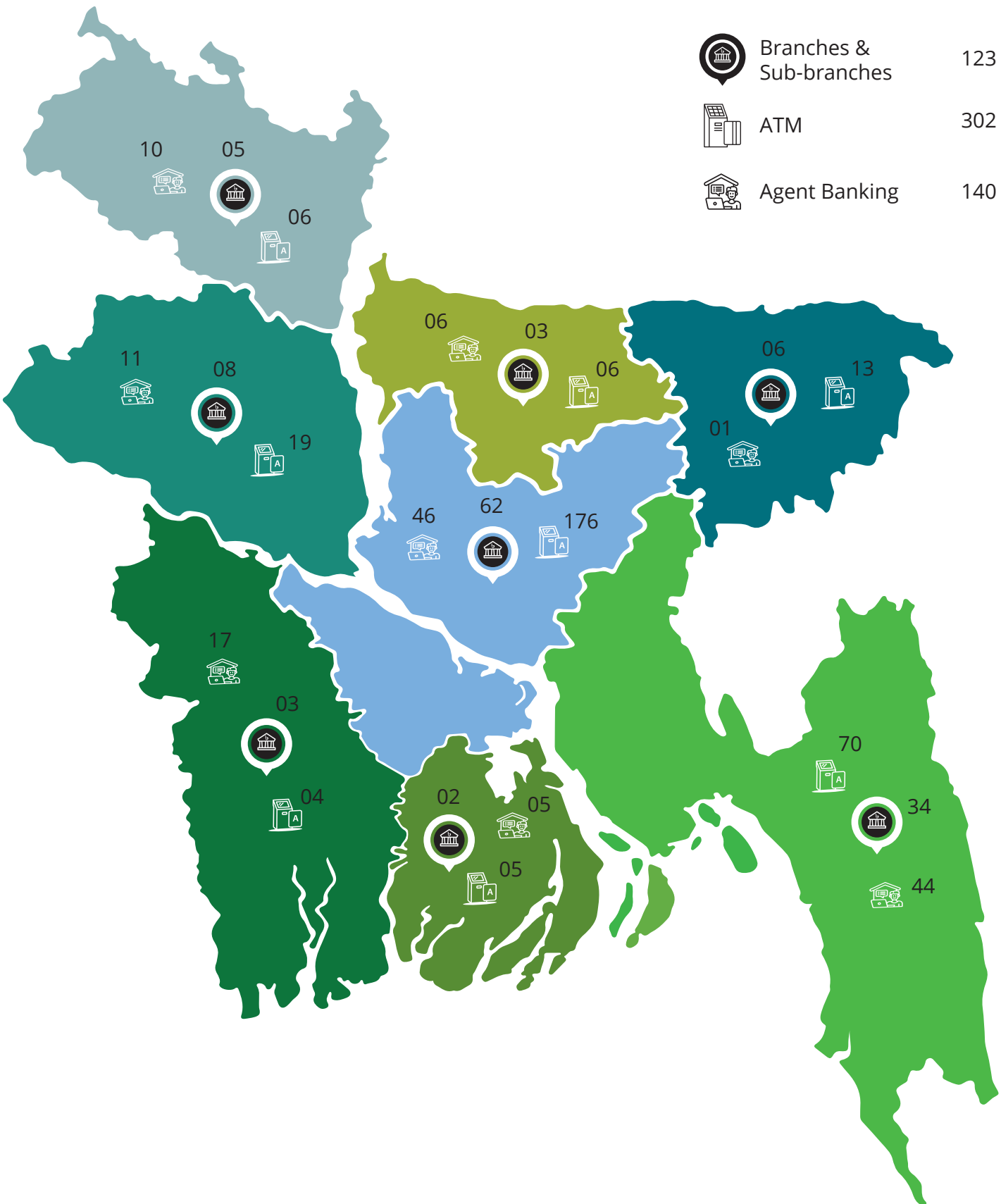
**2019**

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





# OUR TOUCHPOINTS



# AWARDS AND RECOGNITION



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

# PRODUCTS AND SERVICES



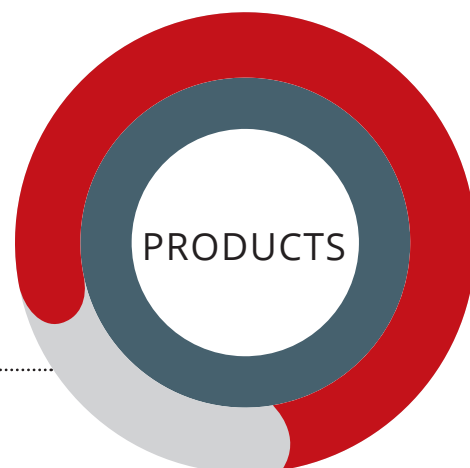
## WHOLESALE BANKING

### Term Finance

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

### 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
- 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 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)



## RETAIL BANKING

### Deposit Products

- Current Account
- MTB Regular Savings
- MTB Privilege Savings
- MTB Senior
- MTB Inspire
- MTB Junior
- MTB Graduate
- MTB Ruby
- MTB Care
- MTB Sanchay
- MTB Ankur
- Fixed Deposit
- Special Notice Deposit
- MTB Brick by Brick
- MTB Double Saver
- MTB Millionaire Plan
- MTB Education Plan
- MTB Monthly Benefit Plan
- MTB Children Education
- Deposit Scheme
- MTB Kotipati

- MTB Gift Cheque
- MTB Quarterly Benefit Plan
- MTB FDR In Days
- MTB Shield
- MTB Extreme
- Instant

### Loan Products

- MTB Personal Loan
- MTB Auto Loan
- MTB Home Loan
- MTB Home Equity Loan

- MTB Progressive Equity
- Build-up Home Loan
- MTB Professional's Loan
- MTB Neer
- MTB NRB Home Loan
- MTB EDU Finance
- MTB Cash-line
- MTB Grameen Griho Reen



## OFF-SHORE BANKING UNIT (OBU)

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



## SYNDICATIONS & STRUCTURED FINANCE

- |                |                                |
|----------------|--------------------------------|
| • Financing to | • Glass                        |
| • Power        | • Petrochemical                |
| • Telecom      | • Agro-based Project           |
| • Hotels       | • Micro Financing              |
| • Aircraft     | • Petrochemical, LPG           |
| • Steel,       | • RMG                          |
| • Cement       | • Other Infrastructure Project |



## NRB BANKING

### NRB Products

- |               |                           |
|---------------|---------------------------|
| • NRB Savings | • NRB Home Loan           |
| • NRB DPS     | • Non Resident Investor's |
| • NRB FD      | 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 Titanium
- 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 Contactless Credit Cards

- MTB Visa Platinum
- MTB Visa Signature
- MTB Mastercard Titanium
- MTB Mastercard World
- MTB UnionPay Platinum

### MTB Prepaid Cards

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



## TRADE FINANCE

### Export Finance

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

### Import Finance

- Loan against Trust Receipt (LTR)
- EDF Loan

### Non-funded Trade Finance

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

### Guarantee

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

### 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
- MTB Sheba.xyz Prepaid 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 Services
- MTB Payments Solutions (Clearing Service, BACH, BEFTN)
- MTB Capital Market Services (IPO LBTI, BTI, Rights Issue)
- MTB High Value Account Services
- MTB Tuition Fees Collection Service



## NRB SERVICES

- Disbursement of inward foreign remittance received through globally reputed money transfer companies and MTB's fully-owned subsidiary, MTB Exchange (UK) Ltd.
- 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



## AGENT BANKING

- Account Opening (Savings, Current, DPS, Term Deposit, SME/Retail/Agriculture Loan)
- 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 CARD SERVICES

- Card status checking facility
- Endorsement facility
- Foreign part enabling and disabling facility
- E-commerce enabling facility



## MTB AIR LOUNGE

- Hazrat Shahjalal International Airport, Dhaka
- Shah Amanat International Airport, Chattogram
- Osmani International Airport, Sylhet

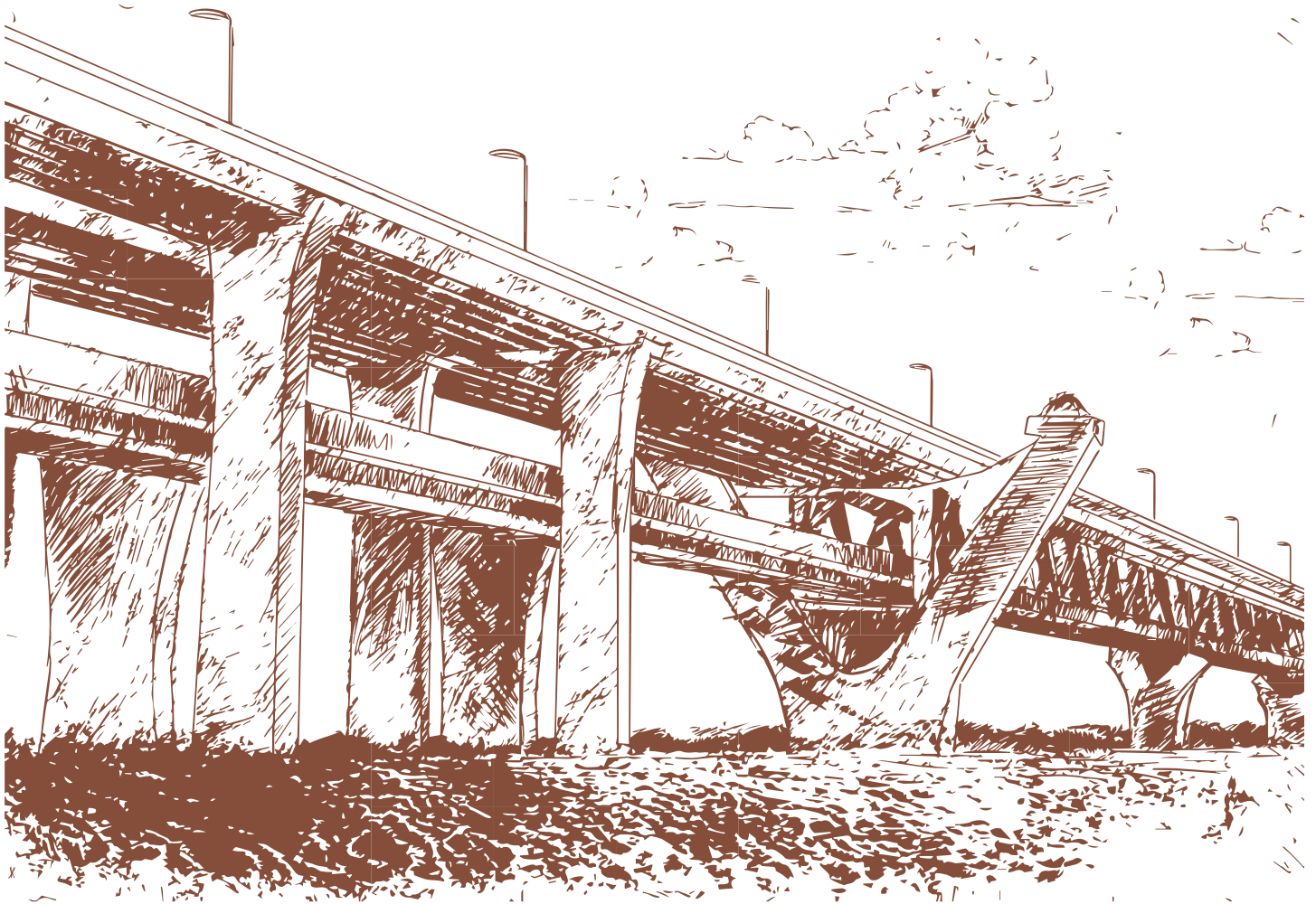


## MTB CONTACTS

- **Contact Center**  
24 hours at 16219 or 09604016219
- **Email**  
customer.service@mutualtrustbank.com
- **Walk In**  
MTB Cards Center, MTB Tower(4th floor)111,  
Kazi Nazrul Islam Avenue, Dhaka



# ORGANIZATION AND LEADERSHIP



## **Padma Bridge**

The Padma Bridge is a multipurpose road-rail bridge, 6.241 km, across the Padma River under construction in Bangladesh. It will connect Louhajong, Munshiganj to Shariatpur and Madaripur, linking the south-west of the country, to northern and eastern regions. Padma Bridge is the most challenging construction project in the history of Bangladesh. It is expected to boost the GDP of Bangladesh by as much as 1.2 percent. As per the planning Ministry's last revision in January last year, the estimated total cost stood at USD 3.57 billion.

# BOARD OF DIRECTORS

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## Mr. Md. Hedayetullah

Chairman

Mr. Md. Hedayetullah is the Chairman of Mutual Trust Bank Ltd. (MTB). Prior to his new role, he was the Vice Chairman of the Board from February 26, 2016 to May 30, 2018.

### He is presently serving as the:

- Chairman of Hedayetullah Securities Ltd.
- Managing Director of FB Footwear Ltd.
- Managing Director of Footbed Footwear Ltd.
- Director of Apex Tannery Ltd.
- Director of Apex Property Development Ltd.

Mr. Md. Hedayetullah obtained B.Sc. (Honors) 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.



## Mrs. Khwaja Nargis Hossain

Vice Chairman

Mrs. Khwaja Nargis Hossain is the Vice Chairman of the Board of Mutual Trust Bank Limited (MTB). Mrs. 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.



## 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 and currently serving as the Chairman of the Executive Committee of the bank. 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
- Manusher Jonno Foundation
- Holiday Publications
- Bangladesh Freedom Foundation

He is also 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), Member of the Board of Trustees of East West University, Member of the Board of Trustees of Centre for Policy Dialogue (CPD) and Member of Trustee Board of Diabetic Association of Bangladesh.

Previously, Mr. Elahi has served as Chairman of the Bangladesh Association of Banks (BAB), Chairman of the East West University Foundation (EWUF), 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 Honorary Consul for Belgium in Bangladesh.





## 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 is now serving as the Chairman of the Board Risk Management Committee. Son of Mr. M. Anis Ud Dowla, 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) Ltd. as well as its following subsidiaries:

- ACI Pure Flour Limited
- ACI Foods Limited
- ACI Motors Limited
- ACI Logistics Limited
- ACI Agrolink Limited
- Premiaflex Plastics Limited
- Stochastic Logic Limited

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

### He is Director of

- ACI Formulations Limited
- ACI Salt Limited
- ACI Biotech Limited
- ACI Edible Oils Limited
- ACI Godrej Agrovet (Pvt.) Limited
- Creative Communication Limited
- Consolidated Chemicals Limited
- ACI Healthcare Limited – Vice Chairman
- ACI Healthcare USA Inc.
- ACI Chemicals Limited
- Infolytx Bangladesh Limited
- 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 Honoree 2009 bestowed by World Economic Forum. He is also the Honorary Consul of the Kingdom of Belgium in Bangladesh.



## Mr. Rashed Ahmed Chowdhury

Director

Mr. Rashed Ahmed Chowdhury is the Director of Mutual Trust Bank Ltd. (MTB). Prior to assuming this role, he was the Chairman of the bank and its three subsidiary companies.

### 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). 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 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 Honorary 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.



## Mr. Md. Abdul Malek

Director

Mr. Md. Abdul Malek, Director 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-storeyed 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

Program (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 for Govt. of Netherlands. SCPL has earned a good recognition both locally and internationally. He has also vast experience in the Garments sector.





## Mr. Md. Wakiluddin

Director

Mr. Md. Wakiluddin, Director of Mutual Trust Bank Limited (MTB) is the Chairman of Baridhara Corporation Ltd.

### He is also

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



## 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, late Mr. Samson H Chowdhury 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 Management Coordinator of Square Group the leading business conglomerate in Bangladesh.



## Mr. Herbert Ludwig Jaeger

Director

Herbert Ludwig Jaeger has over 36 years of experience in corporate finance and accounting, export financing, controlling, IT, and development finance. Mr. Jaeger has work experience in Advans MFI Myanmar Company Limited, Mandalay, Myanmar and, presently, is a member of the Board of Directors and its Audit Committee since 2018. He serves as Investment Director, Financial Institutions of Norfund – The Norwegian Investment Fund for Developing Countries at the Norfund Bangkok Office.

He has served as Investment Director of DEG – The German Investment and Development Company, Thailand Representative Office. He contributed in that role in business development of financial institutions in Bangladesh, Myanmar, Cambodia, Vietnam and Laos, financial engineering, project development, due diligence, portfolio management and cooperating with other developmental financial institutions and commercial banks.

He worked as a Vice President / Senior Investment Manager of DEG – The German Investment and Development Company, Köln, Germany and Senior Investment Manager of Aparar Radolfzell GmbH, Radolfzell, Germany (packaging industry, subsidiary of Aparar Inc., NYSE listed). As the Vice President of DEG in Köln, Germany, he was responsible for debt financing of financial institutions in Asia, financial engineering, project development, due diligence, portfolio management, cooperating with other developmental financing institutions and commercial banks and represented DEG at government level.

Mr. Jaeger began his career as Credit Manager, Export Financing in 1985, where he served for 5 years from 1985 to 1989 and took part in International Business Trainee Programme, worked in subsidiaries and partner banks in London and Luxembourg, where he took the role of Credit Manager for export financing.

During his service with Landesbank Rheinland-Pfalz GmbH, Germany (Central Bank of saving banks) as Head of Accounting & IT from 1993 to 1995 and member of the management board, he took a number of important roles in developing the complete IT infrastructure and complete internal organization structure and process organization, developing controlling tools for bank reporting and internal control systems.

After that, he started working for ISB – Investitions- und Strukturbank Rheinland-Pfalz GmbH, Germany (Development Finance Institution) as Chief Financial Controller and member of the Management Board from 1995 and served till 1998. Here, he contributed in various responsibilities like re-organization of cost controlling department, development of controlling tools for consolidation, reporting, budgeting, reporting to European headquarters in Paris, benchmarking of European production sites and planning and implementation of SAP software.

Mr. Jaeger obtained his MBA in International Financial Management from the University of Trier, Germany and completed his Bachelor of Economics from the University of Konstanz, Germany. He is a Graduate member of the Thai Institute of Directors and has completed Bank Training at Volksbank eG, Überlingen, Germany.

Mr. Jaeger possesses core competencies and wealth of experience in corporate finance, project development, including creating and evaluating business plans, financial projections, business development, due diligence, team leadership, intercultural management, negotiations and has a strong entrepreneurial attitude.



## Mr. Md. Manirul Islam

Director

Md. Manirul Islam, Director of Mutual Trust Bank Ltd. (MTB), completed B.Com (Hons), M.Com (Accounting) from Dhaka University in 1976 and passed BIA Diploma from Bangladesh Insurance Academy in the year 1985. During his service in Shadharon Bima Corporation, he worked in various departments such as underwriting, Claims, Accounts, Re-insurance, Finance & Investments etc. and gathered extensive knowledge and experience. He worked as General Manager Finance, Re-Insurance, Underwriting, Claims and Dhaka Zonal office and retired voluntarily on 30.09.2012 and joined Pragati Insurance Company Ltd. on 1st October, 2012.

During the service period he attended many insurance related seminars, symposium and workshops. He

participated in various professional training courses at home and abroad. Mr. Islam is now a renowned insurance personality.

Apart from insurance industry, Mr. Manirul Islam is well associated with various social organisations. He was a councillor of Bangladesh Football Federation (BFF). He was also a councillor and former member of the Finance Committee of Bangladesh Cricket Board (BCB).

Mr. Islam was member (nominated) of the Board of Directors:

National Housing Finance & Investment Ltd.  
IDFC Ltd.  
IDFC Securities Ltd.  
KAY & QUE (Bangladesh) Ltd.  
Former Member

Central Rating Committee – IDRA  
Fire Rating Sub-Committee – IDRA

*Note: Nomination of Mr. Md. Manirul Islam, Director representing Pioneer Insurance Company Limited, has been withdrawn with effect from July 27, 2020.*





## Ms. Nasreen Sattar

Independent Director

Ms. Nasreen Sattar is an Independent Director 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. M. Mokammel Haque

Independent Director

Mr. M. Mokammel Haque, a retired Secretary of the People's Republic of Bangladesh Government, is an Independent Director of Mutual Trust Bank Limited (MTB). He also serves as Chairman of Kabi Mozammel Haque Foundation and Member of Underprivileged Children Program (UCEP). Prior to joining MTB, he was an Independent Director of Pioneer Insurance Company Limited.

Mr. Mokammel began his career as Lecturer, Political Science Department of the University of Dhaka. After 2 years in 1960, he joined Government of Pakistan as Assistant Commissioner under Training and worked till 1966 as SDO, Bagerhat, Govt. of East Pakistan and Senior Scale Section Officer, Establishment Division, GOP respectively.

In 1968 he joined as Deputy Commissioner of undivided Sylhet, Mymensing, Chattogram and Dhaka District. He served

Government of Bangladesh till 1975 as Director General, Integrated Rural Development Program (IRDP).

Mr. Mokammel worked as Vice-Chairman, World Trade Centre and Member of the Executive Board, UNICEF from 1977 to 1980. He also served Rupali Bank Limited as a Director from 1977 to 1980.

- Mr. Mokammel started serving Government of Bangladesh in 1980 again as Director, Commonwealth Secretariat, London, UK and served there till 1986.

He served various important Ministries of the People's Republic of Bangladesh:

- Secretary, Ministry of Education, Government of Bangladesh (1974-75)
- Secretary, Ministry of Land, Government of Bangladesh (1986-89)
- Secretary, Ministry of Commerce, Government of Bangladesh (1990)
- Secretary, Ministry of Health, Government of Bangladesh (1991-92)

**Mr. Mokammel also served different Government Agencies:**

- Vice Chairman, Export Promotion Bureau (EPB), Government of Bangladesh (1977-80)
- Member, Programming and Socio Economic Infrastructure Division, Planning Commission, Government of Bangladesh (1992-94)
- Executive Chairman, Board of Investment (BOI), Government of Bangladesh (1994-95)
- Minister-Executive Chairman, Board of Investment (BOI), Government of Bangladesh (1999-2001)
- He was Chairman of Janata Insurance Company Limited from 1997 to 98.

**Life Member:**

Bangladesh Economic Association, Bangla Academy and Diabetic Association of Bangladesh (BADAS)

Mr. Mokammel obtained his M. A. in Political Science from the University of Dhaka in 1957 and completed his Bachelor of Honours (BA) in Political Science from the University of Dhaka in 1956. He completed his CFS exam in 1959 and Diploma in Development Administration, London School of Economics, London, UK.



## Mr. Syed Mahbubur Rahman

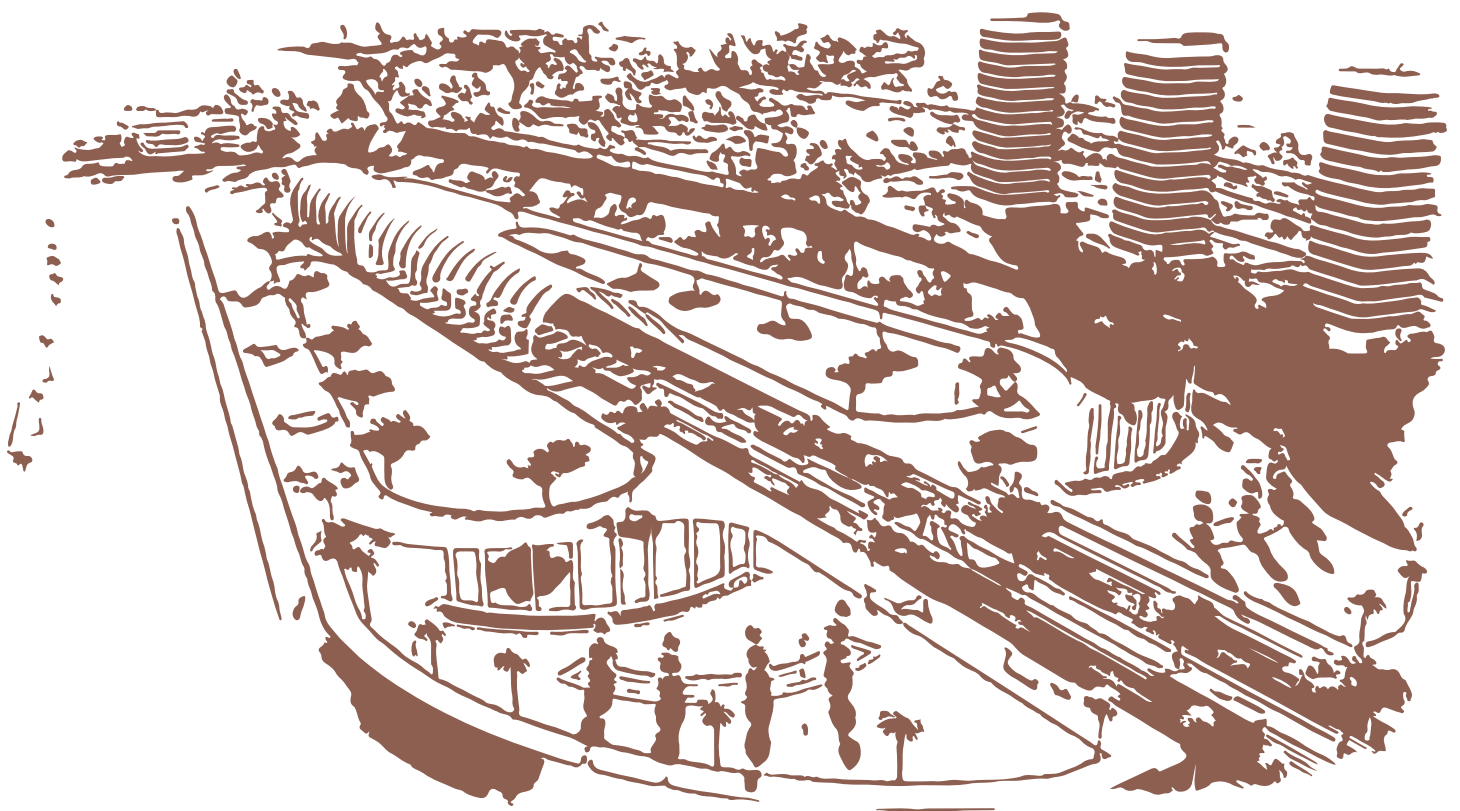
Managing Director & CEO

Syed Mahbubur Rahman has recently been appointed as 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

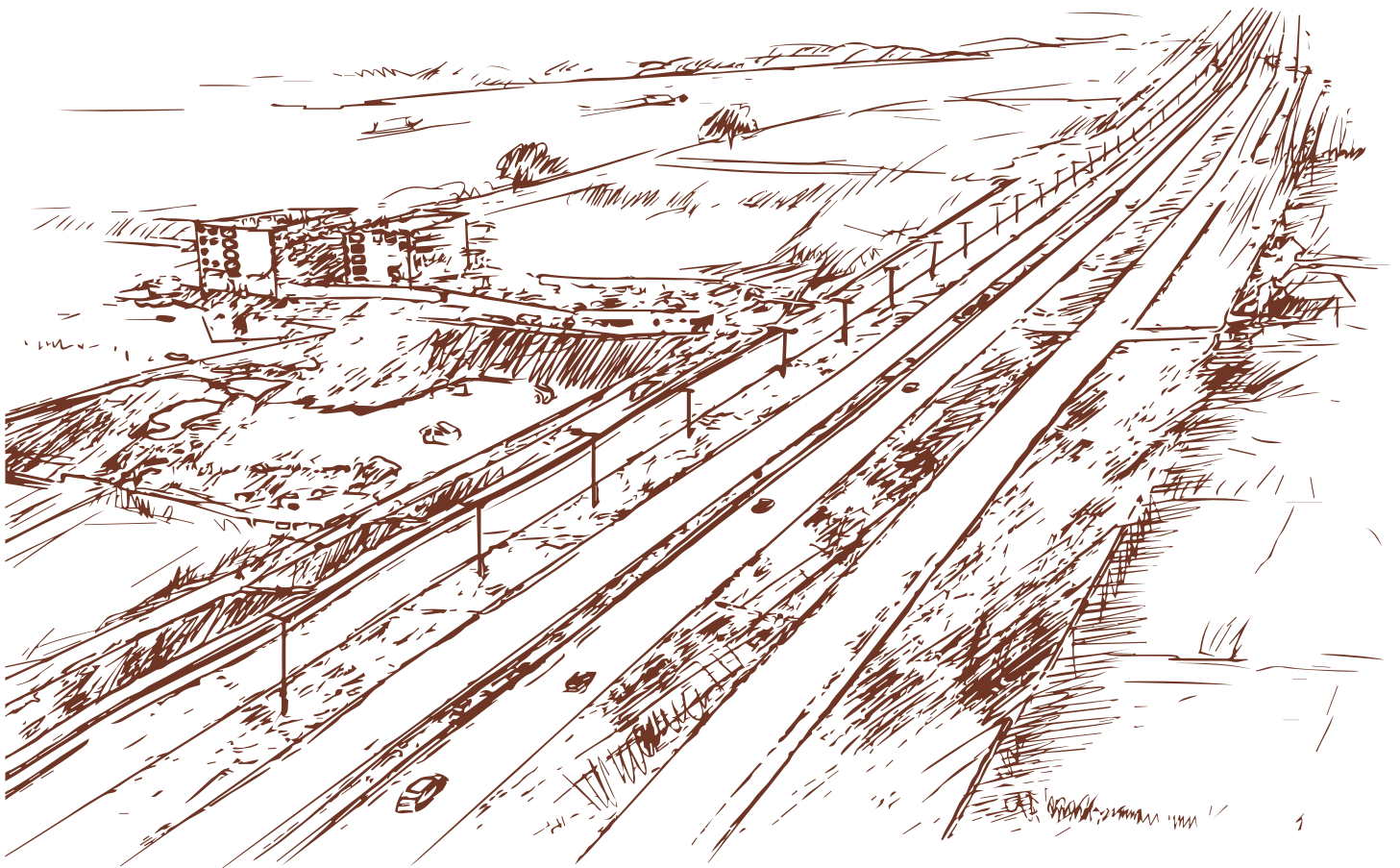
Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer (Officer in Charge of Monitoring) in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking 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.

Mr. 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.



Karnaphuli Tunnel





### Expressway

The construction of the expressway paved a way for an increment of traffic growth by 10%, the average lost time because of 36 intersections for a projected annual average daily traffic of 27,334 vehicles/day in 2022. In addition to that, the fuel loss savings for various vehicle classes affect economic growth and the ensuing idling emission of EFI and MFI engines contributes to transport sector pollution. Dhaka–Chittagong Expressway would not only replace road interventions that reduce travel time cost, expenditures regarding vehicle operating and accidents but also contributes cardinally to economic emancipation of the country. The estimated Benefit–Cost Ratio (BCR) was 1.23, net present value was 762.34 Million (USD) and Economic Internal Rate of return was 18.27% of the proposed project.





# STATEMENT OF THE CHAIRMAN

## Dear Distinguished Shareholders,

I want to begin by thanking you, our shareholders and customers, on behalf of your bank and the Board of Directors, for both your investment and confidence entrusted on us. I am pleased to present the Integrated Annual Report 2019 of MTB which portrays significant achievements of your bank.

During 2019, though we have witnessed big upheavals in our sector, we would like to assure you that your bank was well positioned to take advantage of the opportunities that surfaced. Mutual Trust Bank Limited (MTB) has proved, through its consistent performances, how its balance sheet can deliver record results during turbulent times. With the stewardship of the MTB Board of Directors and the Senior Management, the bank was able to deliver positive financial performances in 2019. Compliance, integrity and good governance being the top priorities for the bank, our commitment in building a 'future proof' bank reiterates our promise to you – "You can bank on us".

In 2019, MTB was successful in reporting a consistent growth and delivering a strong performance owing to the robust customer-centric approach, sound capital allocation strategy and sustainable growth platform. The bank's Operating Profit reached BDT 5.24 billion, higher than BDT 4.88 billion in 2018. The MTB Group of financial companies has delivered a total asset growth of 15.49%, a commendable performance throughout the year.

With a view to maximizing the shareholders' wealth and maintaining a satisfactory capital adequacy ratio of the bank, the MTB Board has approved 5% cash and 5% stock dividend for the year 2019 subject to approval of the shareholders at the bank's Annual General Meeting (AGM).

In my previous report to you, I was cautious about the outlook, but it was beyond anticipation to predict the extremes of the COVID-19 pandemic that shook the entire world. As we finalize the report in June 2020, the COVID-19 pandemic has far spread to more than 180 countries and regions of the world, significantly affecting the international trade and business predominantly by the interruption of the global supply chain caused by the worldwide transportation shutdown. The Readymade Garments (RMG) sector has received work order cancellations of more than USD 3.0 billion and the export-oriented industry is also at risk. With the decline in the foreign remittance inflow, the foreign reserves of the country will be hard-hit. Due to the inequality of income-asset distribution and with only 15% of the country's population making more than USD 6 per day,

the advantages of higher GDP growth are not evident in the society. According to International Monetary Fund (IMF), the real GDP growth of Bangladesh is projected to decelerate 2% in the FY 2019-20. The stock market in Bangladesh has also witnessed massive falls recently as investors went for huge selloffs. However, the country's economy is resilient in many aspects as compared to most of the countries of the world due to its demographic dividend, food safety and low dependency in imports. According to The Economist, the most respected economic magazine of the world, Bangladesh ranks 9th in a global league table of 66 emerging economies measured according to their financial strengths to cope under the strain of the COVID-19 outbreak.

## Commitment to the Community

MTB acted both promptly and responsibly by adapting to the 'new normal' situation and successfully implemented some relevant crisis management practices. MTB was one of the first few local banks to introduce the Work From Home (WFH) practice for its employees starting from March 29, 2020. At the very outset of the COVID-19 outbreak, the bank created an emergency fund - MTB COVID-19 DONATION FUND, the total amount of which was BDT 14.50 million. The MTBians contributed about 70% of this fund by donating their one-day salary amounting to BDT 10 million. The distinguished members of the MTB Board also contributed their honorarium till December 2020. Moreover, 40% of the MTB Foundation allocated amount was also added to this special COVID-19 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 of BDT 50 million to the Prime Minister's Relief and Welfare Fund through Bangladesh Association of Banks (BAB). The bank also prioritized the containment of the contagion and with a view to curbing the spread of COVID-19 in the capital, built two disinfectant chambers at Kurmitola General Hospital and Kuwait Moitree Hospital in Dhaka with the support of BUET. Furthermore, the bank provided N95 masks to the different hospitals of the country for the safety of the doctors and nurses working there.

## Towards Digital Banking Transformation

From the business perspective, MTB embraced a 'digital first' mindset and played an important role in bringing about a behavioural shift in the day-to-day banking conducted by customers during the COVID-19 pandemic. With the tagline "MTB will meet you digitally 24/7", the bank has consistently put a thrust on the use of non-branch banking alternatives

i.e. digital banking solutions and electronic platforms and promoted these tech-based facilities. The emphasis on alternative banking solutions remarkably controlled the customers' flock at the branches with a view to maintaining social distancing. By improving digital engagement levels, the bank is expected to create a differentiation with improved customer experiences, decreased costs and enhanced revenues.

In its efforts to moving towards a cashless society, the bank put remarkable emphasis on the cards business. In 2019, MTB credit card outstanding remarkably grew by 25%. The total number of credit cards issued increased by 38% and the number of debit cards increased by 12%. This played a significant role in enriching the alternate delivery channels of the bank. In 2019, MTB Card Division launched UnionPay Credit Card in the market accrediting MTB the very first bank in the country to launch a Chinese plastic card. The Card Division also launched the first-ever National Interoperable Bangla QR with Mastercard and UnionPay in 2019. Among other achievements, MTB became the first The Payment Card Industry Data Security Standard' (PCI DSS) certified bank, introduced VISA Contactless Credit Card and issued co-branded cards with four renowned organizations. The bank launched its 300th ATM at Hotel InterContinental Dhaka in 2019.

### Accomplishments in 2019

As part of financial inclusion, the bank opened 40 new MTB Agent Banking Centres (MABC) taking the total number of MABCs in the country to 140. During 2019, the total number of accounts reached 55,588 with a total deposit figure amounting to BDT 2,203 million; BDT 1,711 million of cash disbursements were made against foreign remittance, at the same time.

With a view to extending greater convenience and comfort to the bank's cardholders and retail banking customers, the bank launched the third state-of-the-art Air Lounge at Osmani International Airport (OIA), Sylhet in 2019. The bank also tied up with 'Priority Pass', 'Diners Club' and 'DragonPass' the same year.

MTB participated in the 19th ICAB National Award for the Best Presented Annual Report 2018 competition organized by the Institute of Chartered Accountants of Bangladesh (ICAB) and was awarded the 'Best Presented Annual Report – 2018' (3rd position) in the Private Banks category as a mark of excellence in corporate reporting standard.

### Tackling the Pandemic

Even in March 2020, before the first coronavirus case was confirmed, the country was tipped to be one of the year's top performers in terms of growth and a rare beneficiary of the US-China trade war. Fresh Foreign Direct Investment (FDI), plus millions of factory jobs, shifted from China to Bangladesh. However, COVID-19 and the resulting lockdowns put the brakes on that narrative. The 8% growth economists had expected for 2020 has been revised down to less than 2%, a big blow for an economy at Bangladesh's state of development. The pandemic fallout is now colliding with a weak financial system that may be heading for even greater turbulence.

Even before the emergence of COVID-19, the country's banking industry was facing problems with bad loans which was exacerbated by the Central Bank's directive to cap lending rates at 9%. The policy, which took effect on April 1, risks slamming a financial sector that is already reeling from rising Non-performing Loans (NPLs). With the rising NPL problem accompanied by low capital adequacy, the banks will divert their loan portfolio towards better quality assets, in the process, hampering the growth of SMEs which are considered the engine of economic growth. As the pandemic knocks oil prices, the US, the Persian Gulf and East Asia will have less need for migrant labour and, therefore, the approximate 6% of GDP derived from workers overseas sending cash back home is in clear jeopardy. In 2019, around 10 million Bangladeshis working overseas sent home more than \$18 billion; in 2020, the scenario will be most unlikely resulting in an adverse effect on the overall balance of payments of the country.

However, global growth was projected to rise from 2.9 percent in 2019 to 3.3 percent in 2020, according to IMF. However, with the sudden unfolding of COVID-19 in China during January 2020, wide range of measures to slow the spread of the virus were adopted. Those measures slowed economic activities and changed global growth calculation for 2020 rapidly. In the World Economic Outlook, June 2020, IMF forecasted the global economy to contract sharply by negative 4.9 percent, which is the deepest global recession since World War II. In 2021, global growth is projected at 5.4 percent, upon successful containment of the virus and normalization of economic activities. The current scenario of the pandemic COVID-19 has caused steep decline in oil prices, rising unemployment rate and may lead to extreme poverty scenario in the world since the 1990s.



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## Strategic Priorities in 2020

In 2020, MTB will be going beyond traditional banking and reinventing its customer experience by optimizing its financial capital. We take pride in being one of the most compliant banks in the country and we would, therefore, like to lead by example when it comes to taking responsible approach to lending and reducing our carbon footprint all the while investing more in digital banking platforms and alternate delivery channels.

## MTB Group Human Resources - Catalysts of the Digital Revolution

MTB believes that its human capital is its strategic partner in playing the key role in the development of the organization. The MTB Group HR (GHR) policies are, therefore, designed to gear up the MTBians for their future empowerment. With that end in view, the bank acquires the best talents from the industry and puts maximum efforts to develop the workforce to the optimum level of their competency so that they can take the bank forward, keeping the bank's core vision at their hearts. Contributions made by GHR in shaping its human resources to its finest form in the year 2019 was phenomenal. During 2019, 292 training programs were conducted and 1,925 MTBians participated in those programs at home and abroad.

## Reflecting on Our 20 years of Togetherness and Moving Forward

Finally, in the noble year of "Mujib Borsho", while we celebrate the birth centenary of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, I would like to take the opportunity to thank my colleagues on the Board for their steadfast cooperation, commitment and conscientious stewardship of the bank. I would also like to express my gratitude to our Managing Director & CEO along with his team, for the tenacity and dedication with which they have helped your bank to attain a new level of excellence and dynamism.

Our gratitude to Bangladesh Bank, the Bangladesh Securities & Exchange Commission (BSEC), the stock exchanges, the Ministry of Finance, The Registrar of Joint Stock Companies and all other connected bodies for their continued support. The bank is infinitely grateful to you - our valued customers, for the trust and confidence you have placed in the MTB brand for the last 20 years. You remain the reason we are driven to innovate, succeed and grow. My sincere gratitude to our shareholders - 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 journey of excellence in the exciting times ahead.

Yours sincerely,



Md. Hedayetullah  
Chairman

## প্রিয় শেয়ারহোল্ডারগণ,

আমাদের উপর আপনাদের অর্পিত আস্থা এবং এমটিবিতে বিনিয়োগের জন্য আমাদের ব্যাংক এবং পরিচালনা পর্ষদের পক্ষ থেকে শেয়ারহোল্ডার এবং গ্রাহকদের ধন্যবাদ জানিয়ে শুরু করছি। আমি এমটিবির সমন্বিত বার্ষিক প্রতিবেদন ২০১৯ উপস্থাপনের মাধ্যমে আপনার ব্যাংকের উল্লেখযোগ্য সাফল্যের চিত্র তুলে ধরছি।

২০১৯ ছিল ব্যাংকিং খাতে একটি বিপর্যয়ের বছর। এরপরও আপনাদের এই বলে আশ্বস্ত করতে চাই যে, ব্যবসায়িক কৌশলগত কারণে এমটিবি ভাল অবস্থানে ছিল। আবারও ধারাবাহিক সাফল্য বজায় রেখে এমটিবি প্রমাণ করেছে মন্দার সময়ও ভাল ফলাফল করা সম্ভব। ব্যাংকের পরিচালনা পর্ষদ ও সিনিয়র ম্যানেজমেন্টের নেতৃত্বের ফলে ব্যাংকটি ইতিবাচক ব্যবসায়িক সাফল্য অর্জন করে। একটি ভবিষ্যৎমুখী ব্যাংক তৈরিতে এমটিবির পরিচালনায় অগ্রাধিকার পায় সততা, অনুবর্তিতা ও সুশাসন এবং যা “আপনি আমাদের উপর আস্থা রাখতে পারেন” এই প্রতিশ্রুতিরই প্রতিফলন ঘটায়।

শক্তিশালী গ্রাহককেন্দ্রিক দৃষ্টিভঙ্গি, সুসংহত অর্থ বরাদ্দ কৌশল এবং টেকসই প্রবৃদ্ধির ফলশ্রুতিতে ২০১৯ সালে এমটিবি ধারাবাহিক সাফল্য বজায় রেখে এই প্রতিবেদন পেশ করতে পেরেছে। ব্যাংকের পরিচালনা মুনাফা ৫.২৪ বিলিয়ন টাকায় পৌঁছেছে, যা ২০১৮ সালে অর্জিত মুনাফা ৪.৮৮ বিলিয়ন টাকার চেয়ে বেশি।

শেয়ারহোল্ডারদের সম্পদ ও মুনাফা বৃদ্ধি এবং ব্যাংকের সন্তোষজনক মূলধন পর্যাণ্ডতা অনুপাত বজায় রাখার লক্ষ্যে এমটিবি বোর্ড ব্যাংকের বার্ষিক সাধারণ সভায় (এজিএম), শেয়ারহোল্ডারদের অনুমোদন সাপেক্ষে, ২০১৯ সালের জন্য মোট ১০% লভ্যাংশ অনুমোদন করে (৫% নগদ এবং ৫% বোনাস)।

আমি আপনাদের জন্য আমার সর্বশেষ প্রতিবেদনে ভবিষ্যতের ব্যাপারে সতর্ক ছিলাম, কিন্তু কোভিড-১৯ মহামারী বিশ্বব্যাপী কতটা ভয়াবহতা নিয়ে আসতে পারে তা আমার ধারণারও বাইরে ছিল। ২০২০ সালে জুনের শেষে এই প্রতিবেদনটি চূড়ান্ত করার সময় সারা বিশ্বে প্রায় ১৮০ টিরও বেশি দেশে কোভিড-১৯ এর প্রকোপে পরিবহন ব্যবস্থা ব্যাহত হওয়ায় সরবরাহ ঘাটতির কারণে আন্তর্জাতিক বাণিজ্য উল্লেখযোগ্যভাবে প্রভাবিত হয়। প্রায় ৩ বিলিয়ন ডলারেরও বেশি কার্যাদেশ রেডিমেড গার্মেন্টস (আরএমজি) খাতে বাতিল হয়। ফলশ্রুতিতে রপ্তানিমুখী শিল্প ঝুঁকিতে পড়ে। এছাড়াও বৈদেশিক রেমিট্যান্স প্রবাহ হ্রাসের সাথে সাথে দেশের বৈদেশিক রিজার্ভ ক্ষতিগ্রস্ত হয়। আয় ও সম্পদের অসম বন্টন এবং ১৫ শতাংশ জনবল দৈনিক মাত্র ৬ ডলার উপার্জনক্ষম হওয়ায় উচ্চ জিডিপি ধারা বজায় রাখা যায়না। আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) এর মতে, ২০১৯-২০২০ অর্থবছরে বাংলাদেশের জিডিপি প্রবৃদ্ধি ২% হ্রাস পাবে বলে ধারণা করা হচ্ছে। বিনিয়োগকারীরা বিপুল শেয়ার বিক্রি করে দেওয়ার কারণে সম্প্রতি বাংলাদেশের শেয়ারবাজারেও ব্যাপক পতন দেখা যায়। তবে অবস্থানগত সুবিধা, খাদ্য সুরক্ষা এবং আমদানিতে স্বল্প নির্ভরতার কারণে দেশের অর্থনীতি বিশ্বের বেশিরভাগ দেশ থেকে বিভিন্ন দিক থেকে সুরক্ষিত। বিশ্বের সর্বাধিক প্রচারিত অর্থনীতি বিষয়ক পত্রিকা দি ইকোনমিস্টের মতে, কোভিড-১৯ প্রাদুর্ভাবের কবলে পড়ার জন্য তাদের আর্থিক সামর্থ্য অনুযায়ী পরিমাপ করা ৬৬টি উদীয়মান অর্থনীতির একটি গ্লোবাল লিগ টেবিলের তালিকায় বাংলাদেশ নবম স্থানে রয়েছে।

## সামাজিক দায়বদ্ধতা

এই নতুন স্বাভাবিক (নিউ নর্মাল) সময়ের সাথে মানিয়ে চলতে এমটিবি কিছু

তাৎক্ষণিক কৌশল অবলম্বন করে দায়িত্বশীলতার সাথে। একেবারে প্রথম দিকে ২০২০ সালের ২৯শে মার্চ থেকে ব্যাংকের কর্মীদের তাৎক্ষণিক নিরাপত্তায় “ওয়ার্ক ফ্রম হোম” প্রবর্তন করে। সেই সাথে কোভিড-১৯ মহামারী মোকাবেলায় একটি জরুরী অনুদান তহবিল তৈরী করে যার সর্বমোট অর্থের পরিমাণ ১৪.৫০ মিলিয়ন টাকা। এর মধ্যে প্রায় ৭০ ভাগ অর্থাৎ ১০ মিলিয়ন টাকা প্রদান করে এমটিবির কর্মীরা, তাঁদের একদিনের বেতন অনুদান হিসাবে। এমটিবি বোর্ডের সম্মানিত সদস্যরাও ডিসেম্বর ২০২০ সাল পর্যন্ত তাঁদের সম্মানির টাকা অনুদান তহবিলে দান করে। তাছাড়া, এমটিবি ফাউন্ডেশনের বরাদ্দকৃত অর্থের ৪০% এই বিশেষ কোভিড-১৯ তহবিলে দান করা হয়েছিল। তাৎক্ষণিক পরিস্থিতিতে মহামারী মোকাবেলায় সরকারের কৌশলগুলির সাথে একাত্মতা প্রকাশ করে এবং অন্যদিকে, বিশ্বস্ত ও আস্থাভাজন ব্র্যান্ড হিসাবে নিজেদের ইমেজ ধরে রেখে এমটিবি তার সিএসআর তহবিল থেকে বাংলাদেশ অ্যাসোসিয়েশন অব ব্যাংকস (বিএবি)-এর মাধ্যমে প্রধানমন্ত্রীর ত্রাণ ও কল্যাণ তহবিলে ৫০ মিলিয়ন টাকা সহায়তা হিসেবে প্রদান করে। সংক্রমনের ব্যাপকতাকে প্রাধান্য দিয়ে রাজধানীতে কোভিড-১৯ এর বিস্তার রোধে এমটিবি কুর্মিটোলা জেনারেল হাসপাতাল ও কুয়েত মৈত্রী হাসপাতালে বুয়েটের সহায়তায় দুটি জীবাণুনাশক চেষ্টার প্রতিস্থাপন করে। এছাড়াও কঠিন এই সময়ে মানবতার সেবায় নিয়োজিত চিকিৎসক ও নার্সদের সুরক্ষার জন্য ব্যাংকটি দেশের বিভিন্ন হাসপাতালে এন ৯৫ মাস্ক সরবরাহ করে।

## ডিজিটাল ব্যাংকিং প্রণয়নের লক্ষ্যে

ব্যবসায়িক দৃষ্টিকোণ থেকে এমটিবি একটি ‘ডিজিটাল ব্যাংকিং সেবা প্রদানে প্রথম’ মানসিকতা গ্রহণ করে এবং কোভিড-১৯ মহামারীকালে গ্রাহক সেবায় প্রতিদিন ব্যাংকিংয়ে পরিষেবাগত পরিবর্তন আনতে গুরুত্বপূর্ণ ভূমিকা পালন করে। “এমটিবি আপনাকে ২৪/৭ ডিজিটাল সেবা প্রদান করবে” শাখায় না যেয়ে ব্যাংকিং বিকল্পগুলি যেমন- ডিজিটাল ব্যাংকিং সমাধান এবং ইলেকট্রনিক প্ল্যাটফর্ম ব্যবহার এবং এই প্রযুক্তি-ভিত্তিক সুবিধাগুলি প্রণয়ন করার ক্ষেত্রে ব্যাংক ধারাবাহিকভাবে জোর দেয়। এই বিকল্প ব্যাংকিং ব্যবস্থাগুলো সামাজিক দূরত্ব বজায় রাখার ক্ষেত্রে ভূমিকা রাখে এবং শাখাগুলোতেও গ্রাহকদের উপস্থিতিকে লক্ষণীয়ভাবে নিয়ন্ত্রণ করে। ডিজিটাল ব্যাংকিং সেবা উন্নত করার মাধ্যমে, ব্যাংক উন্নত গ্রাহক অভিজ্ঞতা, হ্রাসকৃত ব্যয় এবং বর্ধিত রাজস্বের সাথে একটি পরিবর্তন আনতে পারবে বলে আশা করা যায়।

সামাজিক দায়বদ্ধতার ফলশ্রুতি স্বরূপ, কাগজের নগদ টাকা কম ব্যবহারের অনুপ্রেরণায় ২০১৯ সালে, এমটিবি ক্রেডিট কার্ডের বিল উল্লেখযোগ্যভাবে ২৫% বৃদ্ধি পেয়েছে। ইস্যু করা মোট ক্রেডিট কার্ডের সংখ্যা ৩৮% এবং ডেবিট কার্ডের সংখ্যা ১২% বৃদ্ধি পেয়েছে। এটি ব্যাংকের বিকল্প বিতরণ চ্যানেলগুলি সমৃদ্ধ করতে গুরুত্বপূর্ণ ভূমিকা পালন করে। ২০১৯ সালে, এমটিবি কার্ড বিভাগ বাজারে ইউনিয়ন পে ক্রেডিট কার্ড চালু করে। এমটিবিকে চীনের প্লাস্টিকের কার্ড চালু করার জন্য দেশের প্রথম ব্যাংক হিসাবে স্বীকৃতি দেওয়া হয়। কার্ড বিভাগটি ২০১৯ সালে মাস্টারকার্ড এবং ইউনিয়ন পে এর সাথে প্রথমবারের মতো জাতীয় বাংলা কিউআর কোডও চালু করে। অন্যান্য অর্জনের মধ্যে এমটিবি প্রথম ‘দি পেমেন্ট কার্ড ইন্ডাস্ট্রি ডেটা সিকিউরিটি স্ট্যান্ডার্ড’ (পিসিআই ডিএসএস) সার্টিফাইড ব্যাংক হয়ে ওঠে, ভিসা কন্টাকটবিহীন ক্রেডিট কার্ড এবং চারটি বিখ্যাত প্রতিষ্ঠানের সাথে কো-ব্র্যান্ডেড কার্ড চালু করে। ২০১৯ সালে হোটেল ইন্টারকন্টিনেন্টাল, ঢাকায় ব্যাংকটি ৩০০ তম এটিএম চালু করে।

## ২০১৯ এর অর্জন

নতুন ৪০টি এমটিবি এজেন্ট ব্যাংকিং সেন্টার (এমএবিসি) চালু করার মাধ্যমে ব্যাংকটিতে মোট এমটিবি এজেন্ট ব্যাংকিং সেন্টার (এমএবিসি)-এর সংখ্যা ১৪০টিতে পৌঁছে। ২০১৯-এ মোট অ্যাকাউন্টের সংখ্যা দাড়ায় ৫৫,৫৮৮ টি যাতে

জমা হওয়া টাকার পরিমাণ ২,২০৩ মিলিয়ন একই সময়ে বিদেশী রেমিট্যান্সের বিপরীতে ১,৭১১ মিলিয়ন টাকা নগদ বন্টন করা হয়।

এমটিবি সর্বদা গ্রাহক সেবা নিশ্চিত করতে উল্লেখযোগ্য পরিমাণে বিনিয়োগ করেছে এবং এর ফলশ্রুতিতে ২০১৯ সালে সিলেটের ওসমানী আন্তর্জাতিক বিমানবন্দরে তৃতীয় অত্যাধুনিক এয়ার লাউঞ্জ চালু করে। কার্ড মেম্বর এবং রিটেইল ব্যাংকিং গ্রাহকদের সুবিধার্থে এমটিবি চুক্তি করে 'প্রায়োরিটি পাস', 'ডাইনাস ক্লাব' এবং 'ড্রাগনপাস'-এর সাথে।

এমটিবি, আইসিএবি আয়োজিত ১৯তম আইসিএবি জাতীয় পুরস্কারে 'সেরা উপস্থাপিত বার্ষিক প্রতিবেদন ২০১৮' প্রতিযোগিতায় অংশ নেয় এবং ইনস্টিটিউট অফ চার্টার্ড অ্যাকাউন্ট্যান্টস বেসরকারী ব্যাংক বিভাগে 'সেরা উপস্থাপিত বার্ষিক প্রতিবেদন - ২০১৮' (তৃতীয় স্থান)-তে ভূষিত হয়।

#### মহামারীর প্রভাব

এমনকি ২০২০ সালের মার্চ মাসে, প্রথম করোনাভাইরাস রোগী সনাক্ত হওয়ার আগে, দেশটিকে অর্থনৈতিক প্রবৃদ্ধির দিক থেকে বছরের সেরা এবং মার্কিন-চীন বাণিজ্য যুদ্ধের বিরল সুবিধা গ্রহণকারী দেশ হিসাবে বিবেচনা করা হয়েছিল। নতুন বিদেশী প্রত্যক্ষ বিনিয়োগ (এফডিআই) এবং লক্ষ লক্ষ কারখানার চাকরি সুবিধা চীন থেকে বাংলাদেশে স্থানান্তরিত হয়েছে। তবে, কোভিড-১৯-এর ফলস্বরূপ লকডাউনে সেই অগ্রযাত্রা স্বাভাবিকভাবেই বাধাগ্রস্ত হয়। ২০২০ সালের জন্য যে ৮% প্রবৃদ্ধি অর্থনীতিবিদরা প্রত্যাশা করেছিলেন তা সংশোধন করে ২% এরও কম করা হয়েছে, এটি বাংলাদেশের উন্নয়নের অর্থনীতির জন্য একটি বড় ধাক্কা। মহামারীর প্রকোপ সেই সাথে দুর্বল আর্থিক ব্যবস্থার সংঘাতের কারণে দেশ একটি বড় ধরনের বিপর্যয়ের দিকে যাবে।

কোভিড-১৯ এর আগে দেশের ব্যাংকিং খাত খারাপ ঋণ নিয়ে সমস্যাগ্রস্ত ছিল, যা নতুন ঋণ দানে সুদের হার কেন্দ্রীয় ব্যাংকের নির্দেশনায় ৯ শতাংশ হওয়াতে আরো ঝুঁকিতে পড়ে। ১লা এপ্রিলে কার্যকর হওয়া এই নীতি ক্রমবর্ধমান অকার্যকর ঋণের কারণে আর্থিক খাতকে আরো ঝুঁকিপূর্ণ করে তোলে। ক্রমাগত বাড়তে থাকা মন্দ ঋণ এবং সেই সাথে মূলধনের ক্রমাগত অপরিপূর্ণতার কারণে ব্যাংক তার ঋণ খাতকে অন্য কোন তুলনামূলকভাবে উন্নত সম্পদের দিকে ধাবিত করবে যা অর্থনৈতিক প্রবৃদ্ধির চালিকা হিসাবে বিবেচিত ক্ষুদ্র ও মাঝারি শিল্পকে ক্ষতিগ্রস্ত করবে। মহামারীর কারণে তেলের মূল্যের নিম্নগামীতা - আমেরিকা, পারস্য উপসাগরীয় দেশগুলো ও পূর্ব এশিয়ায় অভিবাসী শ্রমের প্রয়োজন কম হওয়ায় আমাদের জিডিপিতে তাদের অবদানের ৬ শতাংশ ঝুঁকিতে পড়বে।

২০১৯ সালে বিদেশে কর্মরত প্রায় ১ মিলিয়ন বাংলাদেশী ১৮ বিলিয়ন ডলারের বেশি প্রেরণ করেছেন ২০২০ এ দৃশ্যটি দেশের সম্ভাব্য পেমেণ্টের সামগ্রিক ভারসাম্যকে বিরূপ প্রতিক্রিয়া হিসাবে দেখাবে বলে সবচেয়ে বেশি সম্ভাবনা রয়েছে।

তবে, আইএমএফের মতে, বিশ্বব্যাপী প্রবৃদ্ধি ২০১৯ সালের ২.৯ শতাংশ থেকে ২০২০ সালে ৩.৩ শতাংশে উন্নীত হবে বলে ধারণা করা হয়েছিল। তবে, ২০২০ সালের জানুয়ারিতে চীনে আকস্মিকভাবে কোভিড-১৯ প্রকাশের সাথে সাথে ভাইরাসের বিস্তার কমিয়ে দেওয়ার জন্য বিস্তৃত ব্যবস্থা গ্রহণ করা হয়েছিল। এই ব্যবস্থাগুলো অর্থনৈতিক ক্রিয়াকলাপকে ধীর গতির করেছে এবং ২০২০ সালের জন্য বিশ্বব্যাপী প্রবৃদ্ধির হিসাব দ্রুত বদলেছে। ২০২০ সালের জুনে ওয়ার্ল্ড ইকোনমিক আউটলুকে আইএমএফ বিশ্বব্যাপী অর্থনীতিতে নেতিবাচক ৪.৯ শতাংশ সংকোচনের জন্য ভবিষ্যদ্বাণী করেছিল, যা দ্বিতীয় বিশ্বযুদ্ধের পর থেকে - গভীরতম মন্দা এবং ২০২১ সালে ভাইরাসটির সফল নিয়ন্ত্রণ ও অর্থনৈতিক কর্ম

কে সাধারণীকরণের পরে বিশ্বব্যাপী প্রবৃদ্ধি ৫.৪ শতাংশে আনা হয়। মহামারী কোভিড-১৯-এর বর্তমান পরিস্থিতি তেলের দামে দ্রুত হ্রাস ঘটায়, বেকারত্বের হার বাড়়ে এবং ৯০ এর দশকের পর বিশ্বে চরম দারিদ্র্যের পরিস্থিতি তৈরি হবে।

#### ২০২০ সালে কৌশলগত পদক্ষেপ

২০২০ সালে এমটিবি গতানুগতিক ব্যাংকিং থেকে বেরিয়ে এসে আর্থিক মূলধনকে কাজে লাগিয়ে গ্রাহক সেবায় এক নতুন মাত্রা যোগে বন্ধ পরিচালনা। এটি দেশের অন্যতম ব্যাংক হিসাবে নেতৃত্ব দিতে চায় - পরিচালনায় ও অর্থায়নে ক্রমবর্ধমান ডিজিটাল ব্যাংকিং ও বিকল্প সরবরাহ খাতকে কার্যকর করে এবং কার্যকর ব্যবহার হ্রাসে আরও যথাযথ পদক্ষেপ গ্রহণ করে।

#### এমটিবি মানব সম্পদ উন্নয়ন বিভাগ - ডিজিটাল বিপ্লবের অনুঘটক

এমটিবি বিশ্বাস করে যে, এর মানবসম্পদ প্রতিষ্ঠানের উন্নয়নের মূল ভূমিকায় কৌশলগত অংশীদার। এমটিবি গ্রুপ মানবসম্পদ ব্যবস্থায় নীতিগুলো এমটিবিয়ানদের ভবিষ্যতের ক্ষমতায়নের জন্য তৈরি করা হয়েছে। সেই লক্ষ্যেই, ব্যাংকটি সেরা প্রতিভাদের নিয়োগ দেয় এবং তাদের কর্মদক্ষতার সর্বোত্তম স্তরে শ্রমশক্তি বিকাশের সর্বাধিক প্রচেষ্টা চালায় যাতে তারা ব্যাংকের মূল লক্ষ্য তাদের মননে রেখে, ব্যাংককে এগিয়ে নিয়ে যেতে পারে। ২০১৯ সালে গ্রুপের মানবসম্পদ বিভাগ দ্বারা এর মানবসম্পদকে সর্বোত্তম করার জন্য উদ্যোগগুলো ছিল অসাধারণ। ২০১৯ সালে প্রায় ২৯২টি প্রশিক্ষণ প্রোগ্রাম পরিচালিত হয়েছিল এবং ১৯২৫ জন এমটিবিয়ান দেশে বিদেশে প্রশিক্ষণে অংশগ্রহণ করে।

#### আমাদের ২০ বছরের একাত্মতার অগ্রযাত্রা

অবশেষে মুজিববর্ষ অর্থাৎ জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের জন্ম শত বার্ষিকী উদযাপনের এই বিশেষ বছরে আমি আমার সহকর্মীদের অবিচল সহযোগিতা, প্রতিশ্রুতি ও বিবেকবান নেতৃত্বের জন্য সাধুবাদ জানাই।

আমি কৃতজ্ঞতা প্রকাশ করি আমাদের সদ্য অবসরে যাওয়া ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী, আনিস এ খান এবং বর্তমান ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহীকে যারা তাদের সুযোগ্য নেতৃত্বে ব্যাংকটিকে একটি নতুন উচ্চতায় নিয়ে গেছে। অব্যাহত সহায়তার জন্য বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন, স্টক এক্সচেঞ্জ, অর্থ মন্ত্রণালয়, জয়েন্ট স্টক কোম্পানির রেজিস্ট্রার (আরজেএসসি) এবং অন্যান্য সংযুক্ত সংস্থার প্রতি আমাদের কৃতজ্ঞতা।

গত ২০ বছর ধরে আপনি এমটিবি ব্র্যান্ডে যে আস্থা ও আত্মবিশ্বাস রেখেছেন তার জন্য ব্যাংকটি আপনার অর্থাৎ আমাদের মূল্যবান গ্রাহকদের প্রতি সব সময় অসীম কৃতজ্ঞ। আপনাদের প্রেরণা আমাদের সৃজনশীলতা, সফলতা ও বিকাশের পথে পরিচালিত করে চলেছে। আমাদের শেয়ারহোল্ডারদের প্রতি আমার আন্তরিক কৃতজ্ঞতা - আপনাদের পৃষ্ঠপোষকতা ব্যাংকের জন্য এক অবিম্বরণীয় শক্তি হয়ে দাঁড়িয়েছে এবং আমি এগিয়ে যাওয়ার এই সময়ে ব্যাংককে তার শ্রেষ্ঠত্বের যাত্রায় এগিয়ে যেতে সক্ষম করার জন্য আপনাদের অব্যাহত সহায়তার প্রত্যাশা করছি।

ধন্যবাদ



মোঃ হেলায়েতউল্লাহ

চেয়ারম্যান







# STATEMENT OF THE MANAGING DIRECTOR & CEO

## Dear Distinguished Shareholders,

The South Asian nation, Bangladesh, will celebrate its 50 years of independence in 2021. The country is one of the Next-11 or N11 with the potential to become one of the world's largest economies in the 21st century. With its self-financed Padma Bridge under construction in full speed and the historic launch of the Bangabandhu Satellite-1 (BS-1), Bangladesh is the next emerging Asian Tiger. Mutual Trust Bank Limited (MTB), a third-generation private commercial bank, has been serving the nation since October 24, 1999. The bank is sponsored by leading entrepreneurs and highly reputable business conglomerates of the country. The bank began its journey with a promise - "You can bank on us" which has both a literal and metaphorical meaning. Apart from being a corporate body, it is also an institution that highly values transparency and accountability with a view to retaining public trust and confidence. Throughout the journey of 20 highly rewarding years of operation, we have protected & surged, we have been resurgent, we have managed to shine and now we are all invigorated towards powering the future. Personally, it is an honour for me to steer the bank with the trust of the caring regulators, the guidance of the progressive Board of Directors and the dedication of the beloved MTBians in forging ahead and repaying the trust with better business performance through achieving our strategic goals.

However, with the sudden outbreak of COVID-19 in the first quarter of 2020, Bangladesh, like the rest of the world, is also faced with a number of challenges as far as the economy is concerned. The banking sector is the wheel of any economy. The health of the banking sector depends on the growth of all the other sectors of the country; similarly, the growth of the rest of the wings of the economy is highly dependent on the health

of the banking sector. With most of the businesses suspending their business operations due to the lockdown, (effective from 25 March 2020) and export-oriented industries losing their confirmed orders, one of the major challenges to be faced by the banks is the rise in the Non-performing Loans (NPL) in addition to the credit risk. The Central Bank, in March, issued a circular not to change the classification status of the borrower up to September 2020. 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.

The Government has declared stimulus packages of more than BDT 1.0 Trillion for the survival of different business entities including corporate, SME, micro finance, agriculture etc. and the entire fund is supposed to be channeled through the banking sector. If a certain borrower with a loan liability avails further loan under this stimulus package, then the borrower will need to repay both the existing loan and the new loan. In an adverse business environment, both the borrowers and the banks will thus be faced with a new challenge. This will ultimately affect the liquidity status of the banking sector making it difficult for the banks to bring down their Advance-Deposit (AD) Ratio. The ongoing economic depression resulting from COVID-19 will also witness a downtrend in the remittance inflow coupled with a decrease in buying power of the people, reducing the investment opportunities for the banks and increasing their chances of negative income growth. To survive the financial crisis, the depositors are most likely to withdraw their deposits affecting the fund inflow of the banks.

Despite all the skepticism, MTB is all poised to endure any probable tribulation. The bank intends to put more emphasis



on the need to develop an innovation-first attitude through a cultural shift towards digital transformation. To remain aligned with the changing market scenario, MTB realizes the importance of prioritizing the modification of the business models by increasing operational efficiencies through new service offerings with greater convenience. Furthermore, increasing the investment in Digital Banking and consistent innovation will be prerequisites for the bank to keep up with the increasing expectations of the savvy and more informed clientele. MTB will also put a thrust on designing attractive deposit products to maintain the fund flow. The bank underscores customer satisfaction to be gained through business agility for customer acquisition and retention.

### MTB3V

To justify the bank's vision - MTB3V, we realize that the key competitive differentiator is customer experience. Therefore, to keep up with the customer expectations, the bank tries to make the customer interactions seamless and spontaneous. At MTB, we try to create a culture of operational excellence, efficient performance and world-class delivery that, in turn, enables us to respond promptly in delivering consistent long-term returns to the shareholders amidst the rapidly transforming financial, macroeconomic and socio-political environment.

### MTB Shining – The Theme of 2019

MTB always aims to stretch its legacy built by its founders since its inception, by maintaining a high compliance status and consistent customer-centric culture. One of the Key Performance Indicators (KPIs) of MTB has always been to achieve a higher score than its peers when it comes to serving its customers. In 2019, MTB aspired to set a shining example in each and every sphere of its customer service offerings required to become the brightest star in the sky like the Sirius.

On the backdrop of an impulsive economic and political scenario, 2019 was a remarkable year for MTB in terms of business achievements, technological advancements and business model reformation initiatives, making the bank fully equipped to enhance value for all stakeholders. The financial year which marked 20 years of the bank's extraordinary journey witnessed great progresses on a significant number of fronts despite the increasing challenges faced by the entire banking industry. In 2019, MTB's overall balance sheet experienced a healthy growth – Deposits grew by 14.92%, Loans and Advances rose by 14.20%, the Trade Finance

█ *Total assets of the bank grew by 15.49% to BDT 256.91 billion, marking a milestone in the bank's annals. It was supported by a prudent 14.20% growth in gross loans which amounted to BDT 189.73 billion at the year closing while the total deposit grew by 14.92% to BDT 190.95 billion.* █

business also saw a positive growth through marginal growth in both imports and exports.

The bank's standalone performance was impressive, generating Operating Profit of BDT 5.03 billion, a 9.11% growth from previous year. The bank has been consistent in providing returns to the customers, and in 2019 the Return on Equity (ROE) was 8.73%. The results from subsidiaries were also laudable. MTB Capital Limited (MTBCL), MTB Securities Limited (MTBSL) and MTB Exchange (UK) Limited generated operating profits amounting to BDT 39.20 million, BDT 164.07 million and BDT 8.44 million respectively.

The bank has always been very keen to have a strong capital base which we intend to boost further with a view to equipping ourselves to be able to extend credit to our customers during all sorts of economic uncertainties in the future. With substantial increases in regulatory capital requirements, we have, over time, built up our capital and financial strengths enabling us to attain our capital ratio of 12.91% of risk weighted assets. In the year 2019, the bank raised capital in the form of share capital by issuing 9.53% equity shares 63,707,004 to Norfund, a Norwegian private equity company. We are excited to have initiated the process of issuing BDT 4 billion perpetual bond as Additional Tier I capital, which is in fact, the first time for us issuing this type of financial instrument. During 2020, the bank plans to raise an additional BDT 5.0 billion Tier-II capital out of which BDT 4.90 billion has already been raised.

### Creating Happy Customers and Retaining Them

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. A shining financial brand with 20 years of strong market existence, MTB aims to become a household name by offering services at the customers' doorsteps through its 118 Branches, 5 Sub-branches, 302 strategically located ATM Booths, 15 Smart Banking Kiosks and over 3,000 POS Machines. 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 and within a very short span of time, the bank has successfully been able to set up 140 MTB Agent Banking Centres (MABC), serving around 40,000 customers, significantly contributing to the inflow of remittances and achieving a phenomenal growth in terms of customer deposit amounting to BDT 2,203 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 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 and Osmani International Airport (OIA) in Sylhet. MTB is one of the 5 banks in the country to offer such facilities to cater to the needs of its privileged customers. The bank has tied up with 'Priority Pass', 'Diners Club' and 'DragonPass' which will allow MTB customers to access international air lounges.

As a recognition of the excellence in service expansion of MTB Cards business, the bank received the 'Award for Excellence in Mastercard Co-Brand Business 2018-19 & Pioneer in Mastercard Contactless Credit Issuance 2018-19' category, presented by Mastercard at its first-ever "Mastercard Payments Summit & Gala Award Night 2019".

### Becoming the 'Digital Bank of Choice'

In its effort to make everyday banking simpler and more accessible for its customers, MTB continues to deliver high quality innovative products and services through its well-managed digital channels. When it comes to customer confidentiality and security, the bank never compromises, and, therefore, realizes the relevance of investing appropriately in digitization of its products and services. With a view to protecting the credit, debit and prepaid card transactions and preventing the misuse of cardholders' personal information, MTB obtained the Payment Card Industry Data Security Standard (PCI DSS) certification in February 2019. The same year, the bank launched MPay, a QR Code based payment facility as per Bangla QR standard, for all MTB Internet Banking users to enable QR based transactions at merchant points with UnionPay QR Code acceptance facility, free of charge. As part of the Fourth Industrial Revolution, the ultimate destination of our bank is to develop a full-fledged Digital Financial Service (DFS) ecosystem to gain an impactful competitive advantage while

offering low-cost, easy-to-access and convenient products and services to its existing and potential customers and, in turn, boost financial inclusion.

### Linking the Human Capital to the Growth of the Organization

An equal opportunity provider, MTB aspires to be the 'Bank of Choice'. In the 21st century, human resources are referred to as 'Human Capital'. For MTB, to be branded as a preferred employer, means to create an environment for the human capital where they can challenge themselves and succeed, both in the national and international arena. At MTB, we believe that the key to our growth is a skilled and dedicated workforce which is highly motivated. Accordingly, the bank's HR policies comprise transparent and specialized processes of recruitment, career planning, performance appraisal, training and development programs, etc. designed carefully to pick the best talents from the industry and retain them. As a recognition of its human capital management excellence, the bank won the 'Dream Company to Work for' Award in organizational category at the "Asia's Best employer Brand Awards 2018".

### Powering the Future

Customer experience, over the last couple of years, has become the key competitive differentiator when it comes to banking. The banks that are investing in customer experience are seeing 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, MTB will embrace emerging technologies and accordingly adopt evolving business models. In its effort to enrich the banking experience of its customers, MTB believes in enhancing the digital banking experience with a view to creating a technological breakthrough in competitive dynamics. Known for being farsighted when it comes to providing convenience to its customers, MTB has embraced a 'digital first' mindset and played an important role in bringing about a behavioral shift in the day-to-day banking conducted by customers. With the tagline "MTB will meet you digitally 24/7", the bank consistently puts a thrust on the use of non-branch banking alternatives i.e. digital banking solutions and electronic platforms to fuel the shift towards the digital adoption of financial services which are not burdened by traditional

methods. By establishing partnerships with the Fintechs, the bank can create Unique Selling Propositions (USPs) for those who demand personalization from their bank which safeguard their money. At a time when the experience derived from the digital banking engagement determines the future of a financial institution, MTB intends to power the future by reinventing themselves and going beyond a digital revolution all the while achieving a business transformation

## Thank You

As I present the Integrated Annual Report 2019 of Mutual Trust Bank Limited (MTB), I feel privileged to lead the bank into the future and I am grateful to the distinguished Board of Directors, who have put their trust in me. I have confidence in my beloved MTBians, as we are a team, proudly committed to deliver our promises.

I take this opportunity to thank all our stakeholders—Ministry of Finance, Ministry of Commerce, Bangladesh Bank, Bangladesh Securities and Exchange Commission (BSEC), Registrar of Joint Stock Companies (RJSC), National Board of Revenue (NBR), stock exchanges and all other regulators, customers, valued shareholders, correspondent banks & financial institutions, developmental international financial organizations like DEG-KFW, Asian Development Fund FMO, Norfund, and all other organizations for the overall support they have extended towards living our aspiration of “One of the Best Performing Banks in Bangladesh”.

On behalf of the management, I would like to express my sincere thanks to our honorable Board of Directors for their guidance and constant support. We are committed to repaying their trust and support with better business performance by achieving our strategic goals. Our shareholders are the reason of our existence and we sincerely thank them and reaffirm our commitment to deliver the best possible value and return to them.

Finally, in the noble year of “Mujib Borsho”, while we celebrate the birth centenary of the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman, let us all reiterate our pledge to build the country we all want to be a part of.

Thank you,

Sincerely,



**Syed Mahbubur Rahman**

Managing Director & CEO



## সম্মানিত শেয়ারহোল্ডারগণ,

দক্ষিণ এশিয়ার দেশ, বাংলাদেশ ২০২১ সালে তাদের স্বাধীনতার ৫০ বছর পূর্তি উদযাপন করতে যাচ্ছে। একবিংশ শতাব্দীতে বিশ্বের বৃহৎ অর্থনীতিগুলোর একটিতে পরিণত হওয়ার সম্ভাবনা নিয়ে দেশ "Next-11" এ স্থান করে নিয়েছে। এর মধ্যে দেশের নিজস্ব অর্থায়ণে পূর্ণ উদ্দমে নির্মাণাধীন পদ্মা সেতু এবং বঙ্গবন্ধু স্যাটেলাইট-১ (বিএস-১)-এর ঐতিহাসিক ও সফল উৎক্ষেপণের ফলে বাংলাদেশ পরিণত হয়েছে উদীয়মান এশিয়ান টাইগারে। মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড (এমটিবি), একটি তৃতীয় প্রজন্মের বেসরকারী বাণিজ্যিক ব্যাংক, ২৪শে অক্টোবর ১৯৯৯ সাল থেকে দেশ ও দেশের মানুষকে ব্যাংকিং সেবা দিয়ে আসছে। ব্যাংকটি দেশের শীর্ষস্থানীয় উদ্যোক্তাবৃন্দ এবং অত্যন্ত স্বনামধন্য ব্যবসায়িক প্রতিষ্ঠানগুলি কর্তৃক গঠিত। ব্যাংকটির যাত্রা শুরু হয় “আপনি আমাদের উপর আস্থা রাখতে পারেন” এই প্রতিশ্রুতি নিয়ে যা আক্ষরিক ও রূপক দুই অর্থই ধারণ করে। কর্পোরেট সত্ত্বা হওয়ার পাশাপাশি, ব্যাংকটি একটি দায়িত্বশীল প্রতিষ্ঠান হিসেবে জনসাধারণের আস্থা ও প্রত্যয় বজায় রাখার লক্ষ্যে স্বচ্ছতা এবং জবাবদিহিতার প্রতি অত্যন্ত দায়িত্বশীল ভূমিকা রাখে। ২০ বছরের এই সফল যাত্রায় আমরা সংরক্ষন করেছি গ্রাহক স্বার্থ, সাফল্য পাই ব্যবসায়, বার বার জ্বলে উঠি এবং এখন আমরা এগিয়ে যাচ্ছি এক উজ্জ্বল ভবিষ্যতের পথে। ব্যক্তিগতভাবে আমি গৌরব বোধ করি এ ব্যাংক পরিচালনায় যাতে আমাকে সাহস যোগায় - নিয়ন্ত্রক সংস্থার আস্থা, প্রগতিশীল পরিচালনা পর্ষদের দিক নির্দেশনা এবং প্রিয় এমটিবিয়ানদের সার্বিক সহযোগিতা। এর সবকিছুই আমাকে সামনে এগিয়ে যেতে এবং আমার উপর আস্থার প্রতিদান হিসেবে আমাদের কৌশলগত লক্ষ্য অর্জনের মাধ্যমে ব্যবসায়িক সফলতা অর্জনে সাহস জোগায়।

তবে, ২০২০ সালের প্রথম প্রান্তিকে হঠাৎ কোভিড-১৯ এর প্রাদুর্ভাবের ফলে, বিশ্বের অন্যান্য দেশের মতো, বাংলাদেশের অর্থনীতি চ্যালেঞ্জের সম্মুখীন হয়। ব্যাংকিং খাত হলো অর্থনীতির চালিকা শক্তি। ব্যাংকিং খাত নির্ভর করে দেশের অন্যান্য সমস্ত খাতের প্রবৃদ্ধির উপর একইভাবে, অর্থনীতির অন্যান্য খাতের সাফল্য নির্ভর করে ব্যাংকিং খাতের উপর। লকডাউনের কারণে বেশিরভাগ ব্যবসা তাদের ব্যবসায়িক কার্যক্রম স্থগিত করে (২০২০ সালের ২৫ মার্চ থেকে) এবং রফতানিমুখী শিল্পগুলি তাদের নিশ্চিত কার্যাদেশ হারায়, যার ফলশ্রুতিতে ব্যাংকগুলির যে বড় প্রতিবন্ধকতার সম্মুখীন হয় তা হলো অকার্যকর ঋণের বৃদ্ধি (এনপিএল) ছাড়াও আমানত ঝুঁকি। কেন্দ্রীয় ব্যাংক গত মার্চ মাসে ২০২০ সালের সেপ্টেম্বরের মধ্যে শ্রেণিবিন্যাসের স্থিতি পরিবর্তন না করার জন্য একটি বিজ্ঞপ্তি জারি করে। এই পরিস্থিতিতে, বিদ্যমান আমানত সুবিধা পেতে পারে এমন গ্রাহক ক্ষতিগ্রস্ত হবে যার ফলস্বরূপ ঋণ পরিশোধের সম্ভাবনাও কমে যাবে। বৃহৎ শিল্প, ক্ষুদ্র ও মাঝারী শিল্প, ক্ষুদ্র ঋণ, কৃষি ইত্যাদিসহ বিভিন্ন ব্যবসায়িক প্রতিষ্ঠানের ব্যবসায়িক কার্যক্রম পরিচালনা করার জন্য সরকার ১.০ ট্রিলিয়ন এরও বেশি টাকার প্রণোদনা প্যাকেজ ঘোষণা করে এবং এই প্যাকেজের পুরো অর্থ ব্যাংকিং খাতের মাধ্যমেই বন্টন করা হবে। যদি দায়বদ্ধ একটি নির্দিষ্ট প্রতিষ্ঠান এই প্রণোদনা প্যাকেজের অধীনে আরও ঋণ গ্রহণ করে, তবে ঋণগ্রহীতাকে বিদ্যমান এবং নতুন ঋণ উভয়ই পরিশোধ করতে হবে। প্রতিকূল ব্যবসায়িক পরিবেশে, ঋণগ্রহীতা এবং ব্যাংক উভয়ই তখন একটি নতুন চ্যালেঞ্জের মুখোমুখি হবে। যে ব্যাংকগুলো তাদের অগ্রিম-আমানত (এডি) অনুপাত হ্রাস করতে চায় তাদের ক্ষেত্রে এটি ব্যাংকিং খাতের তারল্যের স্থিতিতে প্রভাবিত করে প্রতিবন্ধকতা সৃষ্টি করবে। কোভিড-১৯-এর ফলে চলমান অর্থনৈতিক মন্দা রেমিট্যান্স প্রবাহ হ্রাসের পাশাপাশি জনগণের ক্রয় ক্ষমতা ও ব্যাংকগুলির বিনিয়োগ সুযোগ হ্রাস করবে এবং তাদের নেতিবাচক আয়ের সম্ভাবনা বৃদ্ধি করবে। আর্থিক সঙ্কট কাটিয়ে ওঠার জন্য, আমানতকারীরা তাদের জমাকৃত অর্থ প্রত্যাহার করে ব্যাংক তহবিলের প্রবাহকে প্রভাবিত করার সম্ভাবনা বেড়ে যাবে।

সমস্ত সংশয় সত্ত্বেও এমটিবি যে কোনও সম্ভাব্য সঙ্কট মোকাবেলা করার জন্য প্রস্তুত। ডিজিটাল ব্যাংকিং এর রূপান্তরের উদ্দেশ্যে ব্যবহারগত পরিবর্তনের জন্য একটি উদ্ভাবনী-প্রথম মনোভাব গড়ে তোলার প্রয়োজনের প্রতি ব্যাংক আরও গুরুত্ব আরোপ করে। পরিবর্তিত বাজারের সাথে সমান তালে চলার জন্য, এমটিবি আরও বেশি গ্রাহক সুবিধা প্রদানের উদ্দেশ্যে পরিচালনা দক্ষতা বৃদ্ধি করে ব্যবসায়িক মডেলগুলোর পরিবর্তনে অগ্রাধিকারের গুরুত্ব উপলব্ধি করে। এছাড়াও গ্রাহকদের ক্রমবর্ধমান প্রত্যাশা পূরণের জন্য ডিজিটাল ব্যাংকিংয়ে বিনিয়োগ বৃদ্ধি এবং ধারাবাহিক উদ্ভাবনকে উৎসাহিত করা হলো এই ব্যাংকের পূর্বশর্ত। এমটিবি তহবিলের প্রবাহ বজায় রাখতে আকর্ষণীয় আমানত পণ্য ডিজাইনের উপর জোর দিয়ে থাকে। ব্যাংক গ্রাহক অধিগ্রহণ এবং ধরে রাখার জন্য ব্যবসায়িক কার্যক্রমের মাধ্যমে গ্রাহক সন্তুষ্টিকে প্রাধান্য দেয়।

## এমটিবিওভি:

ব্যাংকের ভিশন এমটিবিওভি সমুন্নত রাখতে, আমরা মনেপ্রাণে বিশ্বাস করি গ্রাহক অভিজ্ঞতাই প্রতিযোগিতামূলক ব্যবসার ক্ষেত্রে মূল পার্থক্য নিরূপনকারী। সুতরাং, গ্রাহকের প্রত্যাশা ধরে রাখতে, ব্যাংকের সার্বক্ষণিক প্রচেষ্টা থাকে গ্রাহকের সাথে নিরবিচ্ছিন্ন ও স্বতঃস্ফূর্ত পারস্পরিক সম্পর্ক বজায় রাখা। এই দ্রুত পরিবর্তনশীল আর্থ-সামাজিক, সামষ্টিক অর্থনৈতিক এবং রাজনৈতিক পরিবেশে এমটিবি পরিচালনাগত দক্ষতা, কর্ম দক্ষতা এবং বিশ্বমানের বন্টন সংস্কৃতি তৈরি করার চেষ্টা করে যা নিশ্চিত করে অংশীদারদের ধারাবাহিক দীর্ঘমেয়াদী মুনাফা।

## জ্বলে উঠুক এমটিবি:

ধারাবাহিক গ্রাহকসেবার সংস্কৃতি বজায় রাখা এবং অনুবর্তিতা- শুরু থেকেই এমটিবি প্রতিষ্ঠাতারা এই মূলমন্ত্র নিয়েই এই ব্যাংকিং পরিষেবা প্রসারিত করে। এমটিবির অন্যতম প্রধান কর্মদক্ষতা সূচক (কেপিআই) হলো গ্রাহক সেবায় তার নিকটবর্তী ব্যাংকগুলোর চেয়ে বেশি ভাল গ্রাহক সেবা নিশ্চিত করা। ২০১৯ সালে, এমটিবি লুক্কর এর মতো আকাশের সবচেয়ে উজ্জ্বল নক্ষত্র হয়ে উঠতে প্রয়োজনীয় গ্রাহক পরিষেবার প্রতিটি ক্ষেত্রেই একটি উজ্জ্বল দৃষ্টান্ত স্থাপন করে। অস্থিতিশীল অর্থনীতি ও রাজনৈতিক প্রেক্ষাপটেও ব্যবসায়িক সাফল্য, প্রযুক্তিগত অগ্রগতি এবং ব্যবসায়িক মডেল সংস্কারের উদ্যোগের ক্ষেত্রে এমটিবির জন্য ২০১৯ ছিল একটি উল্লেখযোগ্য বছর, যা ব্যাংকের সমস্ত অংশীদারদের স্বার্থ সংরক্ষনের জন্য পুরোপুরি ঢেলে সাজানো হয়েছিল। ২০ বছরের এই অনবদ্য যাত্রায় ব্যাংকিং শিল্পে ক্রমবর্ধমান চ্যালেঞ্জ সত্ত্বেও এই অর্থ-বছরে ব্যাংকিং-এর উল্লেখযোগ্য শাখায় এই ব্যাংকটি গুরুত্বপূর্ণ অগ্রগতি অর্জন করে। ২০১৯ সালে এমটিবির সামগ্রিক ব্যালেন্সশিট বেশ ভালো প্রবৃদ্ধি অর্জন করে আমানত বৃদ্ধি পায় ১৪.৯২ শতাংশ, ঋণ ও অগ্রিম বৃদ্ধি পায় ১৪.২০%, আমদানি ও রফতানির উভয় ক্ষেত্রেই প্রান্তিক প্রবৃদ্ধির মাধ্যমে একটি ইতিবাচক ব্যাংকিং এর স্বাক্ষর রাখে।

এমটিবির ফলাফল ছিল অত্যন্ত আকর্ষণীয়, ব্যাংকটি অপারেটিং মুনাফা অর্জন করে ৫.০৩ বিলিয়ন টাকা, যা আগের বছর থেকে ৯.১১ শতাংশ বেশি। গ্রাহকদের রিটার্ন প্রদানের ক্ষেত্রে ব্যাংকটি ধারাবাহিক ছিল এবং ২০১৯ সালে এর রিটার্ন অন ইক্যুইটি (আরওই) ছিল ৮.৭৩ শতাংশ। সহযোগী প্রতিষ্ঠানগুলোর ফলাফলও প্রশংসনীয় ছিল। এমটিবি ক্যাপিটাল লিমিটেড (এমটিবিসিএল), এমটিবি সিকিউরিটিজ লিমিটেড (এমটিবিএসএল) এবং এমটিবি এক্সচেঞ্জ (ইউকে) লিমিটেড যথাক্রমে ৩৯.২০ মিলিয়ন টাকা, ১৬৪.০৭ মিলিয়ন টাকা এবং ৮.৪৪ মিলিয়ন টাকা অপারেটিং মুনাফা অর্জন করে।

ভবিষ্যতের সব ধরনের অর্থনৈতিক অনিশ্চয়তাকে মোকাবেলা করার জন্য ব্যাংকটি আরও শক্তিশালী মূলধন ভিত্তি তৈরীর জন্য সর্বদা আগ্রহী ছিল যা নিশ্চিত

করে ব্যাংকটির গ্রাহক পরিষেবা এবং আমানত সেবা প্রদানে সক্ষমতা। নিয়ন্ত্রক মূলধনের প্রয়োজনীয়তার বৃদ্ধির ক্ষেত্রে সময়ের সাথে সাথে আমরা আমাদের মূলধন এবং আর্থিক সক্ষমতাকে যথেষ্ট পরিমাণ বাড়াই- আমাদের মূলধন ঝুঁকিপূর্ণ সম্পদের ১২.৯১%। ২০১৯ সালে, একটি নরওয়েজিয়ান বেসরকারী ইকুইটি সংস্থা নরফান্ডকে ৯.৫৩ শতাংশ ৬৩,৭০৭,০০৪ ইকুইটি শেয়ার দিয়ে ব্যাংক শেয়ার মূলধন সংগ্রহ করে। অতিরিক্ত টিয়ার- ১ মূলধন হিসাবে ৪ বিলিয়ন টাকার স্থায়ী বন্ড জারির প্রক্রিয়া শুরু করতে পেরে আমরা উৎসাহিত, যা প্রকৃতপক্ষে আমাদের জন্য প্রথম এই জাতীয় আর্থিক ইন্সট্রুমেন্ট। ২০২০ সালের মধ্যে, ব্যাংকটি অতিরিক্ত ৫ বিলিয়ন টাকা টিয়ার-২ মূলধন সংগ্রহের পরিকল্পনা করেছে যার মধ্যে ইতোমধ্যে ৪.৯০ বিলিয়ন টাকা সংগ্রহ করা হয়েছে।

### গ্রাহক সন্তুষ্টি

ব্যাংকের ব্র্যান্ড প্রতিশ্রুতির অংশ হিসাবে, আমরা আমাদের গ্রাহকদের ক্ষমতায়নে বিশ্বাস করি যাতে তারা তাদের জীবনের প্রতিটি পর্যায়ে লক্ষ্য অর্জনে সক্ষম হয়। সেই লক্ষ্যই, আমরা আমাদের বিদ্যমান এবং সম্ভাব্য গ্রাহকদের সঠিক সমাধান দেয়ার জন্য নিরলস চেষ্টা করি যা সহজ, সৃজনশীল এবং প্রতিযোগিতামূলক। গত ২০ বছরে গ্রাহকদের কাছে দৈনন্দিন ব্যাংক হয়ে উঠার লক্ষ্যে এমটিবি তার ১১৮টি শাখা, ৫টি উপ-শাখা, ৩০২টি এটিএম বুথ, ১৫টি স্মার্ট ব্যাংকিং কিয়স্ক এবং ৩,০০০ এরও বেশি 'পস' মেশিনের মাধ্যমে গ্রাহকদের দোরগোড়ায় সেবা দিয়ে আসছে। সরাসরি ব্যাংকিং সেবা থেকে বঞ্চিত জনগোষ্ঠীর কাছে সেবা পৌঁছাতে এবং সরকারের আর্থিক অন্তর্ভুক্তি নীতিমালার সাথে জড়িত থাকার লক্ষ্যে এমটিবি তার এজেন্ট ব্যাংকিং পরিষেবা শুরু করেছে ২০১৬ সালে এবং খুব অল্প সময়ের মধ্যেই ব্যাংকটি সাফল্যের সাথে ১৪০ এমটিবি এজেন্ট ব্যাংকিং কেন্দ্র (এমএবিসি) স্থাপন করতে সক্ষম হয়েছে যা প্রায় ৪০,০০০ গ্রাহককে সেবা প্রদান করে রেমিট্যান্স প্রবাহে উল্লেখযোগ্য অবদান রাখে এবং গ্রাহক আমানতের ক্ষেত্রে ২,২০৩ মিলিয়ন টাকা অন্তর্ভুক্ত করে। সরাসরি ব্যাংকিং নেটওয়ার্কের পাশাপাশি, ব্যাংক তার অন্যান্য বিকল্প ডেলিভারি চ্যানেল যেমন ইন্টারনেট ব্যাংকিং এবং এসএমএস ব্যাংকিং পরিষেবাগুলো গ্রহণ করতে গ্রাহকদের উৎসাহ দেয়।

ব্যাংকের রিটেইল ব্যাংকিং এবং ক্রেডিট কার্ড ডিভিশন তার গ্রাহকদের এবং মূল্যবান স্টেকহোল্ডারদের আরও বেশি সুবিধা নিশ্চিত করার লক্ষ্যে এমটিবি হযরত শাহজালাল আন্তর্জাতিক বিমানবন্দরের বিদেশ গমন এলাকায় এবং চট্টগ্রামে শাহ আমানত আন্তর্জাতিক বিমানবন্দর এবং সিলেটের ওসমানী আন্তর্জাতিক বিমানবন্দরে এমটিবি এয়ার লাউঞ্জ স্থাপন করে। এমটিবি বিশেষ সুবিধাপ্রাপ্ত গ্রাহকদের চাহিদা পূরণের জন্য এই জাতীয় সেবাদানকারী দেশের ৫টি ব্যাংকের মধ্যে অন্যতম। ব্যাংকটি 'প্রায়োরিটি পাস', 'ডাইনার্স ক্লাব' এবং 'ডাগনপাস' এর সাথে চুক্তি করেছে যা এমটিবি গ্রাহকদের আন্তর্জাতিক বিমান লাউঞ্জে প্রবেশের সুযোগ দেয়। এমটিবি কার্ড ব্যবসায়ের পরিষেবা সম্প্রসারণে উৎকর্ষতার স্বীকৃতি হিসাবে, মাস্টারকার্ড উদ্যাপিত প্রথম মাস্টারকার্ড কো-ব্র্যান্ড বিজনেস ২০১৮-১৯ এবং মাস্টারকার্ড কন্টাক্টলেস ক্রেডিট ইস্যুয়েন্স ২০১৮-১৯ বিভাগে পাইওনিয়ার পুরস্কার পায় - "মাস্টারকার্ড পেইমেন্টস সামিট ও গালা অ্যাওয়ার্ড নাইট ২০১৯ এ"।

### পছন্দের ডিজিটাল ব্যাংক

এমটিবি, গ্রাহকদের জন্য দৈনন্দিন ব্যাংকিংকে আরও সহজ সাধ্য ও অব্যাহত করার প্রয়াসে, তার ডিজিটাল চ্যানেলগুলির মাধ্যমে উচ্চমানের অভিনব পণ্য এবং পরিষেবা সরবরাহ করে চলেছে। গ্রাহকের গোপনীয়তা এবং সুরক্ষার বিষয়টি যখন আসে তখন ব্যাংক কখনই আপস করে না এবং তাই এর পণ্য ও পরিষেবাগুলোর ডিজিটাইজেশনে যথাযথভাবে বিনিয়োগের প্রাসঙ্গিকতা

উপলব্ধি করে। ক্রেডিট, ডেবিট এবং প্রিপেইড কার্ডের লেনদেন রক্ষা এবং কার্ডধারীদের ব্যক্তিগত তথ্যের অপব্যবহার রোধ করার লক্ষ্যে এমটিবি ২০১৯ সালের ফেব্রুয়ারিতে পেইমেন্ট কার্ড ইন্ডাস্ট্রি ডেটা সিকিউরিটি স্ট্যান্ডার্ড (পিসিআই ডিএসএস) সনদপত্র অর্জন করেছিল। একই বছর ব্যাংকটি, বিনামূল্যে, বাংলা কিউআর কোড মানদণ্ড অনুযায়ী একটি কিউআর কোড ভিত্তিক পেইমেন্ট সুবিধা 'এমপে', সকল এমটিবি ইন্টারনেট ব্যাংকিং ব্যবহারকারীদের জন্য, ইউনিয়নপে কিউআর কোড গ্রহণযোগ্যতা সুবিধা সহ মার্চেন্ট পয়েন্টগুলিতে চালু করে। চতুর্থ শিল্প বিপ্লবের অংশ হিসাবে, আমাদের ব্যাংকের চূড়ান্ত গন্তব্য হলো কম খরচে, সহজেই গ্রহণযোগ্য এবং সুবিধাজনক পণ্য ও পরিষেবা সরবরাহের ক্ষেত্রে কার্যকর প্রতিযোগিতামূলক সুবিধা অর্জনের জন্য একটি পূর্ণাঙ্গ ডিজিটাল ফিন্যান্সিয়াল সার্ভিস (ডিএফএস) পরিবেশ বিকাশ করা এবং এর বিদ্যমান এবং সম্ভাব্য গ্রাহকদের আর্থিক অন্তর্ভুক্তিকে জোর দেওয়া।

### মানবসম্পদ-প্রতিষ্ঠানের প্রবৃদ্ধির নিয়ামক

সমান সুযোগ প্রদানকারী এমটিবি সবার পছন্দের ব্যাংক হতে আগ্রহী। একবিংশ শতাব্দীতে মানবসম্পদকে 'মানব মূলধন' হিসাবে বিবেচনা করা হয়। এমটিবি পছন্দের নিয়োগকর্তা হিসাবে চিহ্নিত হওয়ার অর্থ হলো মানব মূলধনের জন্য এমন একটি পরিবেশ তৈরি করা যেখানে তারা 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 নিবেদিতপ্রান কর্মী বাহিনী। এই অনুসারে ব্যাংকের মানবসম্পদ নীতিগুলি (নিয়োগ ও কর্মজীবন পরিকল্পনা, কর্মদক্ষতা মূল্যায়ন, প্রশিক্ষণ, উন্নয়ন কর্মসূচী, এর স্বচ্ছতা এবং বিশেষায়িত প্রক্রিয়া) সমৃদ্ধ যা সেরা প্রতিভা বাছাই এবং তাদের ধরে রাখতে সহায়ক। মানবসম্পদ পরিচালনায় শ্রেষ্ঠত্বের স্বীকৃতি হিসাবে, ব্যাংক "এশিয়ার সেরা নিয়োগকর্তা ব্র্যান্ড অ্যাওয়ার্ডস ২০১৮" তে সাংগঠনিক বিভাগে 'ট্রীম কোম্পানী টু ওয়ার্ক ফর' পুরস্কার অর্জন করেছে।

### একটি শক্তিশালী ভবিষ্যৎ

গ্রাহকের অভিজ্ঞতাই প্রতিযোগিতামূলক ব্যাংকিংয়ের ক্ষেত্রে মূল নির্ণায়ক। যে ব্যাংকগুলি গ্রাহক সেবায় অধিকতর বিনিয়োগ ও গুরুত্ব আরোপ করে তারাই একটি বৃহত্তর ওয়ালেট শেয়ার, বেশি সুপারিশের হার দেখতে পায় এবং বিদ্যমান গ্রাহকদের কাছে বেশি পণ্য ও পরিষেবা ক্রয়-বিক্রয় করার সম্ভাবনা তৈরী করে। ব্যাংকিংয়ে গ্রাহকরা সবসময় আশা করে একটি তড়িৎ এবং স্বতঃস্ফূর্ত সেবা। গ্রাহকের প্রত্যাশা বজায় রাখার লক্ষ্যে এমটিবি সবসময় আধুনিক প্রযুক্তি এবং উন্নত ব্যবসায়িক মডেল গ্রহণ করে। গ্রাহকদের ব্যাংকিংয়ের অভিজ্ঞতা সমৃদ্ধ করার প্রয়াসে এমটিবি প্রতিযোগিতামূলক প্রযুক্তিগত অগ্রগতি অর্জনের লক্ষ্যে ডিজিটাল ব্যাংকিংয়ের অভিজ্ঞতা বাড়ানোর বিষয়ে প্রাধান্য দেয়। গ্রাহকদের সুবিধার্থে একটি দূরদৃষ্টি সম্পন্ন ব্যাংক হিসাবে পরিচিত, এমটিবি 'ডিজিটাল ফার্স্ট' এই মানসিকতা গ্রহণ করে। এবং গ্রাহকদের দৈনন্দিন ব্যাংকিং সেবা গ্রহণে আচরণগত পরিবর্তন আনতে গুরুত্বপূর্ণ ভূমিকা পালন করে। "এমটিবি ডিজিটালী আপনার তথ্য গ্রহণ করবে" এই বিশ্বাসে ব্যাংকটি শাখাবিহীন ব্যাংকিং বিকল্পগুলি যেমন ডিজিটাল ব্যাংকিং সমাধান এবং ইলেকট্রনিক প্ল্যাটফর্ম ব্যবহার করে আর্থিক পরিষেবাগুলি ডিজিটালী বাড়ানোর জন্য জোর দেয় যা আধুনিক ব্যাংকিং-এর জন্য খুবই সমন্বয়যোগ্য ও প্রয়োজনীয়। ফিনটেকের সাথে অংশীদারিত্ব স্থাপনের মাধ্যমে, ব্যাংক তার গ্রাহকদের অর্থ সুরক্ষার জন্য বিশেষ সুবিধা প্রদান করতে পারে। এ এমনই এক সময় যখন ডিজিটাল ব্যাংকিংয়ের সুবিধা থেকে প্রাপ্ত অভিজ্ঞতা যে কোনও আর্থিক প্রতিষ্ঠানের ভবিষ্যৎ নির্ধারণ করবে- এমটিবি ব্যবসায়িক অর্জনের লক্ষ্যে ডিজিটাল বিপ্লবের সুফলকে এগিয়ে নিয়ে ভবিষ্যতকে আরো শক্তিশালী করে।

#### ধন্যবাদ

আমি মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেডের (এমটিবি) ইন্টিগ্রেটেড বার্ষিক প্রতিবেদন ২০১৯ পরিবেশন করার সময় বলতে চাই - ভবিষ্যতে এই ব্যাংককে নেতৃত্ব দেওয়ার সুযোগ পেয়ে আমি গর্বিত এবং আমি কৃতজ্ঞতা প্রকাশ করি ব্যাংকের পরিচালনা পর্ষদকে আমার উপর আস্থা রাখার জন্য। আমার প্রিয় এমটিবিয়ানদের প্রতি আমার দৃঢ় আস্থা আছে যে, দলগতভাবে আমরা আমাদের প্রতিশ্রুতি ধরে রাখতে সক্ষম হবো।

আমি অর্থ মন্ত্রণালয়, বাণিজ্য মন্ত্রণালয়, বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি), , জাতীয় রাজস্ব বোর্ড (এনবিআর), স্টক এক্সচেঞ্জ এবং অন্যান্য সকল নিয়ামক, গ্রাহক, শেয়ারহোল্ডার, ব্যাংক ও আর্থিক প্রতিষ্ঠান, উন্নয়ন আন্তর্জাতিক সংস্থা যেমন - ডিইজি-কেএফডাব্লিউ, এশীয় উন্নয়ন তহবিল, এফএমও, নরফান্ড এবং অন্যান্য সমস্ত প্রতিষ্ঠানগুলোকে তাদের সার্বিক সহায়তার জন্য ধন্যবাদ জানাতে চাই। তারা আমাদের “বাংলাদেশের সেরা পারফর্মিং ব্যাংক” হওয়ার এই আকাঙ্ক্ষাকে লালন করার প্রয়াসকে আরও দৃঢ় করবে। আমি ব্যাংক ব্যবস্থাপনার পক্ষ থেকে, আমাদের সম্মানিত পরিচালনা

পর্ষদের দিকনির্দেশনা এবং অবিরাম সমর্থনের জন্য আন্তরিক ধন্যবাদ জানাতে চাই। আমরা আমাদের কৌশলগত লক্ষ্য অর্জনের মাধ্যমে আরও ভাল ব্যবসায়িক সফলতা আনতে প্রতিশ্রুতিবদ্ধ। আমাদের শেয়ারহোল্ডাররা আমাদের অস্তিত্বের কারণ এবং আমরা তাদের আন্তরিকভাবে ধন্যবাদ জানাই এবং সম্ভাব্য সেরা মান উন্নয়নে ও সেবা প্রদানে বদ্ধ পরিকর। অবশেষে, “মুজিববর্ষ”- জাতির পিতা বঙ্গবন্ধু শেখ মুজিবুর রহমানের জন্মশতবর্ষ উদযাপনের এই বছরে আসুন আমরা সকলেই প্রতিশ্রুতিবদ্ধ হই একটি সুন্দর দেশ গড়ার লক্ষ্যে।

#### ধন্যবাদ



সৈয়দ মাহবুবুর রহমান

ব্যবস্থাপনা পরিচালক ও প্রধান নির্বাহী

## Managing Director & CEO's Economic Review

### Growth Challenges in Global Economy

The global economy 2019 started with declining trend in global growth due to idiosyncratic factors such as US-China trade tension, disruption in the German auto industry, disasters in Japan etc. As the year progressed, the world economy continued to expand, but at slower pace than forecasted as growth trends diverged with continued weakness in global trade and investment. Economic activity in the Euro Area has deteriorated significantly due to several economies being on the verge of recession at some point last year, with particular weakness in the German industrial sector as it struggled with falling demand from Asia and disruptions to car production and the situation aggravated over the uncertainty concerning Brexit. In China, growth has decelerated more than previously expected amid cooling domestic demand and heightened trade tensions, which weighed on investor sentiment for most of 2019.

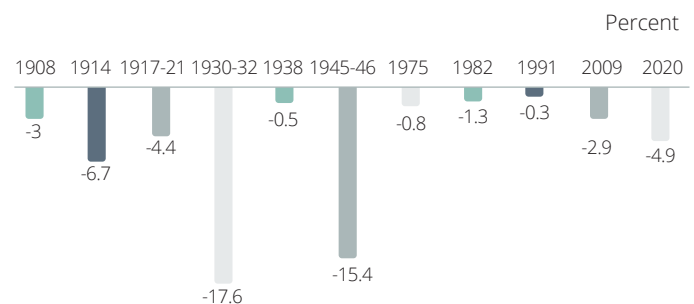
The International Monetary Fund (IMF) in its World Economic Outlook, published in June 2020, reports that the global economy degraded to 2.9% in 2019, which was a staggering 3.6% in the preceding year.

Year 2020 started rough globally with the sudden outbreak of pandemic COVID-19, which hit first in China then gradually in other countries, reaching all around the world. The unprecedented global emergency has severely affected the world health system while distressing economic activities everywhere. The global value chain system has come to nearly standstill as international transitions are closed in majority countries. Many nations have called state of emergency and almost every type of business is on halt. The rapid rise of COVID-19 cases, together with the wide range of measures to slow the spread of the virus, has slowed economic activity precipitously. Even after the world recovers from the pandemic, it will require much more time to recuperate from the aftermaths.

The steep decline in activities due to restriction put to control COVID-19 comes with a catastrophic hit to the global labor market. According to the International Labour Organization (ILO), the global decline in work hours in Q1, 2020 compared to Q4, 2019 was equivalent to the loss of 130 million full-time jobs. The rapid loss in employment is likely lead to deep poverty around the world, so far the worst situation after since 1990.

The global economy has experienced 14 global recessions since 1870 in 1876, 1885, 1893, 1908, 1914, 1917-21, 1930-32, 1938, 1945-46, 1975, 1982, 1991, 2009, and 2020.

Because of the pandemic, the global economy is forecasted to contract sharply by negative 4.9% in 2020, making it the deepest global recession since World War II, and almost twice as deep as the recession associated with the global financial crisis. In a baseline, which anticipates that the pandemic fades in the second half of 2020 and containment efforts can be gradually relaxed, the global economy is projected to grow by 5.4% in 2021 as economic activity becomes normal, backed by policy support.



Global GDP Contraction Comparison During Recession

Source: World Bank and IMF

In Emerging Markets and Developing Economies (EMDE), growth forecasts for all regions have been severely downgraded. Many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support. Despite these measures, per capita incomes in all EMDE regions are expected to contract in 2020, likely causing many millions to fall back into poverty.

Economic activity in the whole of Emerging and Developing Asia is forecasting to contract by 0.8% in 2020 before rebounding to 7.4% in 2021. China is expected to slow to 1% this year and rebound to 8.2% in 2021 as activities gradually normalize there and as lockdowns are lifted around the world. The Russian Federation's economy is forecasted to contract by 6.6% this year, reflecting a jump in COVID-19 cases and the collapse in oil prices. Turkey's economy is anticipated to shrink by 3.8% this year, subject to a drop in investment and shutdowns.

In Latin America and the Caribbean region, the shocks stemming from the pandemic will cause regional economic activity to plunge by 9.4% in 2020. Brazil's economy is projected to shrink due to lockdowns, plunging investment, supply chain disruptions, and soft global commodity prices. Mexico's economy, hit by tighter financing conditions, the plunge in oil prices, the halt in tourism, and mobility restrictions, is on track to contract by 10.5%.



Economic activity in the Middle East and North Africa is forecasted to contract by 4.2% as a result of the pandemic and oil market situation. In Gulf Cooperation Council (GCC) countries -4.1%, low oil prices and uncertainty related to outbreaks of the virus will further weigh on non-oil activity. Economic activity among oil importers is expected to contract by 0.8% in 2020, as tourism and exports decline.

GDP in South Asia is projected to contract by 2.7% in 2020 as pandemic mitigation measures hinder consumption and services activity and uncertainty about the course of the pandemic chills private investment. In India, growth is estimated to have slowed to 4.5% in 2020. Output is projected to contract by 3.2%, as the impact of the pandemic largely hit in 2020.

In the region of Sub-Saharan Africa, economic activity is on course to contract by 3.2% in 2020, the deepest on record. The economy of Nigeria is expected to shrink by 5.4% this year, given the collapse in prices for oil. South Africa's output is forecasted to contract 8% this year, the deepest contraction in a century, as stringent but necessary containment measures curtail economic activity.

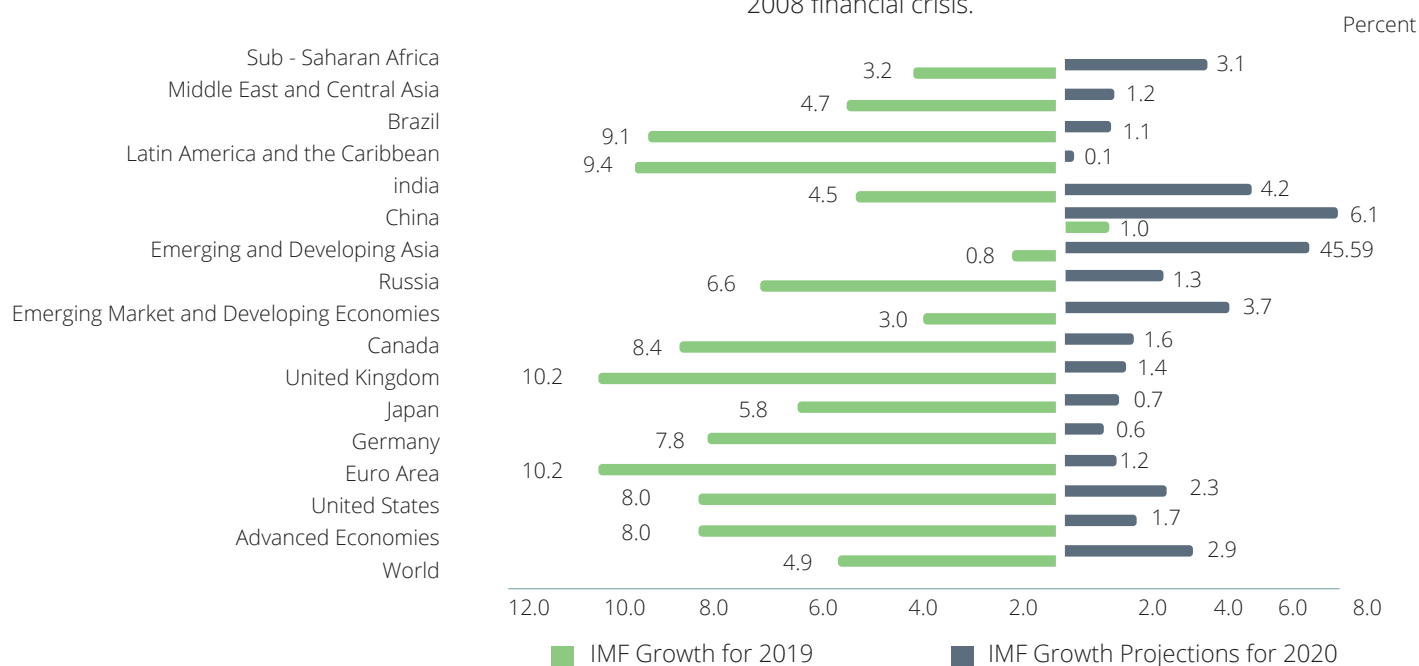
The pandemic highlights the urgent need for policy action to cushion its consequences, protect vulnerable populations, and improve countries' capacity to cope with similar future events. It is also critical to address the challenges posed by informality and limited safety nets and undertake reforms that enable strong and sustainable growth.

## Steady Inflation

During 2019, consumer price inflation remained muted across major economies. As global growth stayed subdued, world economy did not result in inflation pickup and core inflation remained well below central bank targets in major economies, thus the overall inflation rate persisted on the same 3.6% as the previous year. The reasons for this include the lingering impact of the 2007-2009 financial crisis on price and wage formation in advanced economies, as well as downward pressures associated with rapid technological changes and foreign competition.

In emerging market and developing economies, inflation generally rose among commodity importers, but declined in commodity exporters, as the effects of past currency depreciations wane and economic slack lingers. This same trend continued for both Advanced economies and Emerging and Developing markets. The economy managed to cool down during the whole year mainly due to continuous effort to balance political turmoil & tension. Both the USA & the UK managed to get their inflation down this year compared to that of 2018.

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 come down to 3% during the year. In OECD area, inflation has dropped to 1.7% in March from 2.3% in February, the largest deceleration since the 2008 financial crisis.



Source: IMF World Economic Outlook, June 2020

### Movement in commodity market arena

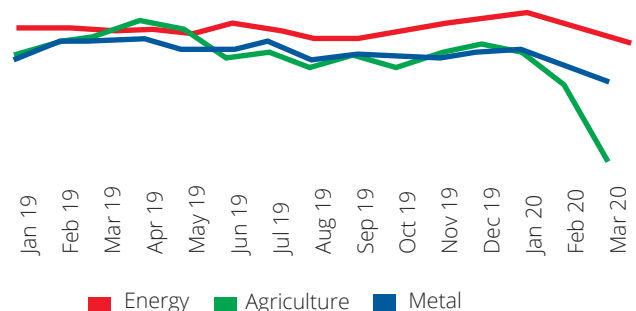
Oil prices remained low during the year 2019 and continued a continuous low rate than 2018. In the year 2019, oil production through OPEC was disrupted for political and trade tensions and oil prices dropped by 8% as worries about slowing global demand outweighed temporary production disruptions in Saudi Arabia.

Meanwhile, a growth slowdown in China and trade tensions put downward pressure on metal prices and continued with almost the same behavior during the year 2019, despite policy stimulus initiated by China.

On the other hand, prices of agricultural goods declined somewhat during 2019, although it appeared to have stabilized more than previous year. Multi-year-high stock levels for some grains, notably rice and wheat, favorable weather conditions in key producing regions, ongoing trade tensions, low energy costs, and weakening demand for some commodities constituted the primary factors to influence agricultural goods price.

During 2020, the 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. As of end-May, oil prices are around half their end-2019 levels. In the context of still-robust production has led to a rapid buildup in oil inventories, which are expected to attain near-full capacity in June. Whereas, oil demand is expected to decline by an unprecedented 9% in 2020.

The halt in economic activity has taken a toll on industrial commodities such as copper and zinc, and metal prices overall are expected to fall this year. Gold prices, on the other hand, have risen as buyers have sought safety amid financial market turbulence. Agriculture prices are less tied to economic growth and have undergone only minor declines over the first months of the year. Most food markets are well supplied. However, concerns about food security have escalated as countries announce trade restrictions that include export bans on certain commodities and engage in excess buying. Commodity-dependent emerging market and developing economies will be among the most vulnerable to the economic impacts of the pandemic.



Index USD January 18=100

Source: World Bank Commodity Markets Outlook, April 2020

### Fall in Commodity Prices as COVID-19 Worsen

#### Monetary Policy

Weak growth and subdued inflation have prevented major central banks from removing policy accommodation in the advanced countries. Whereas, moderating inflation and relatively high interest rates allowed many EMDEs to cut policy interest rates to support growth-Consistent with negative output gaps and below-target inflation. Reserve coverage sharply fell in 2019, particularly in Low Income Countries (LIC), leaving many economies unprepared to respond to financial market shocks. However, COVID-19 situation has led nations to adopt monetary policies to face the situation and stabilize the economy.

In the United States, the Federal Reserve took down its benchmark rate three times in 2019, ending the year with funds rate in a target range of 1.5% to 1.75%. These indicated the central bank's defensive confidence over the strength of the economy, supporting sustained expansion of economic activity, strong labor market conditions, and inflation. In response to COVID-19, federal funds rate were lowered in March 2020 by 0.25basis point.

The Bank of England in August of 2018, raised its main rate by a quarter of a percentage point, from 0.5% to 0.75% which continued through the whole 2019, as it continued the process of slowly normalizing monetary policy following more than a decade of unprecedented stimulus. The country government adopted monetary policy in response to COVID-19 by reducing Bank Rate by 65 basis points to 0.1%. Also expanding the central bank's holding of the UK government bonds and non-financial corporate bonds by £300 billion was another measure taken by the UK.

Meanwhile, in 2019 the European Central Bank (ECB) kept its main interest rate below zero although the Euro zone

banks were well prepared for sharp changes in interest rates. In 2020, the ECB decided to provide monetary policy support through additional asset purchases of €120 billion until end-2020 under the existing program (APP), and temporary additional auctions of the full-allotment, fixed rate temporary liquidity facility at the deposit facility rate and more favorable terms on existing targeted longer-term refinancing operations.

In Asia, the Bank of Japan also maintained its short-term interest rate at -0.1% and the target for the 10-year government bond yield at 0% during 2019.

### Global Banking Industry

The financial position of the banking sector in developed countries continued to improve during 2019. US banks, compared to their European counterparts, were ahead on multiple measures. Total assets of commercial banks in the United States reached a peak of USD 17.34 trillion.

China has the world's largest banks but America's are much more efficient, according to The Banker's ranking of the Top 1000 World Banks. Chinese banks hold the top four places in the ranking whereas US banks place fifth to eighth. China's banks are the world's largest ranked by Tier 1 capital and make the highest profits, but America's are 40% more efficient in their use of assets. America's banks have a higher return on both assets and capital than Chinese banks. Globally, banks had their best year ever despite all the challenges of tighter regulation, higher capital requirements, competition from fintechs and low interest rates in Europe and the US. Total pre-tax profits for the Top 1000 World Banks were \$1,135 billion, more than 10 times higher than back in 2009 when the financial crisis hit.

Banks in Europe's problem countries – Italy, Greece, Portugal and Spain – made some improvements by reducing the number of bad loans, with Greek and Portuguese banks drastically reduced their losses and Spanish banks saw increase in their profits. British banks defied the Brexit gloom and increased their profits by one third, but they still fall behind French banks which chalked up higher profits and a higher return on capital. The one British bank in the top 10, HSBC, rose one place to ninth despite a slight fall in capital. In Asia, Vietnamese banks grew their profits by a third but India's banks saw their profits fall 44% as the restructuring of the banking sector continued. Japanese banks had a poor year with profits down 30% and very low

returns on assets and capital.

After the COVID-19 pandemic, banks globally are reimagining how to operate and role in the society. After 2008 financial crisis, regulators insisted that banks should hold substantial buffers in terms of capital and liquidity in addition to annual stress testing. But those precautions may prove to be insufficient if the pandemic prolongs too long. Government intervention will be highly required, who are under immense pressure as well due to steep fall in GDP. Lower GDP also results in lower demand for banking products. Also, a sharp drop in interest rates and increased volatility in securities and FX prices increase banks' market risk, potentially leading to losses. In Europe, the muted-recovery scenario would lead to a drop in revenues before risk of between 2% and 6% in 2020–22 across the major markets. To tackle banking sector disasters and to ensure market liquidity, Federal Reserve, ECB, BoJ, PBoC all have taken a variety of actions, such as intervening into the repo market.

### Global Capital Markets

2019 was a year that began with investors courting a bear market and ended with the biggest gains from stocks since 2013. Global stock markets have posted their best year since the aftermath of the financial crisis a decade ago, as investors shrugged off trade tensions and warnings of slowing growth in major economies. However, in 2020 so far, global stock markets appear to be in a long-term economic downturn from the novel coronavirus (COVID-19) outbreak. A sharp re-pricing took place across global financial markets with lower rated, less liquid asset classes facing the largest price adjustments. Firms and individuals, seeking liquidity, tapped any available credit lines in the banking system, thereby forcing banks to sell liquid securities and reduce trading limits. Moreover, in addition, the significant volatility and decline in price transparency is also contributing to reduced investor confidence.

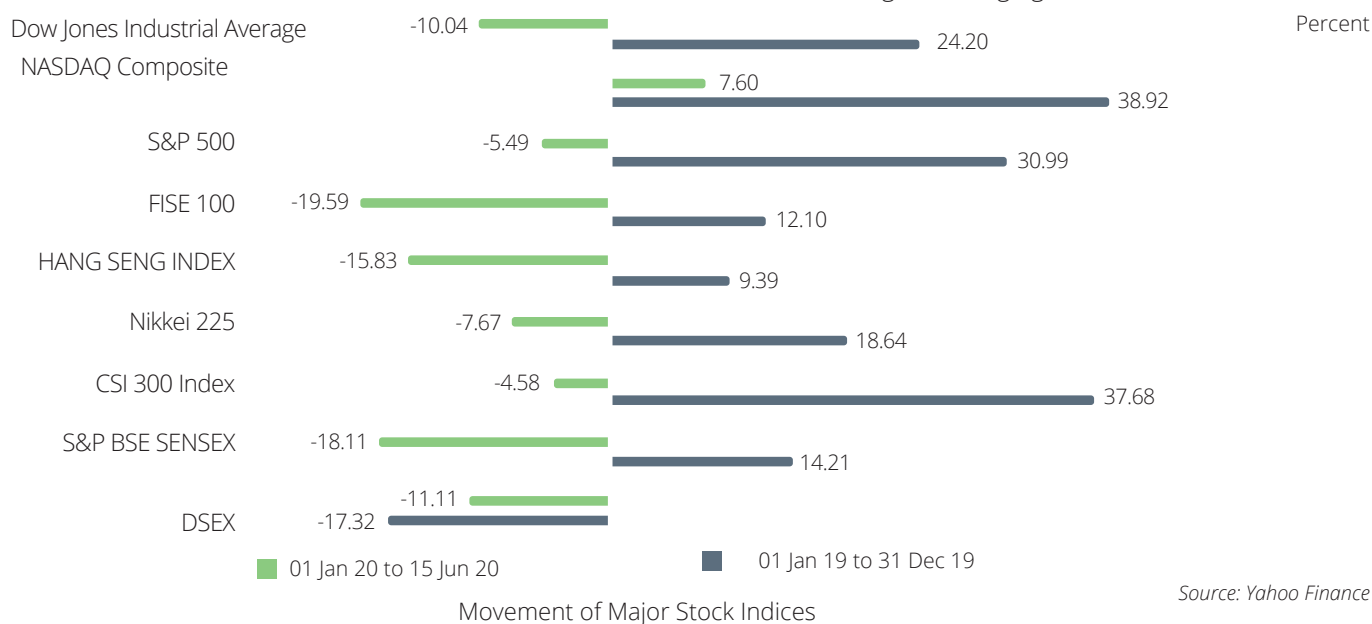
Britain's blue-chip stock index – the FTSE 100 – jumped by 12% in 2019, its best performance in three years, but decreased by more than 19% till June, 2020. The index ended at points 6,054 on 15 June, 2020, down from 7,542 at 2019 year end. The S&P 500 index of top US companies has surged by 30% in 2019, hitting a series of record highs, as Donald Trump's tax cuts, share buybacks and optimism about the US growth prospects boosted markets in the world's largest economy. However, in 2020, S&P 500 index points reduced by 5.49%. The tech-dominated Nasdaq index, whose stocks include Netflix, Facebook and Amazon, posted a rise of 38% over the year – with Apple leading the way by surging 84% and

the index went up by 7.60% till June 2020, still maintaining its growth paradigm. Eurozone stocks also outperformed in 2019, with Germany's Dax and France's CAC both up 25%. Japan's Nikkei gained 18% in 2019 but went down by 7.67% by June 2020. China's CSI 300 stock index romped ahead by 37% during 2019, as Beijing cut borrowing costs and hiked spending on construction and infrastructure projects. The giant country's stock index started moving downward in 2020 and decreased by 4.58% by June 2020.

Stock markets surged despite warnings from the International Monetary Fund in 2019 that the global economy was in its weakest state since the financial crisis a decade ago. Still 2019 enjoyed a confluence of booming technology and easy money from the Fed, and it proved the age-old Wall Street maxim that markets climb a wall of worry. Nonetheless, 2020 has brought unforeseen shocks to the market, and the influences can be seen already.

for the third consecutive time, driven by double-digit growth in manufacturing and construction sector. The rise in construction growth is attributable to progress in implementation of mega projects and increased growth in housing construction. The extraordinary growth momentum of the country has also been endorsed by major international agencies. The International Monetary Fund (IMF) marked Bangladesh as the second fastest growing economy in 2018-19.

However, all the shining examples are under pressure as the nation is facing the never-experienced-before COVID-19 pandemic situation, which changed priorities to safeguarding people's lives and keeping the economy active. The World Bank revised its prediction that Bangladesh's GDP growth would plunge to 2.0–3.0% in the 2019-20 fiscal year amid the declining garment exports, lower private investment growth and broader disruptions caused by the COVID-19 havoc. Under world-wide peril over the coronavirus crisis, these growth status still show persistent economic strength of the country. The Economist has ranked Bangladesh as the ninth strongest position in terms of different financial indicators among 66 emerging markets.



## Bangladesh Economy

Instead of being one of the world's insolvent nations, the economy of Bangladesh has been growing rapidly over the past few years. The amazing growth story of the economy has turned it into a role model before the world arena. With a population of over 165 million inhabitants, grew by an average of over 6% per year since 2008. In fact the economy even managed to maintain 7% growth trajectory

## Gross Domestic Product (GDP)

The Bangladeshi economy grew at a faster pace than most major nations in 2019 and it has become the 41st largest economy of the world in 2019. According to 'Bangladesh Economic Review 2019'; the contribution of the broad agriculture sector to the country's GDP was 13.60%, while the industry and services sectors contributed 35.14% and 51.26%, respectively. The staggering GDP growth of 8.15%



in 2018-19 was driven from the demand side of economy, acceleration in private consumption, continued growth in public infrastructure investment and private investment contributed to higher GDP whereas, from supply side, growth was driven by expansion in agriculture, industry and microeconomic management. The estimations made by every other development agencies lagged slightly behind the government's estimate.

Bangladesh government targeted economic growth at 8.20% for the FY 2019-2020. On the flipside, The World Bank revised its prediction that Bangladesh's GDP growth would plunge to 2.0–3.0% in the 2019-20 fiscal year amid the declining garment exports, lower private investment growth and broader disruptions caused by the COVID-19 havoc. Industry and services, the two most important drivers of economic growth, have registered dismal declining record. In the FY21 Budget, targeted growth of GDP in 2020-21 is 8.2% when the budget will be implemented, even though it would be hardly achievable given the great uncertainty all around. The national budget proposal outlined a budget deficit of BDT 1,900.00 billion for 2020-21 which is equivalent to 6% of GDP.

### Inflation

The country's inflation rate, according to Bangladesh Bank data, was 5.42% at the beginning of the year 2019 and ended with 5.56% at the end of 2019 which is slightly above the Government's budget target of 5.50%. However, during the same month of the previous year, the 12 month average inflation was 5.54%. Slow economic activity after COVID-19 has decelerated inflation growth in 2020. The point-to-point inflation rate in May, 2020 dropped to 5.35% compared to that of 5.96% in the previous month. A year ago in May 2019, the inflation rate was recorded at 5.63%. In Budget FY21, inflation is targeted to be below 5.4%.

### External Sector

Bangladesh's foreign exchange reserves was reported to be USD 32.69 billion at the end of December 2019, up by 2.10% from December last year. Bangladesh's foreign exchange reserve increased by 450% in the last 10 years, riding on the steady rise of garment exports and inflow of remittances and these two major export earning sectors are severely hampered by economic push down effect of COVID-19.

Though there have been a slight upsurge in the country's merchandise trade deficit in the first 10 months of the fiscal year FY19-20, the current account deficit dropped modestly

during the period. Bangladesh Bank records showed that the current account deficit declined to USD 4.12 billion in the July-April period of FY19-20 from USD 5.32 billion in the same period of FY18-19. Before the end of FY20, Bangladesh experienced steady growth of inward remittance and lower import payment obligation. These factors pushed foreign reserve of the country upward to around USD 36 billion in June 2020.

On the onset of COVID-19, 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 salary. It also resumed sales of the US dollar to offset extra pressure on the market caused by lower remittance inflows following the COVID-19 outbreak.

### Exports

Export growth started with a very healthy flow while getting into the year 2019 and the growth rate declined over the year. However, the export items that registered a positive growth during 2019 include ready-made garments, raw jute, newsprint and others. On the other hand, jute goods, fish & shrimps, tea, leather and fertilizer experienced a negative growth during 2019 compared to the same period of the previous year.

As the COVID-19 crisis started, the RMG industry export started falling with reduced orders, cancellations and even non-payments. The declining trend of this industry's export will ultimately hurt the GDP of Bangladesh.

### Imports

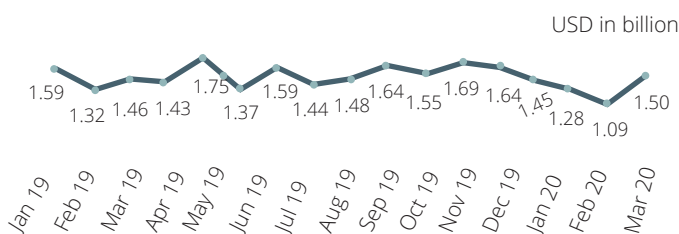
The overall imports increased during 2019 mainly due to higher import of capital machinery and industrial raw material as implementation of the different ongoing infrastructure development projects are undergoing across the country. Higher import for textile, leather, jute, garment, pharmaceutical, ship building and energy and power sectors contributed to the rise in overall capital machinery imports.

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

## Remittance

Remittance is the second highest source of foreign currency earning in Bangladesh next to exports of readymade garments (RMG). Remittance inflow posted its all-time high at the end of 2019 amid appreciation of US dollar against the Bangladeshi taka, prompting expatriates to send money through legal channels. In 2019, inflow of remittance increased more than 25%, taking the total remittance inflow to USD 18.32 billion during December 2019.

Remittances represent over 5% of GDP (USD 16.4 billion in FY 19), and a majority of migrant workers are based in the Gulf countries that are affected by the abrupt decline in oil prices after COVID-19. In May 2020, remittance inflow was USD 1.50 billion, more than 14% lower remittance inflow than May 2019, which was USD 1.75 billion.



Source : Bangladesh Bank

Monthly Data of Wage Earner's Remittance

## Fiscal Management

The Government was juggling with a deficit in revenue collection, which skyrocketed to BDT 395.42 Billion in July-January of the current FY20, according to the NBR provisional data. NBR managed to collect BDT 1,245.27 Billion or 76% of the target for July-January when the collection target was BDT 1,640.69 Billion, the data showed. To manage the widening gap in revenue collection Government was relying heavily on Bank borrowing during the end of 2019.

The government has introduced a series of fiscal measures to contain and mitigate the impact of the COVID-19 outbreak. At end-March, the Ministry of Finance issued a revised budget for FY20 including additional resources to fund the Ministry of Health's COVID-19 Preparedness and Response Plan and expanding existing transfer programs that benefit the poor. On March 31, the Ministry of Finance announced a BDT 50 billion stimulus package for exporting

industries to be channeled through a refinance scheme operated by Bangladesh Bank. Also interest payments on up to BDT 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 BDT 20 billion in interest payments on behalf of BDT 13.8 million loan recipients negatively impacted by the national shutdown.

The FY21 Budget targets 8.2% GDP growth, with expected revenue collection amount BDT 37,800 billion. The budget includes higher allocations for health and social safety net programs. 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 has allocated of BDT 9,557 billion for the social safety net programs. With second highest priority in budget, the agriculture sector has been given proper attention as government takes farm mechanization project to support farmers.

## Capital Market Scenario

The year 2019 can be marked to be a depressing year for the capital market of Bangladesh, as the market index and turnover, including foreign investment, declined. Since it happened to be the election year, the slowness in the market was anticipated but the speed with which it was supposed to recover was not achieved during the trading sessions of the year.

The index of DSE, DSEX to reach as high as 5,950 points within first 18 trading days of January 2019, a sharp rise of 10.48%. This hike failed to keep the momentum and by the end of December DSEX closed at 4,453 points or 17.3% fall year-on-year. Market analysts and insiders attributed the yearlong drop in the stock market to lack of good corporate governance in listed companies, confidence crisis, further intensified by liquidity crunch, money market volatility, stringent Bangladesh Bank capital market exposure limit policies etc.

As of 15 June, 2020, The DSEX market further decreased by 11.11%. On March 19, 2020, a historic "floor price" was set

for all the stocks in the stock market to stop the natural fall of stock prices.

### Banking Sector Scenario

The Bangladeshi banking sector experienced several ups and downs to reach to its current well-structured position. However, the year 2019 has not been a very good year for the industry. Global credit ratings giant, Moody's, put Bangladesh's banking system on 'negative watch' despite the country's robust economy. The main reason for the negative outlook is the worsening asset quality, the growing stock of unclassified rescheduled loans poses further risk to asset quality.

During 2019, the country's banking sector, faced a severe governance crisis, which caused the industry to face a record increase in Non-Performing Loans (NPL), financial scams and liquidity shortages. As a result, reforms have been undertaken with objectives such as increasing the capital adequacy of banks, streamlining guidelines for rescheduling of various types of loans, tightening provisions for non-performing loans, lowering of the ceiling for bank's loan-deposit ratio, strengthening disclosure requirements and improved accounting systems. These have undoubtedly improved the soundness of the sector. Consequently, Operating Profit for most of the scheduled banks increased significantly during 2019. However, banks might not be able to retain that much as net profit due to the growing amount of bad loans.

Difference between bank deposit rates and rate offered by National Savings Certificates (NSCs) widened as the former steadily declined for a long period until 2019, and the latter remained unchanged and out of sync of market. Increasingly negative risk premium incentivized individuals and institutions to divert their funds from capital and money market to NSCs. All these factors led to liquidity tightening for a while and reached a critical point in early 2019 and ultimately resulting in interest rate on deposits to shoot up. However, Government took out initiative to reduce interest rates to single digit 9-6%, starting from April, 2020. This regulation put the industry under new periphery to adjust while combating the uncertain situation of COVID-19. The stimulus packages declared by the government will be disbursed through the banking channel and it will keep the credit growth steady. On top of that, the liquidity support of the central bank through rate cut in CRR and repo will also help the banks for liquidity management.

### Banks' Deposits

Total deposit of the scheduled banks was reported to be BDT 11,369.79 billion at the end of December 2019, increased by BDT 1,269.98 million or 12.57% from BDT 10,099.81 billion of December 2018. Time deposits registered a growth of BDT 1,185.92 million or 13.18% and demand deposits also registered a growth of BDT 84.04 million or 7.64% in December 2019 over December 2018.

As of May 2020 Bank deposits recorded at BDT 11,571 billion, which shows an increase from December, 2019 position. However, as the income level of people has reduced substantially as an impact of COVID-19, depositors may liquidate savings and the situation will ultimately affect industry deposit status.

### Banks' Advances

Banks' advances recorded at BDT 12,884.31 billion at the end of December 2019, an increase of BDT 1,523.46 billion or 13.41% compared to BDT 11,360.84 billion of December 2018.

After the COVID-19, Government initiated few stimulus packages, which are being disbursed from banks, in the form of advance facility, channeled through Bangladesh Bank. Bangladesh Bank data shows that bank advances stood at BDT 11,836.09 billion as at May 2020 compared to BDT 10,526.39 billion at the same time previous year.

### Banks' Profitability

Profit of most of the private commercial banks rose considerably in 2019 despite the industry challenges as banks put more emphasis on maximizing non-funded business income.

However, as the default loans skyrocketed due to aggressive lending by most of the banks, the profit after tax is expected to take a hit in final count due to increased need for keeping provisions against the defaulted loans.

Starting from March 2020, when COVID-19 hit The Bangladesh economy, banking activities also decreased. Export-import activities and remittance inflows have declined, reducing banks earnings from non-funded sources and commission income. In addition, the 9% lending cap rolled out from April, 2020, creating stress for the banks to keep up profit level.

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## Money Market

Interbank call money market experienced extreme volatility during 2019 due to change in liquidity position in the overall market. Since the banks were having adequate liquidity during the initial part call money rate hovered around a controlled zone, eventually the said rates experienced upward adjustments during the later part with constant fluctuation. At the end of December 2019, deals were getting settled at 5.09%. Whereas, during the initial months of the year, the same deals were getting settled at 3.90%. 91 days cut-off got hit to as high as high as 3.67% during June 2019 to fall as low as 2.18% during December 2019. The Repo and Reverse Repo rate was kept unchanged at 6% and 4.75% during 2019 in an attempt to contain inflation and boost economic growth.

During 2020 so far, the repo rate was lowered from 6 percent to 5.75% effective from March 24 and was further reduced to 5.25% effective from April 12. The reduction in rates were made effective to reduce liquidity crisis due to COVID-19 perils.

## Interest Rate Spread

Bangladesh Bank delivered instructions to reduce spread in banks, 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 affected the profitability of banks. The previous liquidity problem got resolved to some extent. Under such circumstances the government advised the banks to bring down the lending rates to single digit to boost investments and also to accelerate employment generation, thereafter the banks started slashing lending rates gradually and the spread kept lowering throughout 2019.

The spread between weighted average advances and deposit rates came down to 3.98% in December 2019 from 4.23% of December 2018. On a year on year basis, both interest expense on deposit and interest income on advances both experienced growth. The spread has declined even further after implementation of 9%-6% cap rate by the Government in April 2020 the interest rate spread was recorded at 2.92%.

## Primary Dealer Operation

Primary dealers operate in 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 2019, interest rates on the government treasury bills and bonds remained volatile. After facing large deficit in revenue collection, Government resorted to heavy bank borrowing through T-bill and bonds. For one-year Treasury bill, the weighted average interest rate was 3.40% in December 2018. A year later it was 8.04%. The two-year Bangladesh Government Treasury Bond, another borrowing instrument, had interest rate of 4.33% in December 2018, which soared to 8.80% in 2019.

## 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.

The NPL of the banking sector was recorded 9.32% at the end of December 2019, improving the ratio from 11.9% at June 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.

On the outbreak of COVID-19, the Central Bank, in March 2020, issued a circular not to change the classification status of the borrower up to September 2020. 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. Moreover, credit risk of the loans disbursed under stimulus packages ultimately fall onto the banking industry. Bangladesh Bank stimulus package funds will be repaid within stipulated time by banks, but there is no guarantee for banks that collection of loan installments from customers will remain regular.

## Implementation of Monetary Policy

The main objective of Bangladesh Bank's Monetary Policy Statement (MPS) for the first half (H1) of the FY19 was to support robust domestic demand in line with government's growth target while ensuring price and financial stability.



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The aim of the policy was to support the 8.2% growth target and the 5.5% inflation target for the FY20. As per the MPS H1 2020 reserve money was projected to grow at 12% and broad money (M2) at 12.5%. The monetary policies were constructed to address the issues of tightening liquidity due to gap in BOP. The policy focuses on inclusive, productive use of credit; with particular attention to adequacy of credit flows to agriculture, SMEs, and environmentally benign 'green' output initiatives, where domestic credit was projected to grow at 15.9% at the end of the FY20. Private sector credit is projected to grow at 14.8% and public sector credit at 24.3%, which later was revised to 37.7%.

The Bangladesh Bank's monetary and financial policy stance was grounded on the growth supportive developmental mandate in its charter. However, the assumption supporting the Monetary Policy largely changed with the beginning of COVID-19. Since then Government adopted many initiatives such as revised budget for FY20 was issued to fund the Ministry of Health during the pandemic, various stimulus packages were initiated starting with BDT 50 billion allocation for export oriented industry and many more. 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 will buy treasury bonds

and bills from banks. The repo rate was lowered from 6% to 5.25%. The CRR was initially reduced from 5% to 4.5% (daily-basis) and from 5.5 % to 5 % (bi-weekly basis), with a further reduction to 3.5% and 4%, respectively, 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 guideline 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 guideline, at the end of 2019, 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.

At the end of December 2019, 43 banks could meet the standard 12.50% for Capital Adequacy Ratio (CAR). Banking sector's aggregate CRAR at the end of December 2019 stood at 11.60%, which was 10.5% a year earlier. As of December of 2019, the CAR of foreign banks was 24.45%, private banks at 13.62% and state-owned banks were at 4.99%, as per the central bank data.

# SENIOR MANAGEMENT TEAM



01 Mr. Syed Mahbubur Rahman  
Managing Director & CEO

02 Mr. Syed Rafiqul Haq  
AMD & CBO

03 Mr. Chowdhury Akhtar Asif  
AMD & GCRO

04 Mr. Goutam Prosad Das  
DMD & GHOICC

05 Mr. Tarek Reaz Khan  
COO & CAMLCO

06 Mr. Sayed Abul Hashem FCA, FCMA  
GCFO



# MANAGEMENT COMMITTEE (MANCOM)



- 01

Mr. Syed Mahbubur Rahman  
Managing Director & CEO
- 02

Mr. Syed Rafiqul Haq  
AMD & CBO
- 03

Mr. Chowdhury Akther Asif  
AMD & GCRO
- 04

Mr. Goutam Prosad Das  
DMD & GHoICC
- 05

Mr. Tarek Reaz Khan  
DMD, COO & CAMLCO
- 06

Mr. Syed Rafiqul Hossain  
SEVP & HoMTB Dhaka Division  
Branches
- 07

Mr. Syed Abul Hashem  
SEVP & GCFO
- 08

Mr. Md. Shah Alam Patwary  
SEVP & GCIO
- 09

Mr. Md. Bakhteyar Hossain  
SEVP & Ho Transaction Banking
- 10

Mr. Md. Shamsul Islam  
SEVP & GHoT
- 11

Mr. Malik Muntasir Reza  
SEVP & GCS
- 12

Mr. Shyamol Boran Das  
SEVP & Chief Digital Officer
- 13

Mr. Usman Rashed Muyeen  
SEVP & HoCRM
- 14

Mr. Marcus C. Gomes  
EVP & GHoHR
- 15

Mr. Azam Khan  
SVP & GCCO

# 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.

As an employee of MTB, one must observe the highest standards of impartiality, integrity, objectivity and honesty in relation to the work s/he undertakes at all times. The Code of Conduct provides guidance to employees on how to ensure that their actions and behavior are consistent with both MTB's values and its high standards of conduct required to maintain banking compliance.

## 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.

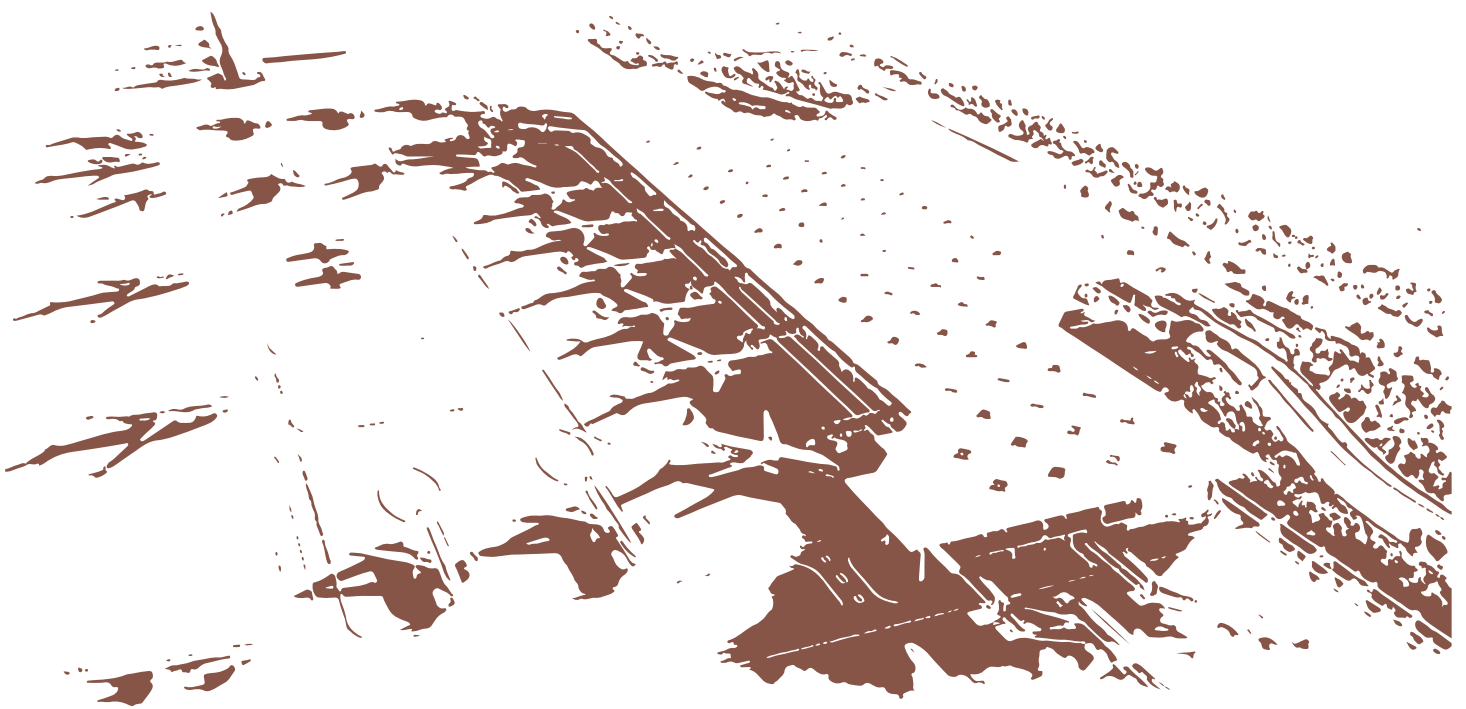
## Code XI: Control

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





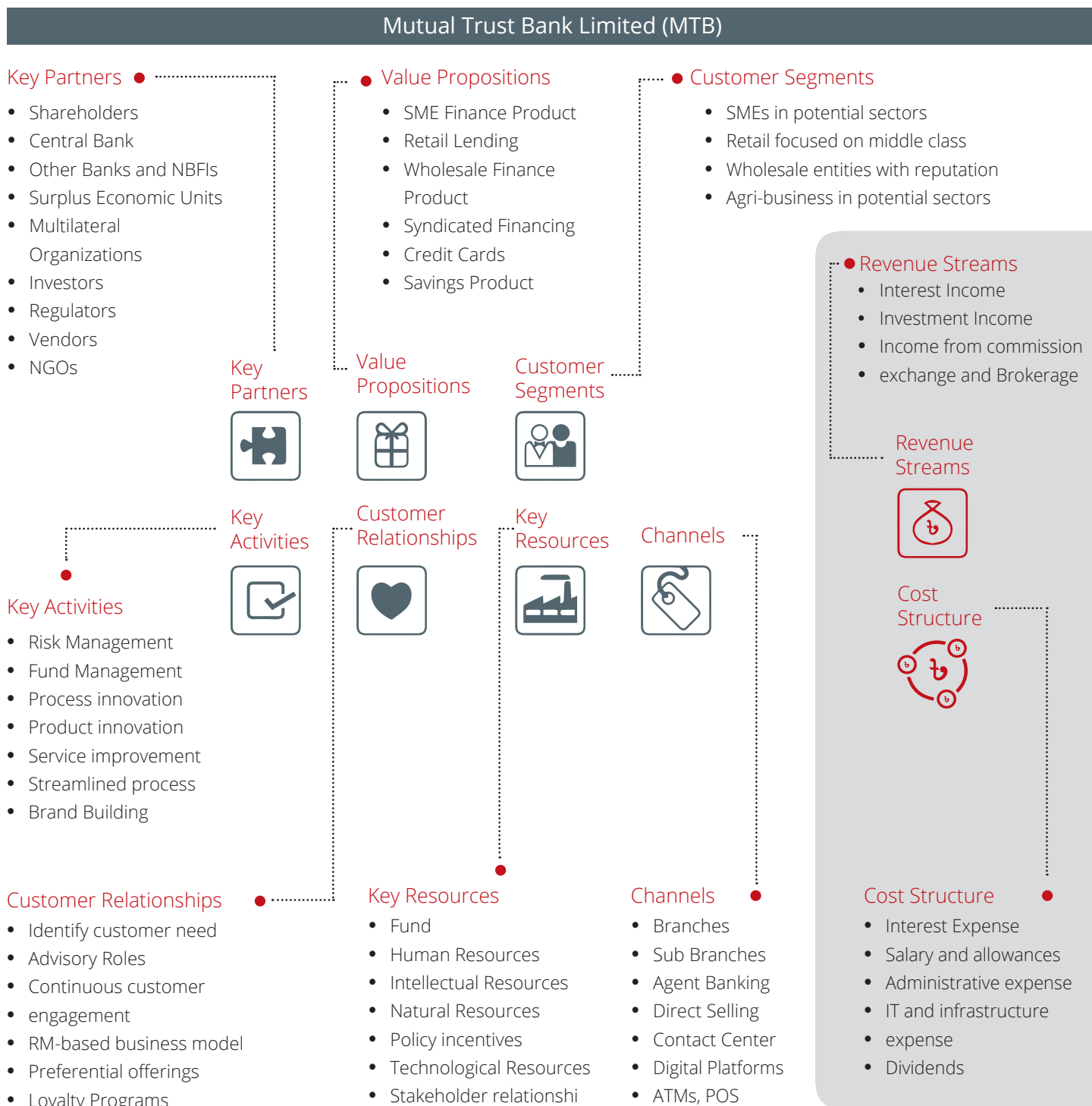
**Shahajalal International Airport's Third Terminal**

# BUSINESS MODEL

## Canvas Model

Having over 20 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



### Value Propositions

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

### Value Propositions



### Customer Segments

- Individual investors
- Institution investors



### Key Activities



### Customer Relationships



### Key Resources



### Channels



### 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

### Key Resources

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

### Channels

- Branch offices
- Telephone and Online platform
- Direct Selling

### 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

### Key Partners ●

- Shareholders
- Stock Exchanges
- BSEC
- Central Bank
- Other Bank and NBFIs
- Investors
- Vendors

### Key Partners



### Value Propositions ●

- Margin Account management
- Investment research and advisory services
- CDBL services
- Trading through app, mobile, email etc.
- Foreign Trade
- NRB Trade

### Value Propositions



### Customer Segments



### Customer Segments ●

- Institutional Customers
- Individual customers
- Foreign Investors

### Revenue Streams ●

- Brokerage Commission
- Interest income
- Income from investment
- Margin account maintenance
- Depository participant

### Revenue Streams



### Cost Structure



### Cost Structure ●

- Laga charge
- CDBL charge
- Sales commission
- Administrative expenses

### Key Activities



### Customer Relationships



### Key Resources



### Channels



### Key Activities ●

- Brokerage services
- Proprietary investment
- Research
- Brand building activities
- Daily electronic mail

### Customer Relationships ●

- Identify customer need
- Advisory Roles
- Continuous customer engagement

### Key Resources

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

### Channels ●

- Branches
- Direct Selling
- Telephone and
- online platforms



## MTB Exchange (UK) Limited

### Key Partners

- Shareholders
- Central Bank
- Other Bank and NBFIs
- Vendors
- FCA
- Other Regulators

### Key Partners



### Value Propositions

- Remittance
- Currency exchange
- Value addition in form of branding

### Value Propositions



### Customer Segments



### Customer Segments

- Individual customers

### Key Activities



### Customer Relationships



### Key Resources



### Channels



### Key Activities

- Financial intermediation
- Relationship management

### Customer Relationships

- Identify customer need
- Continuous customer engagement

### Key Resources

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

### Channels

- Branches
- Direct Selling
- Telephone and online platforms

### Revenue Streams

- Transaction fee
- Income from foreign
- exchange margin

### Revenue Streams



### Cost Structure



### Cost Structure

- Selling and distribution expenses
- Administrative expenses

# 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.

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

### 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 re-wiring 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 world-class 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—MBiz, 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.

## 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

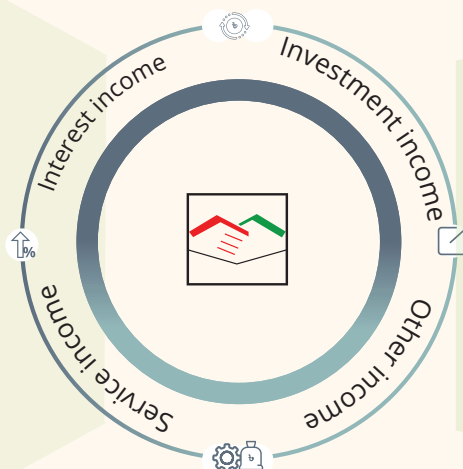
Relationship with stakeholders,  
CSR, service quality, financial  
inclusion



### 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

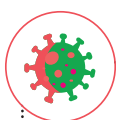
Finance

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 behavioural outcomes of the Covid-19 pandemic is has driven increased levels of digital adoption and promote greater levels of flexible work practices.

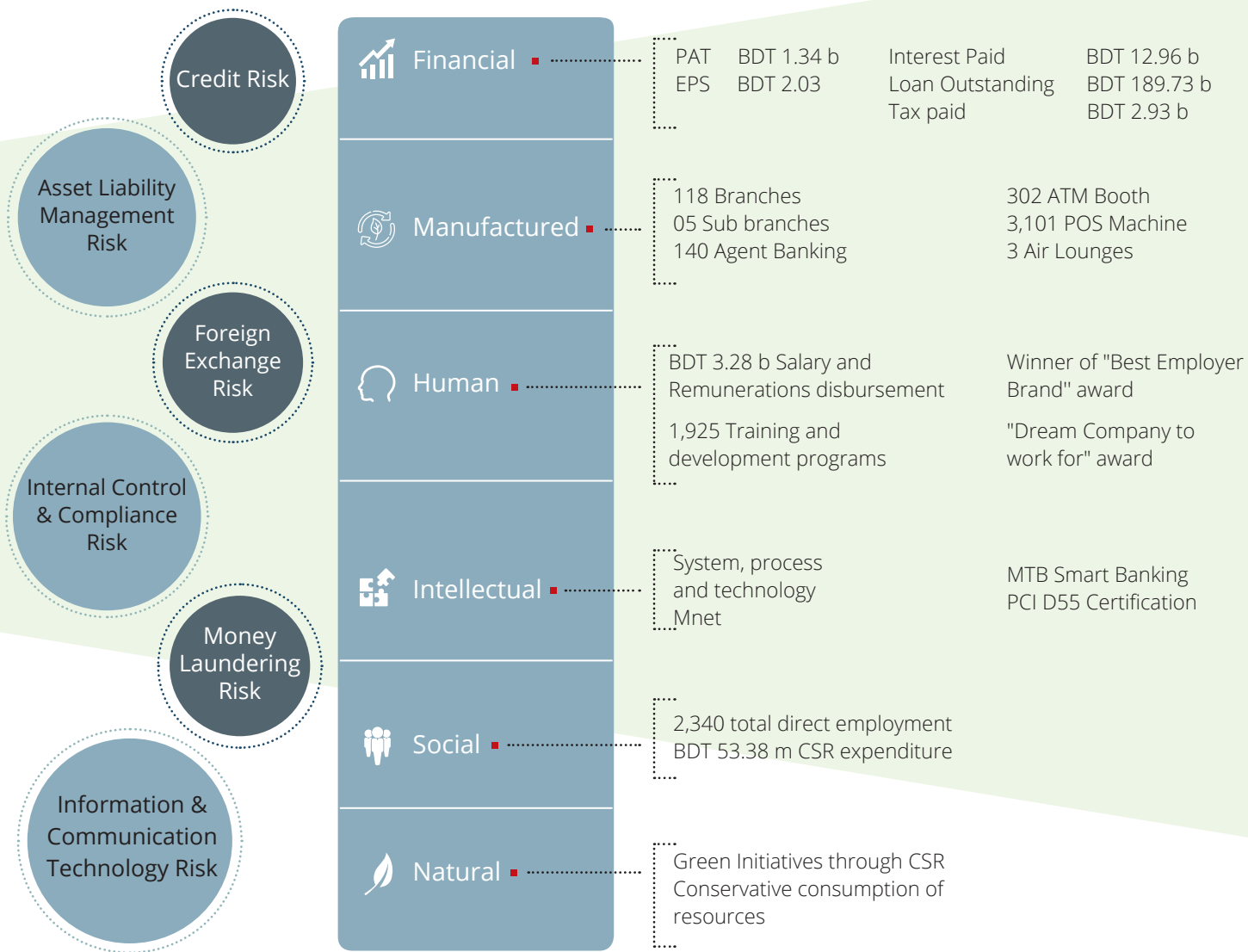




## Risk Associated



## Value created



### SDG Relevance

#### Direct



#### Indirect



## 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.

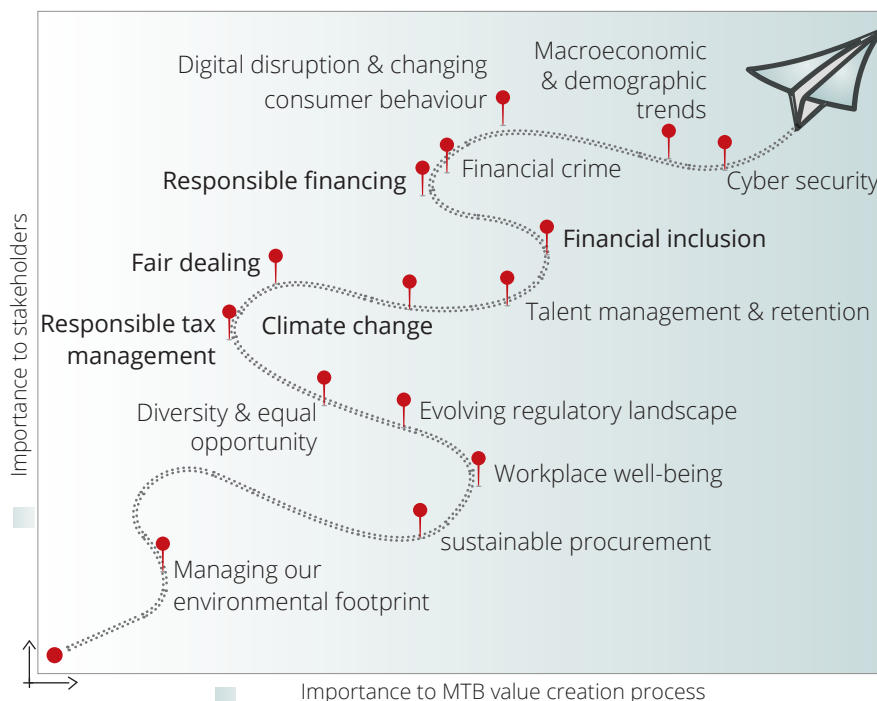


Those matters that are material to value creation are integrated into our balanced scorecard, which is used to set objectives, drive behaviours, measure performance and determine the remuneration of our people. Important matters are managed as part of our business and operational processes.



The Covid-19 pandemic emerged in Bangladesh during March 2020 and has become one of the primary focus points and significantly impacting all our material matters. We discuss this in "COVID-19 Impact Analysis and Management" to highlight our preliminary views of the impact and how we are tackling the Covid-19 pandemic on our material matters.

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 27. Governance matters are discussed in "Corporate Governance" on page 146



**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

## 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

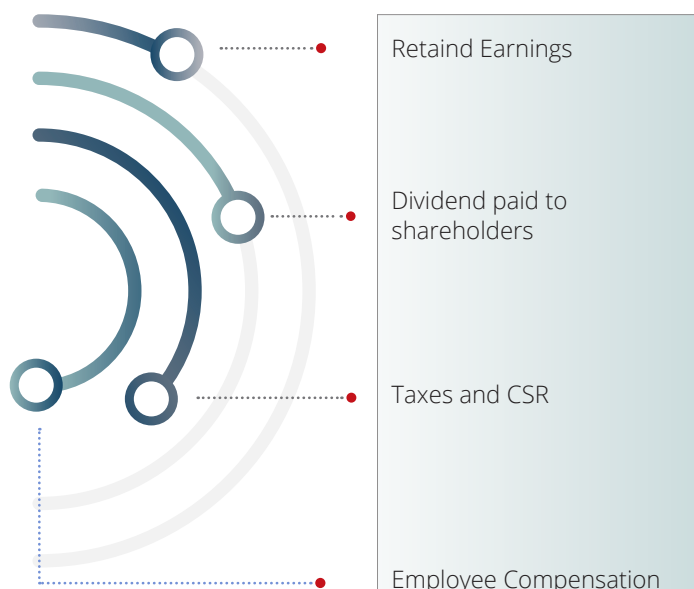
We define distributable financial value as net profit before discretionary bonus, taxes (direct and indirect) and community investments.

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



## Contribution to Sustainable Development Goals (SDG)



The Sustainable Development Goals (SDG) which were set in 2015 by the United Nations General Assembly, are intended to be achieved by the year 2030. 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.



BDT 15M Supporting underprivileged cold affected people in different regions of the country with blanket distribution through our branch and Cadet College Club.

BDT 300,000 was given to Monomela Foundation to support their cause to provide after school education program, training programs for farmers, medical treatment camp



MTB handed over BDT 10M to Prime Minister's Relief and Welfare Fund on April, 2019 SME loan portfolio amounts BDT 31.08 Billion, significant increase from previous year Special financial products for farmers and marginal people, such as MTB Krishijat, MTB Krishi, MTB Microfinance etc



BDT 100,000 per month is handed over to JEXCA, for free medical camp in Khulna  
BDT 500,000 was given to SWAC (Society for the Welfare of Autistic Children) BDT 500,000 was given to Proyash in order to support children with special educational needs Financial support provided to Manobik Shahajya Sangstha (MSS) at Tangail. 934 patients were treated. 207 eye glasses were distributed. 97 cataract patients operated successfully



BDT 200,000 was distributed to underprivileged meritorious students at Kushtia through MEDHA Signed MoU with JAAGO foundation on July 7, 2019 to bear expenses for education of destitute children studying in schools run and supervised by JAAGO. Signed MoU with BERDO (Blind Education and Rehabilitation Development Organization) on July 23, 2019 to support visually impaired children through education and rehabilitation.



10% increase in the number of female employments in our organization. Equal Opportunity Employer and performance-based career advancement Strong organizational rules and policies



Rain water harvesting facility with capacity of 10,000 ltr in MTB tower Under Bangladesh Bank refinance scheme, we provide loans to solid, liquid and ETP management.



Per employee electricity consumption has been reduced 0.39% Per employee diesel consumption has been reduced 16.73% Our installed solar power plants have the capacity to 44.6KW 9 branches and 7 of our ATM booths are run by solar energy



MTB employs 2,340 permanent staffs 140 MTB Agent Banking Centers (MABC) enhancing employment scopes and reaching banking services to peripheries BDT 3.28 Billion expensed as salary and allowance, 20.83% increase from previous year



We have invested on our new Centralized Banking Software for upgrading our quality of banking Services We have already launched digital banking division to create a new dimension in banking 62,026 internet banking users in our ecosystem 302 ATM booth and 118 branches run on online.



Our total number of Agent Banking Center (MABC) is 140. 75% of our agent banking center is in rural areas covering 37 districts. Total account holder 55,588 and the deposit volume 2,203M BDT and 1,711m BDT cash disbursed against foreign

remittance at the end of the year 2019 Total number of 10 taka account in our bank is 5,987 with deposit volume of 11.8m BDT and loan disbursed 9.09m BDT at the end of the year 2019



BDT 48.33 million loan provided under MTB Neer- a financial product for building semi-pacca houses Total SME loan outstanding BDT 31.08 billion.



Our corporate intranet saves a large number of paperwork equivalent of 1,089,139.16 kWh of embodied energy and 679.62 tons of associated CO2 emission. Total paper saved by automation is equivalent to 3,654 trees



We have a Sustainable Finance Unit in our bank since 2016 We have a board approved Environmental and Social Risk Management Policy and Procedure Environmental due diligence is checked for each MTB investment



We do not engage in investing in businesses that adversely affects life below water. We carry out environmental due diligence before deciding to invest.



We have distributed "Amrapali" samplings. We have tree plantation initiatives We do not invest in businesses that will have negative impact on life on land



We are one of the most compliant financial institution in the country We have strong code of conducts Our internal policies are fair to all and these policies are enforced with transparency and integrity We have speak up policy when it is seen that any employee is engaged in deviation of our standard code of conduct



Partnership With bKash to expedite resource mobilization Joining of Norfund as our equity shareholder The bank expedites Government revenue accumulation by utility bill collection through its branch network and internet banking



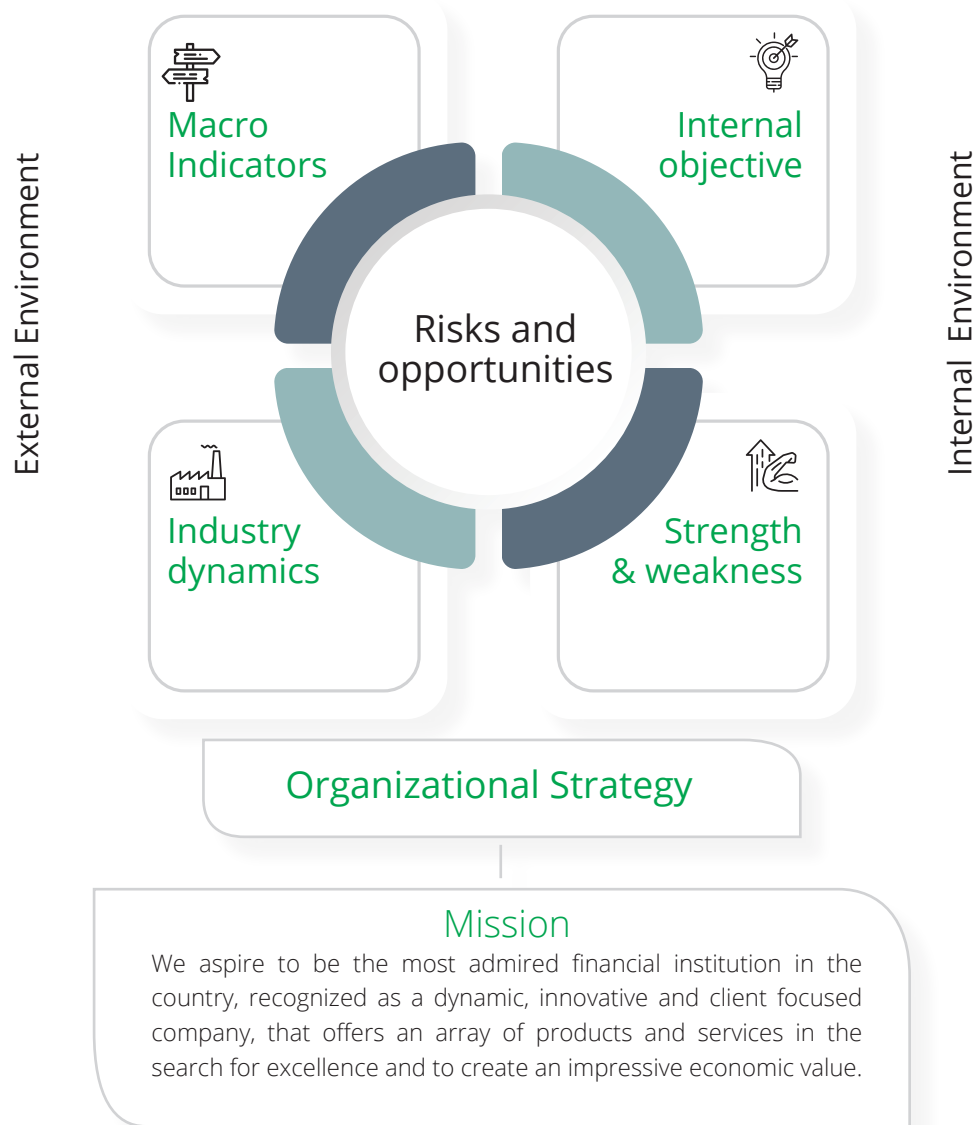
# BUSINESS ENVIRONMENT ANALYSIS AND RISK MANAGEMENT



## **Rooppur Nuclear Power Plant**

The Government of Bangladesh is building its first nuclear power plant in Rooppur on the east side of the river Padma near Ishwardi in the Pabna district of Bangladesh. The project is being implemented by the Bangladesh Atomic Energy Commission (BAEC), under the guidance of Science and Technology Ministry of the Government of Bangladesh. The nuclear power plant (NPP) will include two units, Rooppur Unit-1 and Rooppur Unit-2 with a capacity of 1.2GW each. Total investment amount of this project is USD 13.39 billion. The main equipment of the Rooppur nuclear power plant will have a service life of more than 60 years, without the need for replacement.

# OPERATING FRAME WORK

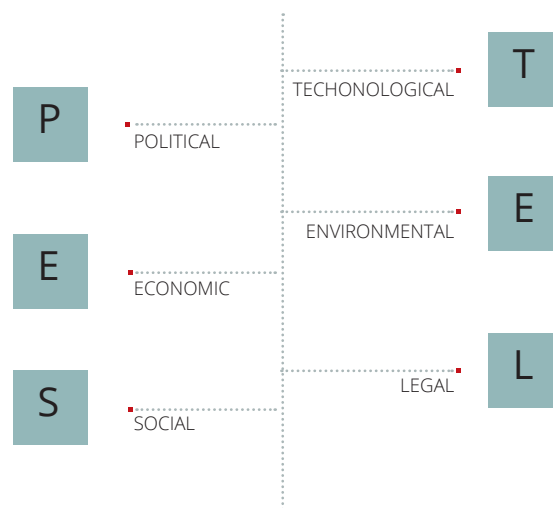


For a financial institute, to grow and prosper it is essential to closely monitor the changes in the dynamics in the macro environment and swiftly respond to it with adaptive strategies. MTB, a third generation bank with rich experience of two decades, has evolved into an organization that has core risk 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 <span style="float: right;">High</span>	
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><b>Impact Assessment</b> 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><b>MTB Views</b> 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 RiskManagement Chapter</p> <p>ii. Statement of the MD &amp; CEO in MTB Our Organization and Leadership Chapter</p>

## ECONOMIC GROWTH

Impact: High



### Situational Brief

### Read More in

In FY 2018-19 the economy of Bangladesh grew by 8.13%. 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 forecast to contract by 0.8 % in 2020.

Due to COVID-19, The World Bank revised its prediction that Bangladesh's GDP growth would plunge to 2.0–3.0 % in the 2019-20 fiscal year.

In 2019, inflow of remittance increased more than 25%, taking the total remittance inflow to USD 18.32 billion during December 2019. Slow economic activity after COVID-19 has decelerated inflation growth in 2020. The point-to-point inflation rate in May, 2020 dropped to 5.35% compared to that of 5.96% in the previous month.

In the microeconomic aspect, increasing NPL in commercial bank was the most controversial development in 2019. Frequent rescheduling and write offs aggravated the situation according to financial analysts. Onion price hike was also one of the talking points at the end of the otherwise excellent year of economic performance.

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.

Global Growth is projected to improve to contract by 4.9%, a downward revision from 2.9% by IMF as a consequence of uncertainty surrounding COVID-19, trade and geopolitics, elevated trade barriers.

#### Economy Projected Growth in 2020

Advanced economy	-8%
Emerging economy	-3%

#### Impact Assessment:

Single digit interest rate could expose 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.

#### MTB Views:

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.

- i) Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter
- ii) Financial Capital in Shareholders' Information Chapter
- iii) Statement of the MD & CEO in MTB: Our Organization and Leadership Chapter
- iv) COVID-19 Impact Analysis and Management in Business Environment Analysis and Risk Management Chapter

#### \*SOURCE:

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



## SOCIAL DIMENSION

Impact: High



### Situational Brief

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 2018-19 GNI stood USD 1909 due to impressive control on population growth which is at 1.37%.

Telephone density in Bangladesh stands at 97.10% and mobile internet density is 52.3% . Total Mobile internet user 93.32M and Broadband internet user 5.74M. 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 4.4%.

### Impact Assessment

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.

### MTB View

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.

### Read More in

- 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

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.

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.

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.

### Read More in

- i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter

<p><b>Impact Assessment</b></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><b>MTB View</b></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. Our new CBS implementation is our top priority while also investing on cyber security issues.</p>	<p>ii. Intellectual Capital-IT in Management Discussion &amp; Analysis Chapter</p>
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<b>ENVIRONMENTAL DIMENSION</b> <b>Impact: Moderate</b>  <b>Moderate</b>	
<b>Situational Brief</b>	<b>Read More in</b>
<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><b>Impact Assessment</b></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><b>MTB View</b></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 &amp; Social Risk Management (ERSM) Policy and Procedure of MTB – 2017.</p> <p>The bank has dedicated product MTB Green Energy Loan. Other than this, the bank emphasizes on financing in industries that promotes green business.</p>	<p>i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter</p> <p>ii. Natural Capital in Sustainability Analysis Chapter</p>

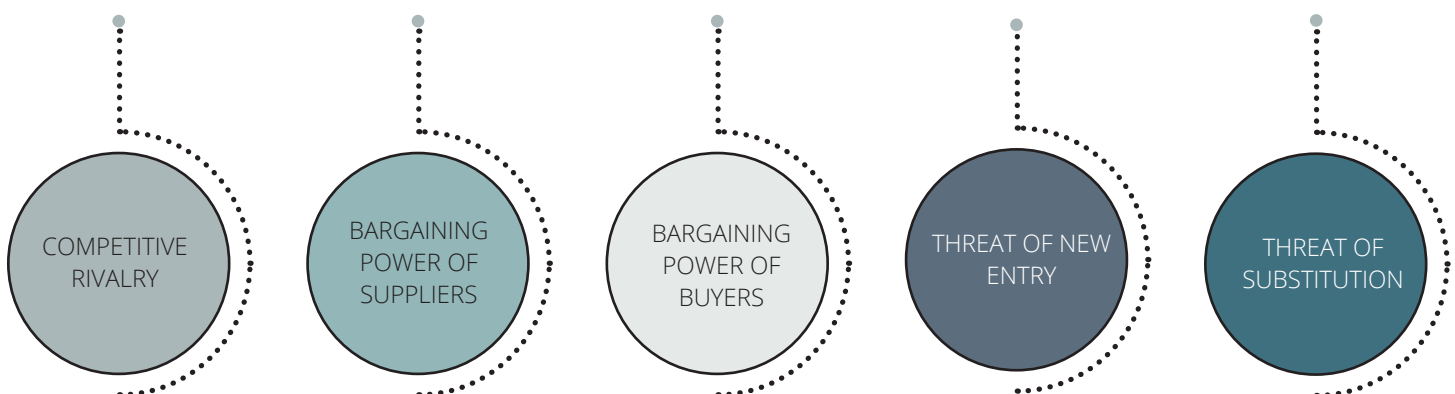
LEGAL DIMENSION	
Impact: High	
Situational Brief	Read More in
<p>Government is adopting and implementing tighter rules and regulations in order to increase level of compliance among businesses.</p> <p>Impact Assessment: Regulators have undertaken remarkable regulatory and supervisory initiatives over the years in line with the internationally accepted standards and compliance requirements.</p> <p><b>MTB View</b></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>	<p>i. Allocation of Resources based on Strategies In Business Environment Analysis and Risk Management Chapter</p>



## 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



COMPETITIVE RIVALRY Impact: High	
	
Situational Brief	Find More in
<p>Financial service industry in our country has 59 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> <p><b>Impact Assessment</b> 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> <p><b>MTB View</b> 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>	<p>i. Allocation of Resources based on Strategies In Business Environment</p> <p>ii. Analysis and Risk Management Chapter</p>
BARGAINING POWER OF SUPPLIERS Impact: Moderate to High	
	
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> <p><b>Business Impact</b> 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> <p><b>MTB View</b> 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>	<p>i. Business Model in MTB: Our Organization and Leadership chapter</p> <p>ii. Financial Capital in Shareholders Information Chapter</p> <p>i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter</p>



## BARGAINING POWER OF BUYERS

Impact: Moderate



### Situational Brief

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.

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.

Corporate customers are extremely price sensitive. Despite faced with liquidity crisis, they exercise their bargaining power because of price competitiveness among existing FIs.

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.

### Business Impact

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.

### MTB View

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.

### Find More in

- 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

## THREAT OF NEW ENTRY

Impact: High



### Situational Brief

In 2019, 3 more banks were given approval. Government has so far given license to 10 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.

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.

### Impact Assessment

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.

### MTB View

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

### Find More in

- 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



High

### Situational Brief

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.

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.

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.

### Impact Assessment

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.

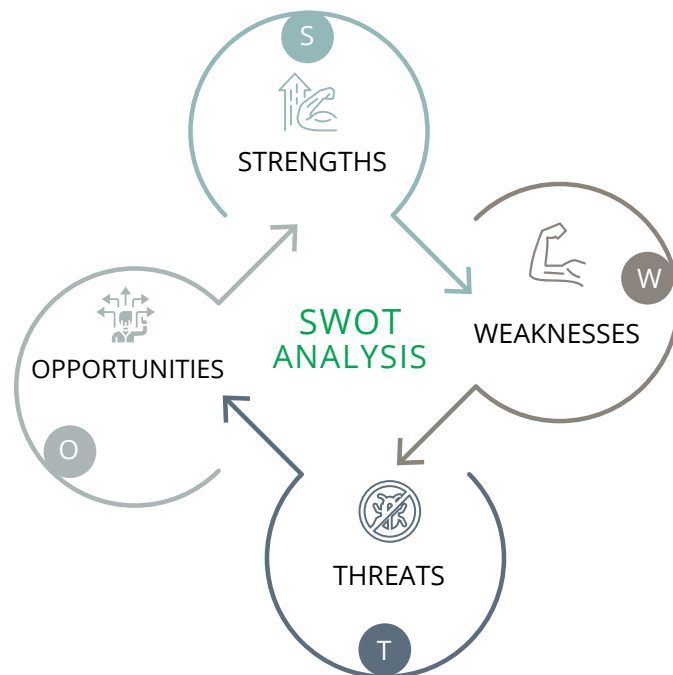
### Find More in

- i. Allocation of Resources based on Strategies in Business Environment Analysis and Risk Management Chapter



# 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
<b>1 Brand Salience</b>		
I. <b>Reputation:</b> 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
<b>2. Network and Infrastructure</b>		
I. <b>Footprint Direct Delivery Channel:</b> 118 Branch, 5 sub branch, 140 Agent Banking covering 37 districts with 106 rural areas covered <b>Alternative Delivery Channel:</b> Internet Banking, MSS Banking, 302 ATMs, and 3000+ POS, MTB Smart Banking.	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.
II. <b>Air Lounge:</b> Two “MTB Air Lounge” in International departure in Dhaka and Chittagong, and one in Sylhe domestic, 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
III. <b>Uninterrupted Service Delivery:</b> With sophisticated technological solution we are providing uninterrupted service delivery 24/7 in our alternative delivery channel	Catering for customer needs whenever it is required lead to customer delight and increased profitability and value creation	The pursuit of service excellence is always a work in progress. We will continue to craft our service delivery to enrich customer experience

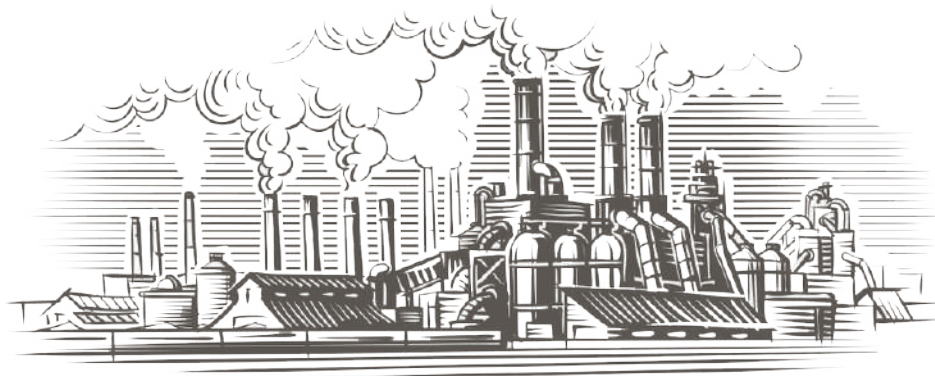
3. Financial Performance		
I. <b>Growth Trajectory:</b> Since its inception, the bank has seen continuous growth. The bank expanded in scope of operations along with balance sheet items, such as capital, deposits, loans and advances etc.	Continuous growth has led the bank to a good position in the bank, earning the trust of customers, generating regular return to for the investors.	The bank will continue to quest for gaining economies of scale to further improve its financial position and exceed peer banks performances
II. <b>NPL Management:</b> MTB consistently maintained much lower NPL ratio compared to that of overall banking industry. In December 2019, MTB NPL ratio was 5.39%, whereas industry NPL was 9.32%	It strengthens the culture that bank acquires quality risk assets and after on boarding a customer, bank remain vigilant on maintaining the good borrowers	MTB will keep fortifying its Special Asset Management unit activities for initiating close follow up, monitor and recovery actions.
III. <b>Product Mix:</b> 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	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.	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
4. Human Capital Development		
I. <b>Culture:</b> We have instilled a winning culture within our organization through MTB Winning and MTB Code of Conduct.	The work culture unites employees of diverse background on a common platform and creates an image for the organization.	Through internal practices we will continue to instill MTB values and create a sense of brotherhood among all MTBians.
II. <b>Training &amp; Development:</b> state-of-the art Training Institute at MTB Square provided training to 1,925 employees through 292 training programs in 2019 and expected to keep developing human skills in the future by arranging both domestic and international training sessions.	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.	Enhancing the employee capability is priority for MTB. We will continue to invest in our people development.
III. <b>Job Satisfaction:</b> 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.	Employee job satisfaction and engagement directly contribute to increased productivity, reduced absenteeism, increased profitability. Employee Turnover 2.92% in the year 2019, which is very low, reassuring loyalty of employees towards the organization.	We will maintain a transparent performance management system that will encourage employee engagement to achieve sense of ownership and accountability
IV. <b>Work life Integration:</b> 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	Helps achieve each of our employee become more rounded individual avoiding stress and burnouts.	We will continue to nurture a work environment where employee's needs are well looked after.



<b>5. Corporate Governance</b>		
I. <b>Compliance:</b> 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	Compliance to regulatory requirements protect all of our internal and external stakeholders.	Collaborate with our regulatory bodies and other stakeholders to keep the bank compliant in the highest standard.
II. <b>Board of Directors:</b> 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	Board of Directors with understanding of contemporary business dynamics help shape the direction of the Bank	We will hold regular Board Meetings to keep our respected Board of Directors updated so that they can mitigate the risk by their prudence
<b>6. Customer Experience</b>		
I. <b>Empowerment:</b> We believe in empowering our employee so that our service delivery is streamlined and seamless	Creates a collaborative environment that encourages taking responsibility and ownership	We will ensure maintenance of a culture of highest ethical standard and sense of ownership
II. <b>Customer Focus:</b> As a customer focused organization, at every stage of the process customer is our top most priority	Retaining customers accelerates profitable growth	We will strive to make our service and service delivery convenient for our customers through integration of new technology and centralized processing.
<b>WEAKNESSES</b>		
<b>Factors</b>	<b>Impact</b>	<b>Addressing our weakness</b>
<b>1. Business Performance</b>		
I. <b>Operating Profit:</b> 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. <b>Higher cost to income ratio:</b> The bank has cost to income ratio around 52% as at December 2019,	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. <b>Credit Concentration:</b> Loans and Advance portfolio mix includes 12% SME and only 5% of Retail. 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
<b>2. Business Model</b>		
I. <b>Decentralized Business Model:</b> 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
<b>3. Capital Structure</b>		
<b>Regulatory Requirement:</b> 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
<b>1. Social and Economic Factors</b>		
I. <b>National Economic Growth:</b> Bangladesh has been experiencing 6+ growth rate for the last decade with 8.13% 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.
II. <b>Demographic Dividend and growing Middle class:</b> 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	Increasing share of millennial and youths will demand value driven and tech-based quality solution from financial institutions	Optimize our cost of fund and target segments with greater profitability with technology driven solutions
III. <b>Unbanked People:</b> Approximately 10,600 branches & 7,914 agent banking center in the industry against 163.7M people are still insignificant in terms of financial inclusion.	With growing income level of people outside banking periphery poses opportunities for low cost deposits and SME and Retail lending	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.
<b>2. Technology</b>		
vi. <b>Digital Penetration in BD:</b> Telephone density is now 97.10% with mobile internet density of 52.3%.	Majority of our population is young and open to new digital solutions	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
II. <b>Industrial Revolution 4.0:</b> 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	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	Develop Alternative Delivery Channel especially internet and mobile platforms with superior quality than the competing peer channels to provide seamless service delivery
<b>3. Financial Management</b>		
I. <b>Maximization of Net Interest Margin:</b> MTB has the opportunity to maximize the non-funded business line to generate more income	Greater chance of broadening income ratio with current operational capacity	We will enhance our capital base, seek lower sources of funds; i.e. current accounts savings accounts and ensure non funded income

II. <b>Leveraging Brand Equity:</b> In financial sector, MTB is already a well-established institutional brand.	This equity can be leveraged to attract and grow new service offerings to stay relevant in this dynamic business environment	Better Customer analysis and employment of tailored marketing and sales strategies for TGs and convert them as retained customers
THREATS		
Factors	Impact	Thwarting Threats
<b>1. Business Environment</b>		
I. <b>Increased Competition:</b> 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. <b>Single digit Interest rate:</b> 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. <b>NPL Management:</b> 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
<b>2. Regulatory Pressure</b>		
I. <b>Strict Regulations:</b> 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. <b>FOREX fluctuations:</b> 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



# RISK MANAGEMENT

## Risk Management in MTB

Risk is an integral part of banking business, and Mutual Trust Bank (MTB) aims at delivering superior stakeholder value by achieving an appropriate trade-off between risks and returns. 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. 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. At operational level, RMD reports high-risk related matters, identified by the management-level risk committee to the BRMC, BOD and to Bangladesh Bank (BB).

## Risk Profile

The table below shows MTB's overall risk position, as measured by the economic capital usage calculated for credit, market, operational risk. To determine overall risk position, bank generally considers diversification benefits across risk types.

The overall risk positions (solo), at the end of 2019, as measured by economic capital allocation by risk types are as follows:

BDT in million

Credit Risk	167,323.52
Market Risk	4,955.30
Operational Risk	13,333.79
Total Risk Weighted Assets	185,612.62
Minimum Capital Requirement	18,561.26
Capital Maintained	23,872.20

## Risk Management Principles

The core value of the risk management principles is to reinforce resilience by encouraging a complete approach to the management of risk and return throughout the organization as well as the effective management of risk, capital and reputational profile. MTB actively take risks in connection with its business, and as such, the following principles underpin in the risk management framework:

- Risks are accepted within a defined risk appetite;
- Accepted risks are approved within the risk management framework;
- Risks are accepted against adequate returns;
- Risks are continuously monitored and managed.

## Risk Management Framework

In MTB, the overall responsibility for risk management is rested with the Board and Board Risk Management Committee (BRMC). Senior management transforms the strategies into operational policies, procedures and processes for effective risk management. Business units and supporting units have risk ownership and effective processes to identify, assess measure, monitor, mitigate and report on risks:

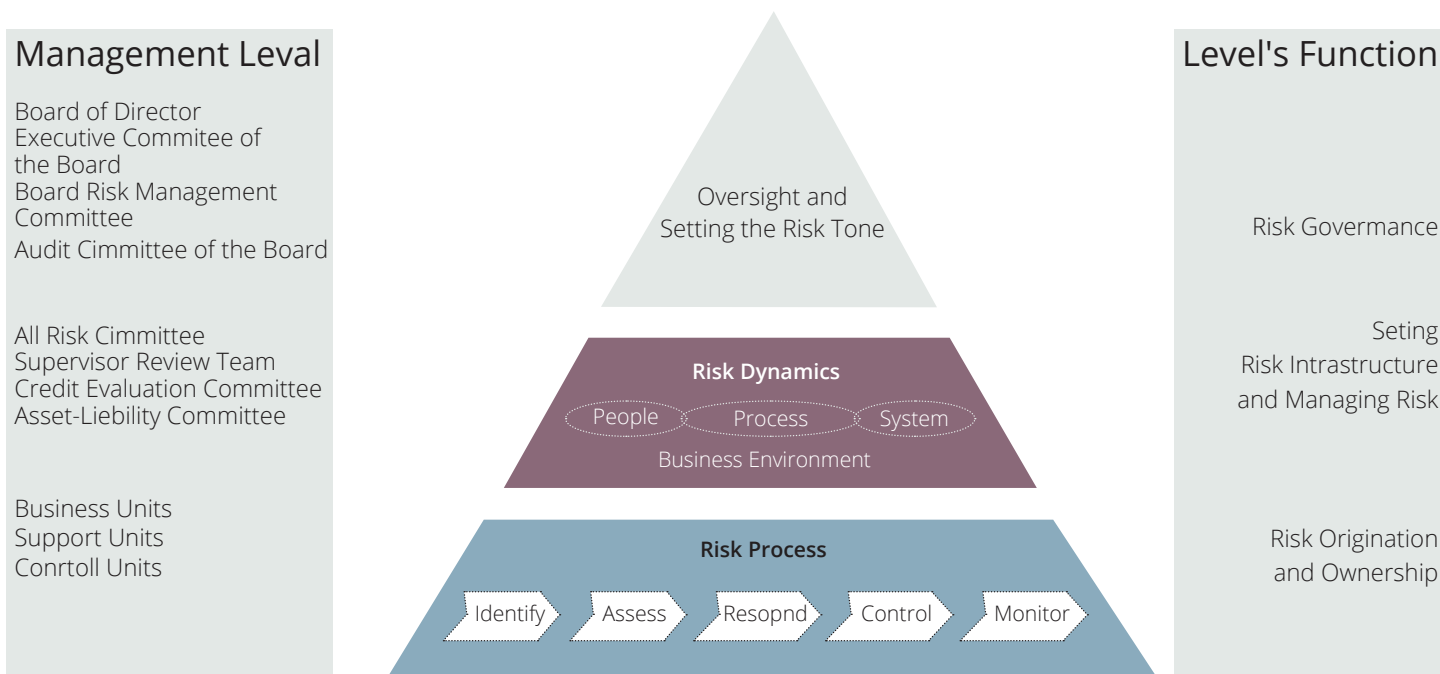




Level	Name of the Committee	Role of the Committee	Represented By
Strategic Level	Board of Directors	Defines the risk appetite and approves overall risk policies, procedures and guidelines for the bank;	Member of Board of Directors
	Executive Committee (EC)	Approves loans and investments and administers various functions assigned to them by the Board;	Member of Executive Committee
	Board Risk Management Committee (BRMC)	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. The Committee also reviews risk policies and recommends to the Board.	Member of Board Risk Management Committee
	Audit Committee (AC)	Responsible for reviewing the adequacy of the Bank's risk management processes, policies and the effectiveness of implementation of the risk management system.	Member of Audit Committee
Managerial Level	All Risk Committee (ARC)	Policies and the strategies approved by the Board are implemented by the management Continuously monitors policies, and the threshold limits of risks that may be taken in line with the bank's risk appetite.	Member of All Risk Committee (ARC)
	Credit Evaluation Committee (CEC)	Works for managing credit risk and concentration risk for maintaining a well performing and distributed loan portfolio;	Member of Credit Evaluation Committee(CEC)
	Assets-Liability Committee (ALCO)	Responsible for reviewing the adequacy of the Bank's risk management processes, policies and the effectiveness of implementation of the risk management system.	Member of Assets-Liability Committee (ALCO)
	Supervisory Review Process Team (SRP Team)	Assessing overall capital adequacy in line with the Bank's risk profile and strategy for maintaining Bank's capital at an adequate level	Member of Supervisory Review Process Team (SRP Team)
Operational Level	Business Unit	Responsible for originating, owning, structuring and implementing the risk management framework as first line of defense	All the Business units of the bank
	Risk Management Division	To ensure effectiveness of the Core Risks Management of the Bank.  RMD is responsible for measuring & monitoring risk, identifying & quantifying bank's exposure to material loss, independently monitoring limits, developing & implementing loss prevention/ retention programs, securing & maintaining adequate loss coverage, periodic stress testing, preparation of monthly risk management paper, half yearly Comprehensive Risk Management Report & holding meeting of All Risk Committee etc.	Risk Management Division
	Basel Unit	Ensuring effective implementation of Risk Based Adequacy requirements under Basel III	Basel Unit

The Bank's risk management framework is predicated on three-lines-of defense. In this model, the first line is the functional business line of management, where risk originates and they own the risks, while the second line includes risk management and other control functions that

provide independent oversight and objectively challenge to the first line of defense. The third line of defense is the internal audit department, which provides assurance that control objectives are achieved by the first and the second lines of defense.



Risk Management Framework

The full array of risk management functions, processes, governance, programs and practices constitutes the risk management framework. This framework is subject to constant evaluation to ensure that it meets the changing challenges and requirements of both the local and global markets, in which the bank operates. This includes managing risks relating to credit, market, operations, information and technology, asset-liability mismatch, foreign currency, money laundering, terrorist financing, reputation and settlement by adopting to regulatory standards and industry best practices.

MTB's risk management framework is applied on enterprise-wide basis, which consists of the following key elements:

- Risk Governance;
- Risk Appetite;
- Risk and culture.

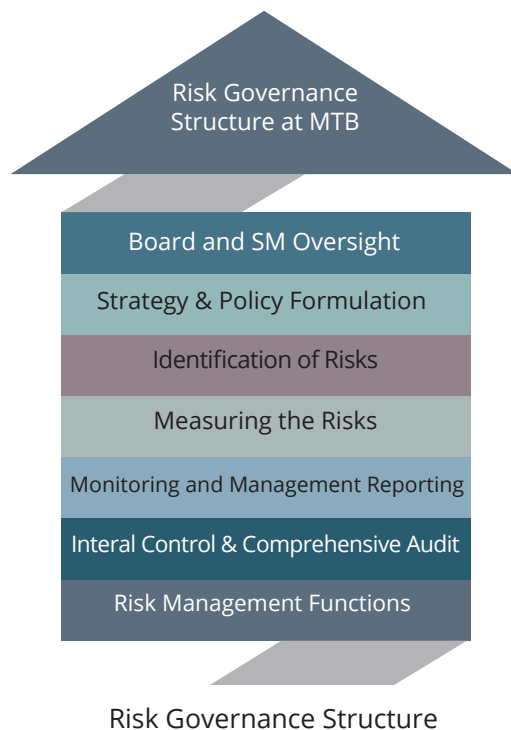


Elements of Risk Management Framework

## Risk Governance

MTB's governing structure specifies the policies, principles and procedures for making decisions about corporate direction. MTB has a disciplined risk governance structure that facilitates oversight of and accountability for risks at all levels of the bank and across all risk types. Its risk governance structure follows the principles of transparency, fairness of key personnel, clear accountability, skill development, competencies and compensation architecture.

The Board of MTB exercise oversight and provides guidance to the management team that works closely with other teams in managing risks. Understanding the highly specialized nature of managing risks, decision-making is centralized, largely, through a structure of different risk management committees.



The business lines of MTB are responsible for the development and execution of business plans that are aligned with the bank's risk management framework and are accountable for the risks they undertake. Understanding and managing those risks, is a fundamental element of each business plan. In MTB, business units work in collaboration with risk management units to ensure that the risks arising from their businesses are thoroughly and clearly identified, evaluated and appropriately managed.

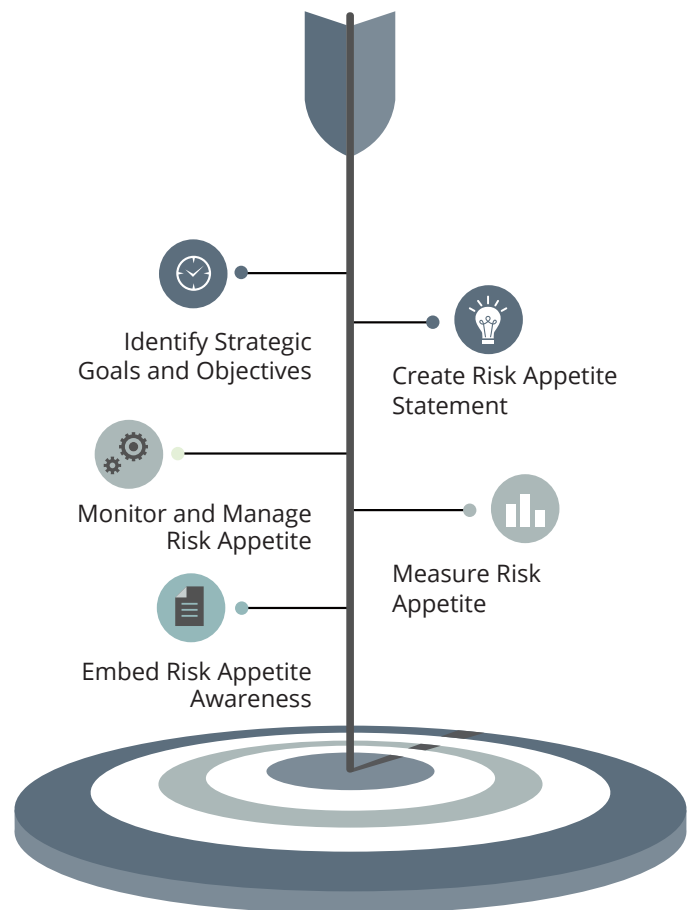
Decision-making on risk issues is highly centralized in MTB. The members of different risk committees are responsible

for reviewing, approving and monitoring of transactions related risk exposures. The flow of information to various risk committees keep them well informed about the risks of the bank and ensure that the transactions and risks are aligned with the bank's risk appetite framework.

## Risk Appetite

The bank has its risk appetite statement, covering all regulatory requirements related to risks, components of pillar II under Basel III, strategic planning and all other probable risks that exist in the banking operations. Apart from the regulatory requirements, the bank has set risk appetite, tolerance and limit for all the probable areas of risks.

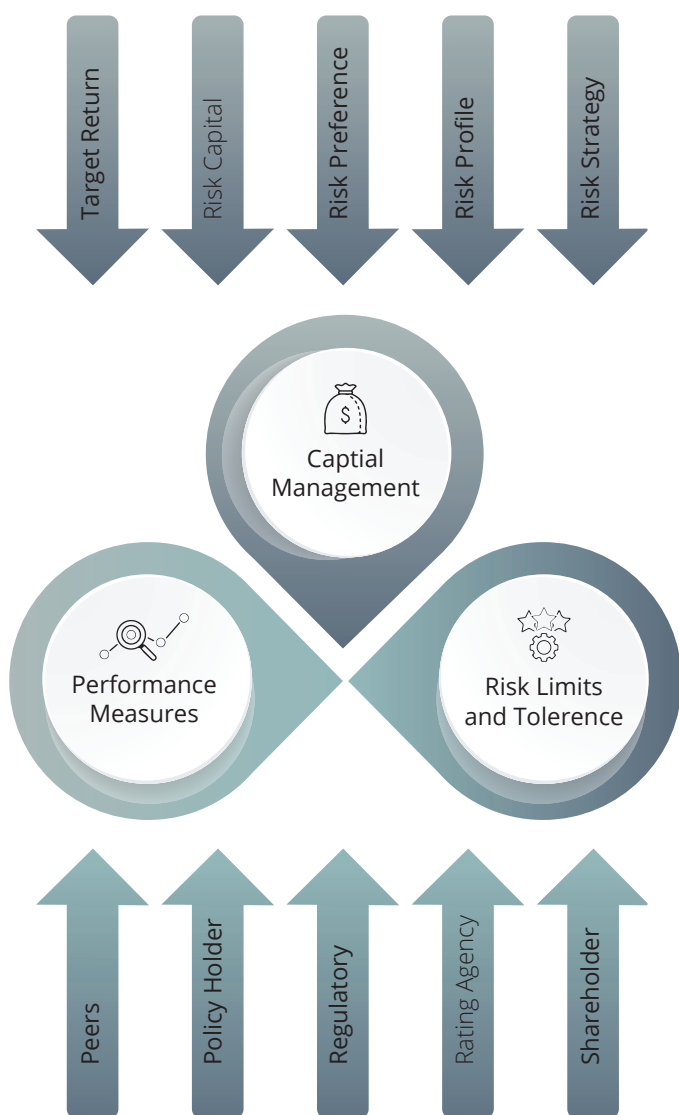
MTB recognizes that effective risk management requires clear articulation of the bank's risk appetite, and how the bank's risk profile will be managed in relation to that appetite. The bank's risk appetite framework governs risk-taking activities on an enterprise-wide basis.



Risk Appetite framework of MTB

Key characteristics of Risk Appetite framework of MTB include the following:

- Annual review and approval by the Board
- Organization's strategy, objectives and key stakeholders' expectations are embedded
- All key risks, including risk preferences both in terms of risks that are sought out, and risks that should be minimized;
- Documentation of risks in risk register, including risk-specific definitions, risk owner, how and how often each risk to be measured, assumptions related to each risk, judgment on severity and likelihood and speed at which risks could manifest
- Recognition of the occurrence of losses, which is the part of business but include loss tolerances that are reflective of overall business objectives
- Human and technological resources needed to measure and manage the bank's risks in a timely fashion.



Characteristics of Risk Appetite framework of MTB

## Risk Management Culture

MTB recognizes that a sound risk culture is the fundamental requirement of an effective risk management framework. MTB's risk culture is well established and the risk management framework is embedded across all operations. MTB attaches the highest priority to establish, maintain and upgrade risk management infrastructure, systems and procedures. Adequate resources are allocated in this regard to improve skills and expertise of relevant employees to enhance their risk management capacity.



Risk culture chain of MTB

In 2019, following trainings on risk management have been provided to officials of MTB to create awareness on risk management culture across the MTB-

BDT in million

Subject	No. of Courses	Total Participants
Asset liability risk management	2	2
Credit risk management	14	749
Foreign exchange risk management	3	52
Internal control & compliance risk management	6	281
Anti-money laundering risk management	18	1186
ICT risk management	7	299
Comprehensive risk management	7	199
<b>Total</b>	<b>57</b>	<b>2768</b>



## Risk Mitigation Methodology

Risk mitigation defined as taking steps to reduce adverse effects. There are four types of risk mitigation strategies used in MTB. The four types of risk mitigating strategies includes risk avoidance, acceptance, transference and reduction.



In general, risks were avoided that involves a high probability impact for both financial loss and damage. Risks that may have a low probability for taking place but would have a large financial impact, were mitigated by being shared or transferred. With some risks, the expenses involved in mitigating the risk is more than the cost of tolerating the risk. In this situation, the risks were accepted and carefully monitored. Finally, the most common mitigation strategy - risk limitation is used, where bank takes some type of action to address a perceived risk and regulate exposure. Risk limitation usually employs some risk acceptance and some risk avoidance.

## Risk Mitigation Plan/Strategy

Risk Management is a planned process designed to identify, mitigate and evaluate exposure to risk. MTB's risk management system includes policies, procedures, limits and controls in its foundation. This foundation provides adequate, timely and continuous identification, assessment, measurement, monitoring, mitigation and reporting of risks posed by its activities at the business line and institution-wide levels. The structured process for managing and mitigating risk at MTB has following iterative steps:

- Risk Identification involves Identifying risk factors
- Risk Analysis – Analyzing risk impact
- Assessment – Measuring the risk levels associated with risk factors
- Quantification – Turning qualitative risk data into quantitative data
- Interpretation – Interpret the quantitative data
- Report – Compile the data and recommend action

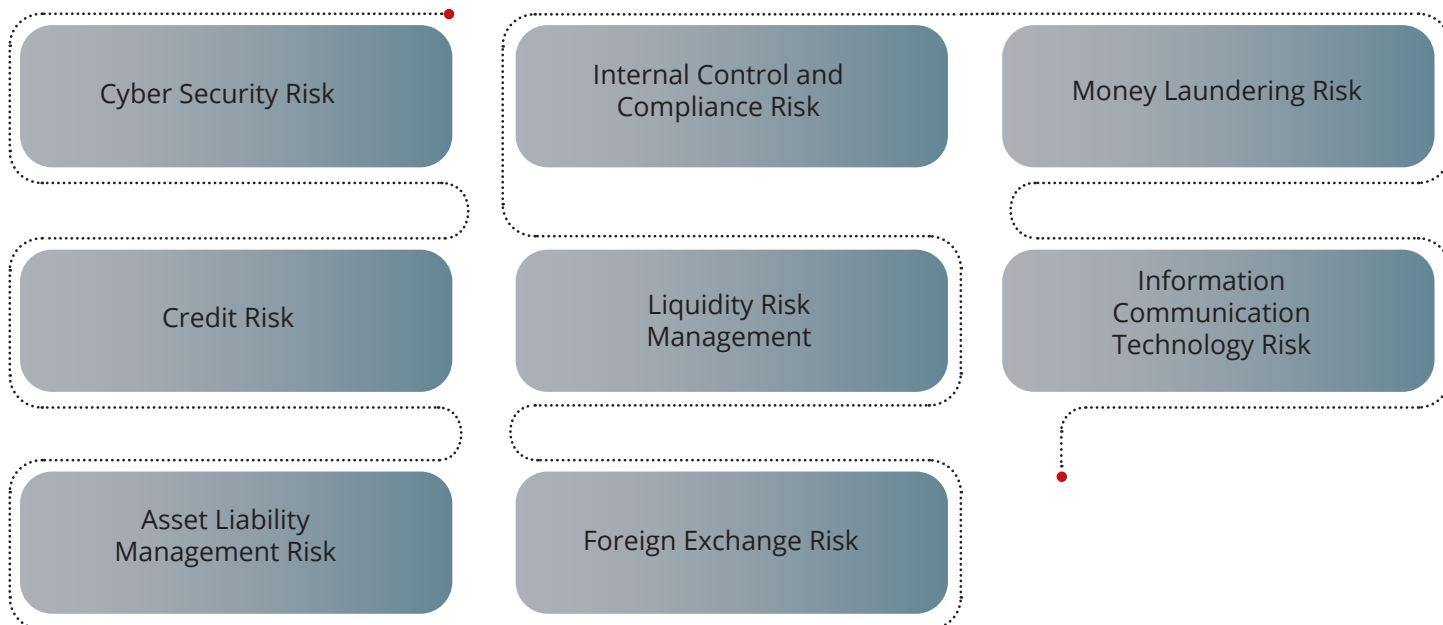


Risk Management Methodology

- Risk Response – Establishing an action plan; assign those responsible to respond to risk and establish deadlines
- Risk Control – Implementing a solution to reduce or transfer risk
- Risk Monitoring – Observe implemented risk controls and report the results
- Capital allocation- allocating adequate capital for all risks

## MTB Risk Management and Mitigation Practice on Various Risk Areas

MTB conducts its operations by ensuring compliance with the Core Risk Management Guidelines of Bangladesh Bank, which covers the following risks:



Risk spectrum

## Cyber Security Management

Constant change, unpredictability, and uncertainty have made cybersecurity everyone's responsibility. Continuous awareness programs for the employees, suppliers, and the clients, about cybersecurity goes round the year in MTB. The Bank reminds the employees of security in every possible way as a continuous process. Various cyber awareness initiatives through SMS, Interactive voice response (IVR), email, social media, etc. are taken to aware valuable customers. Cybersecurity has become imperative to our business process. Practice in building walls to thwart attempts to block all malicious attacks, and making organization cyber-resilient is going on side-by-side. In practice, a handful of initiatives including network and host firewalls, web application firewall, intrusion prevention, anti-malware, layered security, vulnerability, and penetration testing are in place for the preventive, detective, and corrective measures against cyber-attacks.

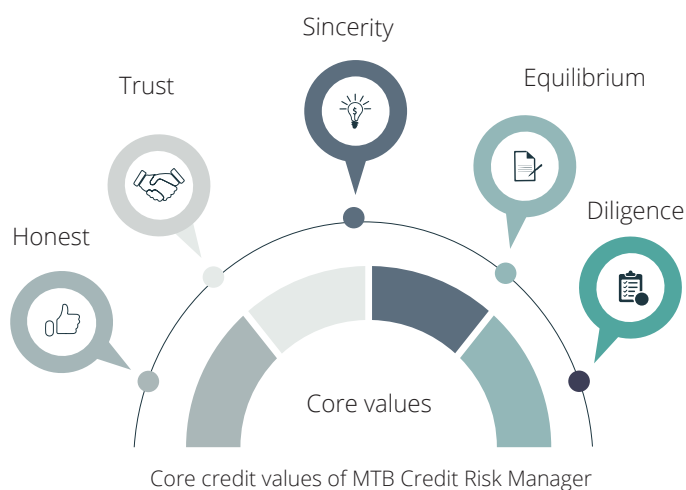
## Credit Risk Management

Credit risk is the probability of a borrower or counterparty failing to meet its financial obligations in accordance with agreed terms. It is the risk of loss from failure of borrowers or counterparties, including sovereigns, to honour their obligations to the bank partially or completely to fulfill their contractual obligations. MTB manages credit risk based on the risk profile of its borrowers or counterparty, repayment sources, the nature of underlying collateral, and other support given current events, conditions

and expectations. The Bank segregates its portfolio under SME, Wholesale and Retail segments and manages credit risk arising from loans and advances allowed to them. Other sources of credit risk are from trading activities, including: debt securities, settlement balances with Market counterparties etc.

## Core Credit Values

To achieve the objective of excellence in Credit Risk Management at MTB, core credit values have been drawn up to cultivate and drive our behavior towards highly efficient and quality credit function. Adherence to the core values is embedded in credit function and is an integral part of every Credit Risk Manager.



Honesty - highest standard of professional and personal integrity

Trust- faith and belief on each other in professional behavior, Sincerity- intention to convey the truth to the best of knowledge and in action,

Equilibrium- balanced decision-making through using open and unbiased processes of gathering and evaluating necessary information,

Diligence- act with due care which displays professional skills in conduct of any aspect of credit process.

### Credit Risk Management Objectives:

- To maintain a framework of controls to ensure that Credit Risk taking is based on sound credit risk management principles set by the regulator along with the industry best practices.
- To identify, assess and measure credit risk clearly and accurately across MTB and within each separate business namely Corporate Banking, SME Banking and Retail Banking Portfolio.
- To formulate MTB's risk appetite and ensure that the business profile and plans are consistent with it.
- To control and plan credit risk taking in line with the external stakeholders' expectations and avoiding undesirable concentrations. In addition, to manage the risk profile to ensure that specific financial deliverables remain achievable under a range of adverse business conditions.
- To monitor credit risk and controls to ensure that risk-reward objectives are met and to ensure that business growth plans are properly supported by effective risk infrastructure.

### Organization and Structure

Corporate, SME and Retail portfolios are managed by separate Underwriting Units under Credit Risk Management Division. Credit risk management responsibilities have been so structured that credit appraisal is done maintaining underwriting standards as outlined in the Credit Risk Management Policy taking into account business prospect while ensuring robust review and challenge of performance, risk infrastructure and strategic plans.

Credit Risk Management Committee or Credit Evaluation Committee, embodied by the Senior Management of the Bank, plays an important role as a recommending authority for Credit appraisal.

All Credit approvals are done as per Delegation of Lending Authority approved by the Board of Directors and as per Bangladesh Bank Guidelines and Credit Risk Management Policy of the Bank.

### Credit Concentration Risk

Credit concentration risk may arise from a single large exposure to counterparty or a group of connected counterparties, or from multiple exposures across the portfolio that are closely correlated. Large exposure concentration risk is managed through concentration limits set by counterparty or a group of connected counterparties based on control and economic dependence criteria.

To manage concentration of risk within credit risk, we have in place a correlation framework based on Bangladesh Bank's guidelines.

Credit Risk Management Policy

Effective management of credit risk requires establishment of an appropriate credit risk culture. At MTB, we practice a culture developed under a well-established framework for managing credit risk across all businesses. This includes a defined risk appetite, credit limits and credit policies, both at the business level as well as at the organization-wide level. The policy covers structured and standardized CRM process both in obligor and portfolio level for corporate, retail, Small and Medium Enterprise (SME) exposures. There is a comprehensive credit appraisal procedure that covers industry/business risk, management risk, financial risk, facility structure risk, security risk, environmental risk, reputational risk, and account performance risk.

The Board of Directors, either directly or through the Risk Management Committee (of the Board), reviews and approves the Bank's credit risk appetite annually and credit policy manual triennially.

### Credit Risk Mitigation Measures

Under MTB's credit risk mitigation practices, we employ range of techniques and strategies to actively mitigate the counterparty credit risks. These can broadly be divided into three types:

1. Cash-flow based Credit Structuring: We determine borrower's credit-worthiness on the basis of their ability generated from operational cash-flow and willingness to make timely payments. We opt out necessary credit limit for our customer depending on their average cash conversion cycle and credit payment capacity with reference from net cash-flow position. Projected cash flows are also used to demonstrate the ability of the applicant to generate enough revenue and cash flow to make payments within the prescribed terms and conditions.
2. Collateral: At MTB, we preserve the ability to call on collateral in the event of default of counterparty. Collateral

includes cash and cash equivalent instruments, properties (residential, commercial and industrial), capital funds, plant and equipment, etc. Collaterals taken by the Bank are well-documented to ensure credit risk mitigation is legally effective and enforceable.

3. Risk Transfer: A range of instruments including guarantees, credit insurance, etc. can be used to transfer credit risk from one counterparty to another.

### Credit monitoring

MTB Credit Monitoring Department (CMD) continuously monitors the asset (loan) portfolio of the Bank. MTB's credit monitoring system provides an early indication/alert about the deterioration in the status of the loans that allows immediate launching of effective management actions, in a rational manner, to prevent them from turning into Non-Performing Loans (NPL).

### Integrated Environment & Social Risk Assessment

Environmental risk is recognized as a credit risk issue and MTB has expanded its Credit Risk Management Policy to incorporate the principles and approach for managing Environmental and Social Risk (ESR) issues in the lending practices and activities. Bank's risk assessment approach ensures that material ESR issues are considered for all existing and new credit applications, transactions and during periodic reviews.

### Asset Liability Risk Management

Asset Liability Management (ALM) is considered as a key to balance sheet risk management activity, which focuses mainly on liquidity risk and interest rate risk. As per BB guideline, MTB has a fully functional ALCO for prudent balance sheet risk management. The Committee consists of the Managing Director & CEO, as the Chairman of the Committee and strategically important divisional heads. In accordance with BB guidelines on ALM risk management, MTB has developed an Asset Liability Risk Management Manual, which is approved by the Board of Directors of the bank. Moreover, to address and mitigate various risks involved in the business, ALM desk of the MTB Treasury prepares ALCO paper as per the guidelines of BB every month and conducts at least one monthly ALCO meeting, where global economic outlook and balance sheet parameters of the bank are discussed and decisions are taken accordingly.

### Foreign Exchange Risk Management

Foreign Exchange Risk is related to the fluctuation in earnings due to changes of exchange rates in the market. In accordance to Foreign Exchange Risk Management Guidelines of Bangladesh Bank, MTB has developed its own Foreign Exchange Risk Management Manual, which is approved by the Board of Directors of the bank. As a risk management tool, MTB has Board approved dealers' dealing limit; counterparty limit and well-defined internal approval procedures. Internal Audit Division conducts two independent inspections every year on foreign exchange business activities and reports to the senior management accordingly. Moreover, Bangladesh Bank has mandated Net Open Position (NOP) limit for MTB based on the bank's total capital and some other qualitative judgments. In order to minimize foreign exchange risk and to fulfill regulatory requirement, MTB maintains NOP limit meticulously throughout the year.

### Liquidity Risk Management

Liquidity risk is assessed to measure the riskiness arising from either the potential inability to meet all payment obligations, when they come due, or the ability to meet these obligations only by incurring excessive cost. The objective of MTB's liquidity risk management framework is to ensure that the bank can fulfil its payment obligations at all times and can maintain liquidity and funding risks within the anticipated and expected level. The framework considers all relevant and significant drivers of liquidity risk, be it from on-balance sheet or off-balance sheet.

An important aspect of managing liquidity risk is to make assumptions about future funding requirements. While certain cash inflows and outflows are easy to calculate or predict, bank also need to make assumptions regarding future liquidity requirements, both in short term and long term. One important factor to consider is the critical role of a bank's brand image; it influences its ability to have funds readily available in reasonable terms.

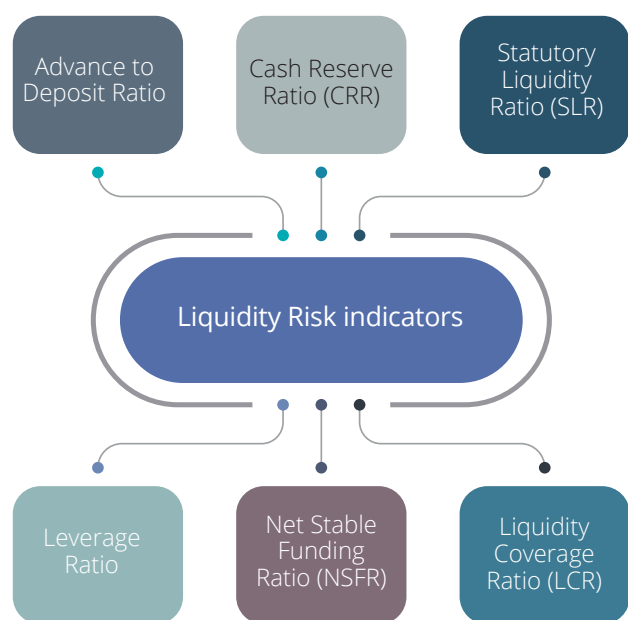
MTB uses following major liquidity risk indicators to monitor and ensure, on a regular basis, healthy liquidity position:

Bangladesh Bank introduced LCR, NSFR and Leverage Ratio under Basel III liquidity principles, in order to achieve two separate but complimentary objectives. LCR is used to evaluate short-term resilience of a bank's liquidity risk profile and advocates that it has sufficient high quality liquid resources to survive an acute stress scenario lasting up to



one month. NSFR is used to ascertain the resilience over a longer time horizon by assessing the capability of a bank to fund its activities with more stable sources of funding on an ongoing basis.

MTB is maintaining a strong liquidity base, reflecting its sound position in the industry. Cash Reserve Ratio (CRR) and Statutory Liquid Ratio (SLR) of the Bank are above the regulatory standard of 5.5% and 13% respectively. Short-term resilience of the bank is reflected through LCR of 107.24%, against regulatory minimum of 100%. MTB shows resilience over the longer time horizon as it is capable of funding its activities with more stable sources of funding on an ongoing structural basis. This is reflected in its NSFR of 102.48% in 2019, against regulatory minimum of 100%.



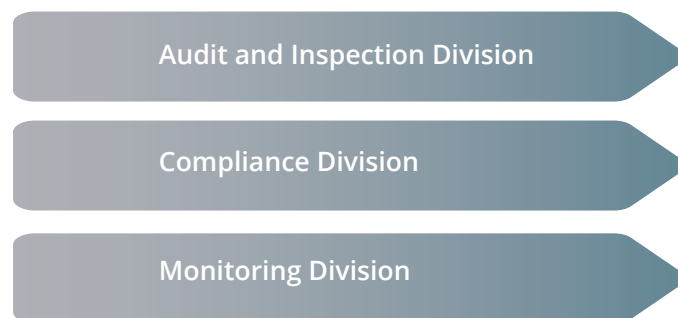
## Internal Control and Compliance Risk Management

MTB has an Internal Control and Compliance (ICC) Department, which 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 and the Board of Directors. ICC Department has the following three distinct divisions, headed by senior level executives:

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. It reports to the Audit Committee of the Board for corrective measures to protect the interest of the bank.

The compliance and monitoring divisions of the ICC Department ensure timely and proper compliance with the relevant laws, regulatory instructions, internal policies and procedures in the day-to-day operations of the bank, by way of using various control tools. The concerned divisions assess the operational risks and acts appropriately to mitigate the same for smooth operation of the Bank.

Overall, the ICC Department reports on serious non-compliance issues, detected by the 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.



## Money Laundering Risk Management

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 programs more rigorous. MTB, as a compliant bank, is determined not to let money launderers, and terrorists, or perpetrators 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) and combat financing of terrorism (CFT) strategy. Based on it,

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Hence, MTB has its own anti-money laundering (AML) and combat financing of terrorism (CFT) strategy. Based on it, a program 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.

MTB has taken into cognizance the relevant laws, rules; Bangladesh Financial Intelligence Unit (BFIU) issued guidelines, circulars and instructions, international standards, and the bank's own policy, while designing the program. The bank applies risk-based Customer Due Diligence (CDD) measures, monitors business relationships and transactions pursuant to national regulations and international standards.

### Information and Communication Technology (ICT) Risk Management

MTB has adapted the use of digitalized services for providing seamless banking experience to customers; it is expected more digitalized public-facing services will be incorporated gradually. The mode of banking operations is already automated by ICT systems. The use of public-facing digital services naturally increases the risk of various types of cyber-attacks, but to facilitate advanced banking, there is no alternative to use IT-enabled services. In such, to keep risk at a minimum, MTB IT Security Department has developed an effective risk management approach, where risks against assets are assessed and treated in accordance with the business environment of MTB. This helps to increase resilience by providing early warnings by depicting the vulnerable assets. MTB is also constantly strengthening its technology risk management capabilities by adapting a judicious "Information & Communication Technology (ICT) Security Policy" according to MTB ICT environment. The underlying principles in this regard define responsibilities and requirements for protecting information assets (e.g. hardware, network, operating system, database, application, storage, and related technologies) and their use in providing world-class financial services.

### 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;
- Maintain the Payment Card Industry Data Security Standard (PCI DSS) compliance each year
- Maintain the SWIFT Customer Security Programme (CSP) compliance each year
- Conduct awareness-training programs round the year; and
- To thwart the overall security issues of the Bank.

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.

## Disclosures of Risk Reporting Risk Reports

Risk reporting involves distribution of information on risks to internal and/or external stakeholders. Risk reports aggregate the measures of risks, across products and businesses, are used to ensure compliance with policies, limits, and guidelines. They also provide a clear statement of the amounts, types, and sensitivities of various risks in the banking operations. Senior management and the Board use the information to visualize the bank's risk profile and the performance of the portfolio. The bank submitted the following risk reports during 2019:

Particular	Module used	Compliance	Remarks
Monthly Risk Management Report (MRMR)	As Per BB Format and own analytical modules	Complied	Monthly reporting to All Risk Committee (ARC) & BB Quarterly reporting to BRMC and Board of Directors
Comprehensive Risk Management Report (CRMR)	As Per BB Format and own analytical modules	Complied	Half yearly reporting to BB
Stress Testing	As Per BB Format	Complied	Quarterly reporting to BB, BRMC and Board of Directors
Internal Capital Adequacy Assessment Process	As Per BB Format and own developed modules	Complied	Yearly reporting to BB, BRMC and Board of Directors
Statement of Market Discipline	As Per BB Format and own developed modules	Complied	Yearly reporting to BB and Board of Directors and published in the same in bank website
Risk Reporting	Own Analytical Modules	Complied	Reporting to ARC, BRMC and Board of Directors

## Stress Testing

It is a risk management technique, used to evaluate the potential effects on bank's financial condition of a specific event, and/or movement of a set of financial variables. This involves several shocking events e.g.

The stress testing report provides a structured way of assessing the vulnerability of the bank to extreme, but plausible market conditions. The stress testing report also enables the bank to accurately assessing the impact of risks, defines the 'risk appetite', and provides critical information to the management, as well as, to the Board for taking decisions on capital allocation and contingency planning.

Our stress-testing framework is designed to:

- Contribute to the setting and monitoring of risk appetite;
- Identify key risks related to our strategy, financial

position, and reputation;

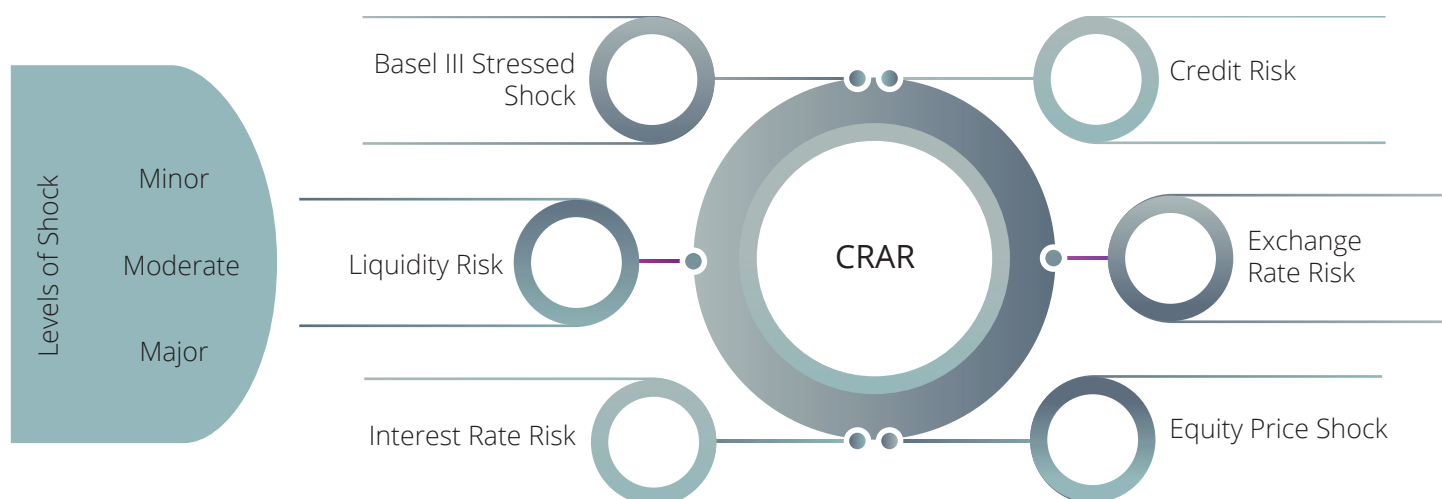
- Examine the nature and dynamics of the risk profile and assess the impact under stressed scenarios on our profitability and business plans;
- Ensure that effective governance, processes, and systems are in place to co-ordinate, and integrate stress testing information to the senior management;
- Ensure adherence to the regulatory requirements.

MTB adopts Stress Testing technique to measure its vulnerability to the impacts of exceptional but plausible events. The test is conducted quarterly, and findings are submitted to the All Risk Committee (ARC), the Board Risk Management Committee (BRMC), the Board, and the Bangladesh Bank (BB).

## Long-term strategic plan in line with the Basel standard

The Bank focuses on strengthening risk management and control environment rather than increasing capital to cover up weak risk management and control practices. MTB has been generating most of its incremental capital from retention of profit (stock dividend and statutory reserve transfer etc.) and issuance of Subordinated Bond to support incremental growth of Risk Weighted Assets (RWA). Besides meeting regulatory capital requirement, the Bank maintains adequate capital to absorb material risks

As a Basel compliant bank, MTB follows international best practices in risk management as per Basel norms, which makes its capital more risk sensitive and resilient. MTB has been successfully maintaining capital above the minimum capital requirement against credit risks, market risks, and operational risks. In December 2019, capital to risk weighted asset ratio of MTB at consolidated level stood at 12.91%. MTB has appropriate organizational structure, procedures, and strategies in place for proper and prompt Basel III implementation.



The Stress Testing outline of MTB

foreseen. Therefore, the Bank's Capital to Risk Weighted Asset Ratio (CRAR) remains consistently within the comfort zone. At the end of the year 2019, the CRAR was 12.91% on consolidated basis and 12.86% on solo basis against minimum requirement of 10% of RWA. Risk Management Division (RMD) under the guidance of the SRP Team/ All Risk Management Committee and Basel implementation Unit is taking active measures to identify, quantify, manage and monitor all risks to which the Bank is exposed to.



# 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.

STRATEGY ON A PAGE	
<b>purpose</b>	<b>Want to be -</b> <ul style="list-style-type: none"> <li>• One of the best performing banks in Bangladesh</li> <li>• The bank of choice</li> <li>• A truly world -class bank</li> </ul>
<b>Customer promise</b>	<div>     </div> <div> AvailabilityFlexibilityInnovationService Excellence </div>
<b>Strategic Priorities</b>	<ul style="list-style-type: none"> <li>• Customer relationship and experience</li> <li>• Optimizing financial capital</li> <li>• Enhanced service scope &amp; accessibility</li> <li>• Investment in digitalization</li> <li>• Sustainability</li> <li>• Corporate governance</li> </ul>
<b>Enablers</b>	<ul style="list-style-type: none"> <li>• Product revamping</li> <li>• Process re-engineering</li> <li>• Operational excellence</li> <li>• Lending capabilities</li> </ul>

## STRATEGIC PRIORITIES

### 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

We are anticipating that single digit interest rate will roll out from April, 2020. In response to that we have to lower our cost of fund to keep a spread that will 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.

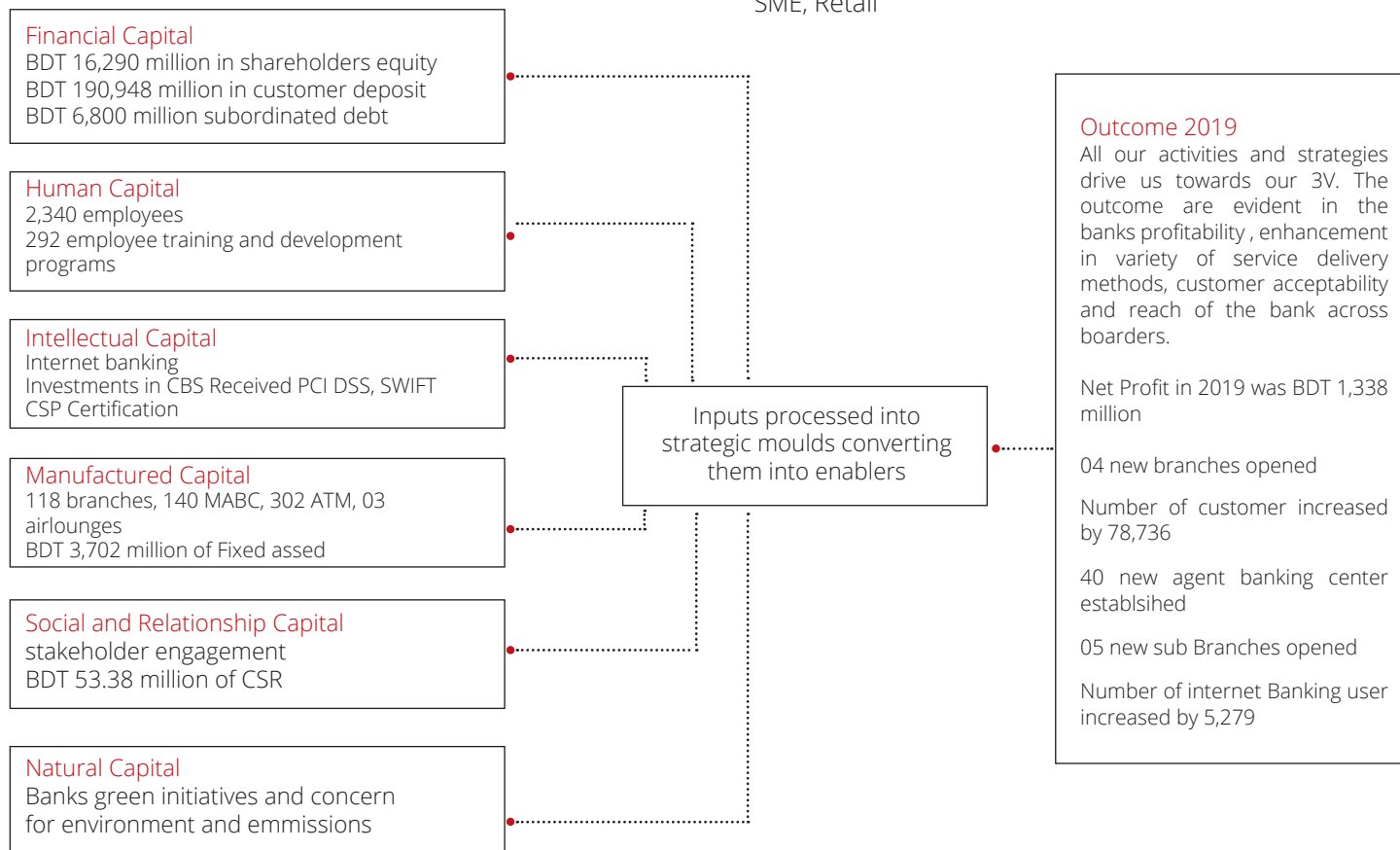
[Find out more in Business Model Flexibility for Adapting to Change Forces, Intellectual capital.](#)

### 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

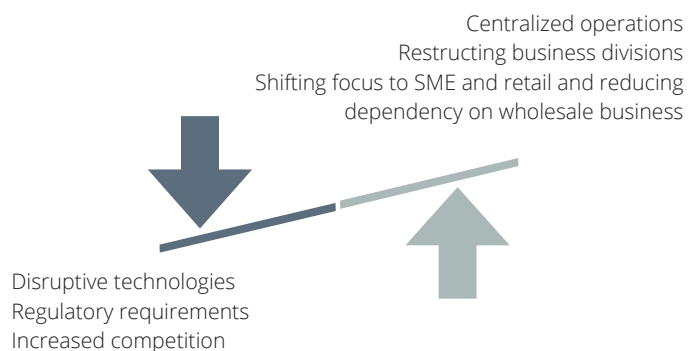
portfolio share of the later divisions. Expanding market for retail and SME divisions will bring more individual and small business client base into the bank while increasing the revenue stream with existing capital base. Read more in Business Divisional Overview- Wholesale, SME, Retail



## 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 fintechs, 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.



# COVID-19 IMPACT ANALYSIS AND MANAGEMENT

## COVID-19 Impact Analysis

### GLOBAL SITUATION

The COVID-19 pandemic has created global crisis of a completely different magnitude and one that requires a response of unprecedented scale. As we finalize this reporting on early June 2020, more than 10 million confirmed cases has been reported with death toll to 0.50 million. The rapid rise of COVID-19 cases, together with the wide range of measures to slow the spread of the virus, has slowed economic activity precipitously globally. Growth forecasts for all regions have been severely downgraded. Many countries have avoided more adverse outcomes through sizable fiscal and monetary policy support. The pandemic highlights the urgent need for policy action to cushion its consequences, protect vulnerable populations, and improve countries' capacity to cope with similar future events. It is also critical to address the challenges posed by informality and limited safety nets and undertake reforms that enable strong and sustainable growth.

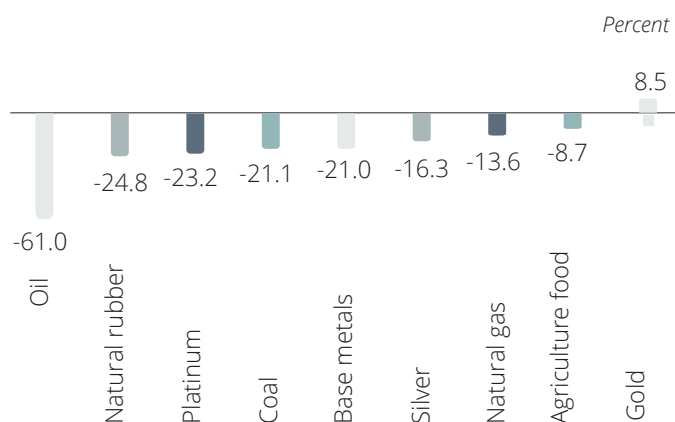
Because of the pandemic, the global economy is forecasted to contract sharply by negative 4.9% in 2020, according to IMF June, 2020 Economic Outlook. World Bank predicted a decline in global per capita GDP by 6.2% in their June, 2020 Global economic prospect, making the scenario much worse than during the 2008-09 financial crisis, in fact the deepest global recession in decades. In a baseline --which anticipates that the pandemic fades in the second half of 2020 and containment efforts can be gradually relaxed-- the global economy is projected to grow by 5.4% in 2021 as economic activity becomes normal, backed by policy support.

Consumption and services output have also dropped markedly due to unique combination of factors- voluntary social distancing, lockdowns needed to slow transmission and allow health care systems to handle rapidly rising caseloads, steep income losses, and weaker consumer confidence. Firms have also cut back on investment when faced with precipitous demand declines, supply interruptions, and uncertain future earnings prospects. Thus, there is a broad-based aggregate demand shock, compounding near-term supply disruptions due to lockdowns. Trade contracted by close to negative 3.5% in the first quarter compared to previous year, reflecting weak demand, the collapse in cross-border tourism, and supply dislocations related to shutdowns. With reduction in consumption and global trade, prices of commodities also declined other than Gold

prices, which in fact plunged as investors resort to gold as safe investment option.

Besides triggering a global recession, the restrictions severely disrupted travel and transport, which account for around two-thirds of oil demand. This has caused precipitous decline in oil consumption.

The steep decline in activities due to restriction put to control COVID-19 comes with a catastrophic hit to the global labor market. According to the International Labour Organization, the global decline in work hours in Q1, 2020 compared to Q4, 2019 was equivalent to the loss of 130 million full-time jobs. The rapid loss in employment likely lead to deep poverty around the world, may be worse scenario since 1990.



Commodity price changes since 20 January, 2020

Source : Bloomberg





## ECONOMIC EFFECTS IN BANGLADESH

Bangladesh economy has been severely impacted. According to Bangladesh Bureau of Statistics, the country had 8.15% GDP growth during FY 2018-19. However, The World Bank revised its prediction that Bangladesh's GDP growth would plunge to 2.0–3.0 % in the 2019-20 and IMF revised the projected GDP growth to 2 % for 2020, a drop of 6 % from 2019.

Beyond the domestic impact of the health crisis, the two main channels through which the Bangladesh economy is being negatively impacted are exports of ready-made garments (RMG) and remittances. The RMG sector accounts for more than eighty percent of the country's exports, i.e. it was 84.21% in the FY 2018-19. The industry has been hit by the cancellation or postponement of several billion US dollars in orders from major retailers in importing countries, while overall exports fell by 83 % year-on-year in April. With the decreased export activities, the industry might start laying off its employees to cut costs, increasing unemployment in the country, though it has been discouraged by the government.

## IMPLICATION FOR BANKING SECTOR

Business activities of majority of the organizations interrupted because of the lockdown, starting from 25 March, 2020. In addition RMG businesses started losing their affirmed orders. With limited operations, banks continued to face reduction in earnings from non-interest income sources. In addition, implementation of 9-6% interest rate cap has created additional challenges in banking industry.

One of the significant difficulties for the banks is the ascent in the Non-performing Advances (NPL) notwithstanding the credit hazard. Bangladesh Bank released a circular ordering not to change the status of the borrower up to September 2020. Under such conditions, repayment ability of current borrower is probably going to collapse. In an adverse business condition, both the borrowers and the banks will, in this manner, be confronted with another test. This will eventually influence the liquidity status of the banking industry making it hard for the banks to maintain Advance-Deposit Ratio. The continuous financial downturn coming because of COVID-19 will likewise create downtrend in the remittance inflow. Disruption in businesses, loss of jobs and sources of income will lead to less buying power and saving capacity of people. To survive the financial crisis, the depositors are most likely to withdraw their deposits affecting the fund inflow of the banks. Government has focused on maintaining liquidity in the market, but banks

may have to struggle to survive with reducing scope of earnings and to maintain regulatory requirements.

## BANGLADESH GOVERNMENT'S RESPONSE TO COVID-19

### General Holiday

On March 23, the government declared a general holiday from March 26 to May 30, leading to the closure of government offices, private offices, and courts, and shorter operating hours for commercial banks. On May 28, the authorities announced that closures and movement restrictions would be gradually lifted starting May 31.

### Economic Stimulus Initiatives

- At end-March, 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 programs that benefit the poor.
- On March 31, the Ministry of Finance announced a BDT 50 billion (about USD 588 million) stimulus package for exporting industries for meeting working capital requirements, to be channeled through Bangladesh Bank operated refinance scheme. In addition, interest payments on up to BDT 500 billion in working capital loans will be subsidized, that were disbursed by scheduled banks to businesses.
- 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 focus of Bangladesh Bank (BB) is to ensure that there is adequate liquidity in the financial system to support the operations of financial institutions, and bills from banks. The repo rate was lowered from 6 % to 5.25 %. The CRR was reduced from 5 % to 3.5 % (daily-basis) and from 5.5 % to 4 % (bi-weekly basis). Also advance-deposit ratio (ADR) and investment-deposit ratio (IDR) was raised by 2 % to facilitate credit to the private sector and improve liquidity in the banking system.
- BB has created several refinancing schemes amounting to a total of BDT 380 billion and a 360-day tenor special repo facility to support exporters, farmers and to facilitate the

implementation of the government stimulus packages. To further support farmers, BB also announced an agriculture subsidy program.

## MTB RESPONSES AFTER COVID-19

**"I'm safe means WE are safe, the COUNTRY is safe."**

While the circumstances leading to this outbreak are largely out of our control, at MTB we manage the escalating spread by being proactive and responsible. We have implemented precautionary and preventative actions to help ensure the health and wellbeing of all our staff, clients and other

- All conferences, functions, training and other events are still prohibited.
- The health and safety of our staff remain paramount and we have increased focus on sanitation and health practices.
- "MTB COVID 19 Risk Management Guidelines" was issued to live and perform during this pandemic with 'new normal' view.
- Launched MTB COVID Reporter App, which can track employees with health issues and reach out for necessary assistance.

### Clients

- While there has been changes to how we operate, providing excellent service to all our clients and maintaining all MTB business operations and services at the highest level possible continue as before.
- We continue to enable and educate our clients around banking through our mobile and web capabilities. Clients are encouraged to use MTB digital channels and other self-service options, so they stay safe by doing their banking at home with all the security they require.
- MTB is committed to supporting clients during this time of uncertainty. As per directions from Bangladesh Government and later by Bangladesh Bank, deferred DPS allowed without any additional charges.
- We are working alongside and support our clients with suitable individual solutions to manage cash flow challenges they may experience. This support includes deferring payments till June 2020, rolling out the stimulus package initiated by the government to assist clients manage short-term cash flow shortfalls.
- The bank introduced few deposit products suitable for COVID-19 situation.

নভেল করোনাভাইরাসের প্রাদুর্ভাবের মধ্যে নিজেদের সাধ্যমত জনসচেতনতা সৃষ্টির পরিকল্পনার পাশাপাশি সক্রিয় রোগে সতর্কতা হিসেবে মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড (এমটিবি) তার কর্মীদের একটি উল্লেখযোগ্য সংখ্যক অংশকে বাসায় বসে কাজ করার সুযোগ করে দিয়েছে।

উচ্চ মারায় হোয়াতে কভিড-১৯-এর প্রাদুর্ভাবের মধ্যে ব্যাংকের কর্মসূচী সংকুচিত করার পাশাপাশি, ব্যাংকের কর্মী ও তাদের পরিবার তথা সামগ্রিকভাবে রাস্ট্রীয় নিরাপত্তার বিষয়টি বিবেচনায় নিয়ে বাসায় বসে কাজ (Work from Home) করার নীতি গ্রহণ করেছে। এই কর্মসূচীর আওতায়, ২২ মার্চ, ২০২০ থেকে ০৪ এপ্রিল, ২০২০ পর্যন্ত একটি অংশ এই নিরাপত্তামূলক ব্যবস্থার মধ্যে বাসায় বসে কাজ করবেন এবং এরই ধারাবাহিকতাবে আর একটি অংশ ০৫ এপ্রিল, ২০২০ থেকে ১৮ এপ্রিল, ২০২০ পর্যন্ত এই ব্যবস্থার নিজ বাসায় বসে কাজ করার সুযোগ পাবেন।

এছাড়াও এই আপদকালীন সময়ে অফিসে কর্মরত কর্মীদের জন্য প্রয়োজনীয় নিরাপত্তামূলক পদক্ষেপ হিসেবে পর্যাপ্ত স্যানিটাইজার, মাস্ক ইত্যাদির ব্যবস্থা রাখা হয়েছে। উল্লেখ্য, ব্যাংকে আগত গ্রাহকদের জন্যও পর্যাপ্ত স্যানিটাইজার রাখা হয়েছে। এছাড়াও ব্যাংকের সাপোর্ট স্টাফ এবং ড্রাইভারদের জন্য গ্লাভস-এর ব্যবস্থা রাখা হয়েছে। বাহির থেকে আসা প্রয়োজনীয় দাপ্তরিক কাগজ ও চিঠিপত্র জীবাণুনাশ করে অফিসের ভিতরে আনা হয়।

ব্যাংকের কর্মী ও গ্রাহকদের জন্য এমটিবির পক্ষ থেকে এসব সচেতনামূলক পদক্ষেপ নেয়া হয়েছে। আসুন এই জনস্বার্থকালে আমরা সামাজিক নিরাপত্তার প্রয়োজনে সামাজিক দূরত্ব বজায় রাখি।

আসুন মনে মনে সবাই বলি- “আমি নিরাপদ মানে, আমরা নিরাপদ, দেশ নিরাপদ”।

CALL 16219

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

www.mutualtrustbank.com

Below are some of the key actions MTB has implemented to date.

### Staff

- MTB is one of the initial banks which started Work from Home (WFH) at the outset of COVID-19 outbreak in Bangladesh. All staffs who are able to work from home have been allowed to do so – many of the staffs were equipped to work remotely because of our continued focus on technology enablement.
- During the lockdown, only transactional services were operational at the branches. Minimum employees were called to duties during that time.

**MTB RETAIL BANKING**  
pleasure in life

**MTB SHIELD**  
PROTECT YOUR FUTURE

**Country's 1<sup>st</sup> ever Fixed Deposit with COVID - 19 insurance coverage**

**Key features**

- Free COVID-19 & Life Insurance Coverage
- Hassle Free Insurance Enrolment
- Multiple FD accounts can be opened\*
- Priority reservation on COVID 19 tele-consultation at Asgar Ali Hospital & Evercare Hospital Dhaka

\*Conditions apply

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## Society

- If ever there was a time to be the difference that impacts our world; if ever there was a time to be stronger together, the time is now. At MTB we will continue to use our financial expertise, in this difficult time, to do good.
- All MTBians are called upon to embrace our MTB COVID-19 Pledge - "If I am safe means we are safe and country is safe" which requires to be mindful and to set an example not only for other MTBians, but for our families, clients and communities in preventing the spread of Covid-19.
- 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.
- At the very outset of the COVID-19 outbreak, Mutual Trust Bank Limited (MTB), created an emergency fund - MTB COVID-19 Donation Fund. All the employees of the bank donated their one-day salary, which is 70% of the donation fund, 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.

- With a view to curbing the spread of COVID-19 in the capital, the bank, with the support of BUET, built two (2) disinfectant chambers worth BDT 900,000 at Kurmitola General Hospital and Kuwait Moitree Hospital in Dhaka.



## Shareholders

Our focus in this uncertain period remains on credit, liquidity and capital. We are managing emerging risks, monitoring our exposures/positions given material market movements, managing liquidity and capital levels, as well as working with regulators to ensure a stable banking system.

## MTB COVID-19 MANAGEMENT

Issue on Focus	Current and potential scenario	Relevant questions	MTB exertion of plans
<b>Branch/ATM operations</b>	As the pandemic advances, some branches/offices need to close temporarily, or employees may not want to come in to work.  ATMs need to remain open and have enough cash to dispense.	How can banks ensure operational consistency with branch/office operations if there are temporary closings or employee absences?  How can branches sufficiently replenish cash for ATMs?	Branches are operating in reduced working hours and employees are working on rotation  Optimizing opportunities to deliver services solely through digital channels.
<b>Revenue and cost management</b>	Reduced demand for banking products and services.  With Central Bank's 9% interest rate cap, banks' net interest income is challenged	Where potential revenue losses could be the steepest?  With potential declines to net interest income, what options exist to boost noninterest income?	Relevant departments and units are continuously developing and updating understanding of potential revenue hits and outline steps for mitigation
<b>Loan book, collaterals, and exception management</b>	With clients potentially experiencing stressed financial conditions, credit quality/ratings may be affected  Pledged collateral may experience a decline in value.  Customers, both retail and institutional, may resort to minimal or delayed payments on their loan balances.	How can banks best assess and proactively work with clients who may be affected by the virus to renegotiate loan terms and conditions?  Are borrowers/clients at risk of violating loan covenants? Is there an exception management process in place?  Will firms need to increase loan loss provisions?	Finding out which sectors/regions/clients are most at risk  Reaching out to clients with communications and information requests to provide temporary help as appropriate.  Loan loss provisions are maintained as per requirements and direction of Bangladesh Bank

Issue on Focus	Current and potential scenario	Relevant questions	MTB exertion of plans
<b>Liquidity management</b>	<p>The focus of Bangladesh Bank (BB) is to ensure that there is adequate liquidity in the financial system to support the operations of financial institutions, and it has announced that it will buy treasury bonds and bills from banks. The repo rate was lowered from 6 % 5.25 %. The CRR was reduced from 5 % to 3.5 % (daily-basis) and from 5.5 % to 4 % (bi-weekly basis).</p> <p>Also advance-deposit ratio (ADR) and investment-deposit ratio (IDR) was raised by 2 % to facilitate credit to the private sector and improve liquidity in the banking system</p>	<p>If there is a liquidity crunch, what current plans and activation steps are in place?</p> <p>To what degree have they been reassessed in light of recent market conditions?</p>	<p>Adequate liquidity across the enterprise is be ensured regularly. Bank is closely reviewing and monitoring daily liquidity stress testing reporting, limit/threshold monitoring, liquidity coverage ratio (LCR) results, etc..</p> <p>Analysis will be conducted to determine the size and impact of any liquidity shortfall if liquidity stress indicators are being triggered regularly.</p>
<b>Capital management</b>	<p>Risk-weighted assets (RWA) may be impacted by higher charges from increased volatility levels and higher counterparty risks.</p> <p>Banks' loss allowances may be negatively impacted. Also, borrowers may want to refinance at longer maturities to lock in lower interest rates, this could result in additional loss allowances.</p>	<p>How do increased volatility and price movements of assets affect RWA?</p> <p>Does the current economic and market environment warrant additional stress testing? How severe would a worst-case scenario be?</p> <p>With changes in economic assumptions, how will loan loss allowance estimates change?</p>	<p>Assumptions driving the valuation of asset values may be revisited.</p> <p>Additional stress tests with different underlying scenarios specific to COVID-19 should be conducted.</p>
<b>Credit risk</b>	Recent market events may have affected client's credit profile	How should any potential changes to client's creditworthiness be addressed in existing contracts and arrangements?	Assessing existing contracts with counterparties most at risk.
<b>Nonfinancial risks</b>	Nonfinancial risks such as conduct risk/culture, model risk, third-party risk, and cyber risk may also become more pressing.	How can risk controls regarding conduct risk be upheld in alternate work arrangements?	Rethinking risk controls for alternate work arrangements and potential disruptions that could warrant a reassessment of conduct risk, cyber risk, and third-party risk.
<b>Credit ratings</b>	<p>The COVID-19-induced market environment may negatively impact banks' credit rating profile</p> <p>New systemic, country, or other business risk factors may intensify and affect the creditworthiness of borrowers.</p>	<p>How are rating agencies accounting for the changes to these risk factors?</p> <p>How should any potential changes to the credit profiles of counterparties and borrowers resulting from COVID-19 be accounted for?</p>	<p>The bank is staying in active communication with rating agencies and apprise them of changes to the credit standing.</p> <p>Determine whether any rating actions flowing from COVID-19-induced stress would necessitate giving counterparties and borrowers some slack.</p>



Issue on Focus	Current and potential scenario	Relevant questions	MTB exertion of plans
<b>COVID-19 crisis readiness</b>	COVID-19 is disrupting the operations in many ways. Financial institutions have already taken a number of actions, but they may need to do more as the situation evolves.	<p>Has a comprehensive reassessment of exposure to the full vectors of threat been done?</p> <p>How is the policies for pandemics being updated as a result of unfolding events?</p> <p>How is the COVID-19 task force empowered? How their safety is ensured?</p>	<p>Banks is reexamining crisis readiness, running tests, and streamlining decision-making and communication approaches.</p> <p>"MTB COVID 19 Risk Management Guidelines" was issued to live and perform during this pandemic with 'new normal' view.</p> <p>The COVID-19 task force has been be empowered to make decisions, where applicable. The task force is connected to and actively aligned to priorities of the organization.</p> <p>MTB is one of the initial banks which started Work from Home (WFH) and allowed work by rotation.</p>
<b>Communications</b>	Communicating regularly with various stakeholders grown in importance.	How quickly can tailored communications be initiated with employees, customers, business partners, vendors, investors, regulators, etc., across offices, regions, and businesses, nationally and internationally?	MTB has been seamlessly communicating with its stakeholders through various channels, i.e. 24/7 contact center, SMS, E-mails, Social media pages, MTB Smart Banking App, Mnet etc.
<b>Monitoring and review</b>	The evolving developments regarding COVID-19 call for institutions to be agile/flexible.	<p>Are plans, policies, and procedures adaptive and flexible, and are they in line with national and local regulations and laws?</p> <p>Is there a clear governance mechanism in place if the pandemic worsens?</p>	<p>Actively monitoring results and iterating as needed.</p> <p>Policies, procedures, and plans are in line with current local, state, and national laws, and any updates.</p>
<b>Flexibility and remote work</b>	As the situation continues to rapidly develop, alternate work arrangements are being implemented to limit the spread of the illness and ensure employee safety.	<p>What flexibility and remote work policies are currently in place?</p> <p>Have flexible or rotating schedules been considered?</p> <p>What are the risks associated with remote work?</p> <p>Do organizations have tools and solutions to implement remote work?</p>	<p>Employees were allowed to Work From Home (WFH) and attend office on rotation basis from March.2020</p> <p>Where complete WFH is not possible, i.e. at branches, rotation basis work is allowed.</p> <p>Cyber risks are being constantly monitored and security measures updated</p> <p>Employees are provided with VPN connected laptops on priority basis.</p>

Issue on Focus	Current and potential scenario	Relevant questions	MTB exertion of plans
<b>Infrastructure/capacity</b>	To enable flexible or remote work, organizations need to have the right infrastructure in place.	Is the necessary technical infrastructure in place to support alternate work arrangements, and how secure is it? Which existing tools could enable remote work collaboration?	Employees can connect to the office through remote access and VPN connections, which have been enabled to allow employees work from home.
<b>Quality of work/ productivity and employee well-being</b>	The spread of COVID-19 could result in further work disruptions and delays, as governments, public transportation agencies, and educational institutions adjust their practices and policies.	How can organizations ensure that the quality of work and productivity remain high?  How can organizations ensure they are nimble enough to adjust workflows if work needs to be reprioritized?  How can they modify plans to sustain employee engagement, well-being, and motivation?	Priority is set for projects, workflows, and deliverables, and communication is made seamless so that employees are properly aware.  Regular follow up messages from MD& CEO with instructions from the well beings of the employees
<b>Digital/IT infrastructure</b>	There may be increased demands on organizations' digital infrastructure to replace manual operations.	Are digital banking, payments, trading platforms, and other systems robust and resilient enough to handle disruption?	MTB has adequately invested in digitalization. There are continuous testing and planning for alternate capacity to process and continue to deliver services whenever possible.
<b>Tax, financial, and regulatory compliance reporting</b>	Looming deadlines for tax filings, financial reporting, and regulatory compliance reporting may be jeopardized due to operational disruptions	How would changes to operations and alternate work arrangements or reduced capacity affect tax filings, financial reporting, and regulatory compliance reporting?	MTB is sincere about meeting deadlines. Proactive communication with tax authorities and regulators, such as the NBR, VAT authorities is always our priority task.

# CORPORATE GOVERNANCE



## **Infrastructural Investment**

Infrastructural Investment is essential for the long term economic development of a country. Key infrastructure assets create additional economic benefits by supporting urbanisation and industrial growth and providing better access to adjoining countries and stronger trade links. This, in turn, accelerates growth in GDP per capita and therefore the ability to derive greater financial returns. Bangladesh has become a melting pot of such development in varied sectors from roads and highways to power plants. According to AIIIB, there continues to be significant infrastructure investment opportunities across Asia, including in Bangladesh, despite current market uncertainty and short-term challenges.

# MEMBERS OF THE EXECUTIVE COMMITTEE



**01** Mr. Syed Manzur Elahi  
Director (Founding Chairman)  
Chairman

**02** Mr. Md. Hedayetullah  
Chairman  
Member

**03** Mr. M.A. Rouf, JP  
Director  
Member

**04** Mr. Md. Abdul Malek  
Director  
Member

**05** Mr. Md. Wakiluddin  
Director  
Member

**06** Ms. Anika Chowdhury  
Director  
Member

**07** Mr. Syed Mahbubur Rahman  
Managing Director & CEO  
Member



# MEMBERS OF THE BOARD AUDIT COMMITTEE



01

**Ms. Nasreen Sattar**

Independent Director

Chairman

04

**Mr. Herbert Ludwig Jaeger**

Director

Member

02

**Mrs. Khwaja Nargis Hossain**

Vice Chairman

Member

05

**Mr. M. Mokammel Haque**

Independent Director

Member

03

**Mr. Rashed Ahmed Chowdhury**

Director

Member

# MEMBERS OF THE BOARD RISK MANAGEMENT COMMITTEE



**01** Dr. Arif Dowla  
Director  
Chairman

**02** Mr. Md. Hedayetullah  
Chairman  
Member

**03** Mr. M. A. Rouf, JP  
Director  
Member

**04** Mr. Md. Abdul Malek  
Director  
Member

**05** Mr. Md. Manirul Islam  
Director  
Member

# ASSET LIABILITY COMMITTEE (ALCO)



- |   |  |
|---|--|
| <b>01</b> Mr. Syed Mahbubur Rahman<br>Managing Director & CEO<br>Chairman | <b>05</b> Mr. Sayed Abul Hashem FCA, FCMA<br>SEVP & GCFO<br>Member |
| <b>02</b> Mr. Syed Rafiqul Haq<br>AMD & CBO<br>Member                     | <b>06</b> Mr. Md. Bakhteyer Hossain<br>SEVP & OBU<br>Member        |
| <b>03</b> Mr. Chowdhury Akhtar Asif<br>AMD & GCRO<br>Member               | <b>07</b> Mr. Md. Shamsul Islam<br>SEVP & GHoT<br>Member           |
| <b>04</b> Mr. Tarek Reaz Khan<br>DMD & COO & CAMLCO<br>Member             | <b>08</b> Mr. Kamrul Hasan Khan<br>SEVP & HoWBD<br>Member          |

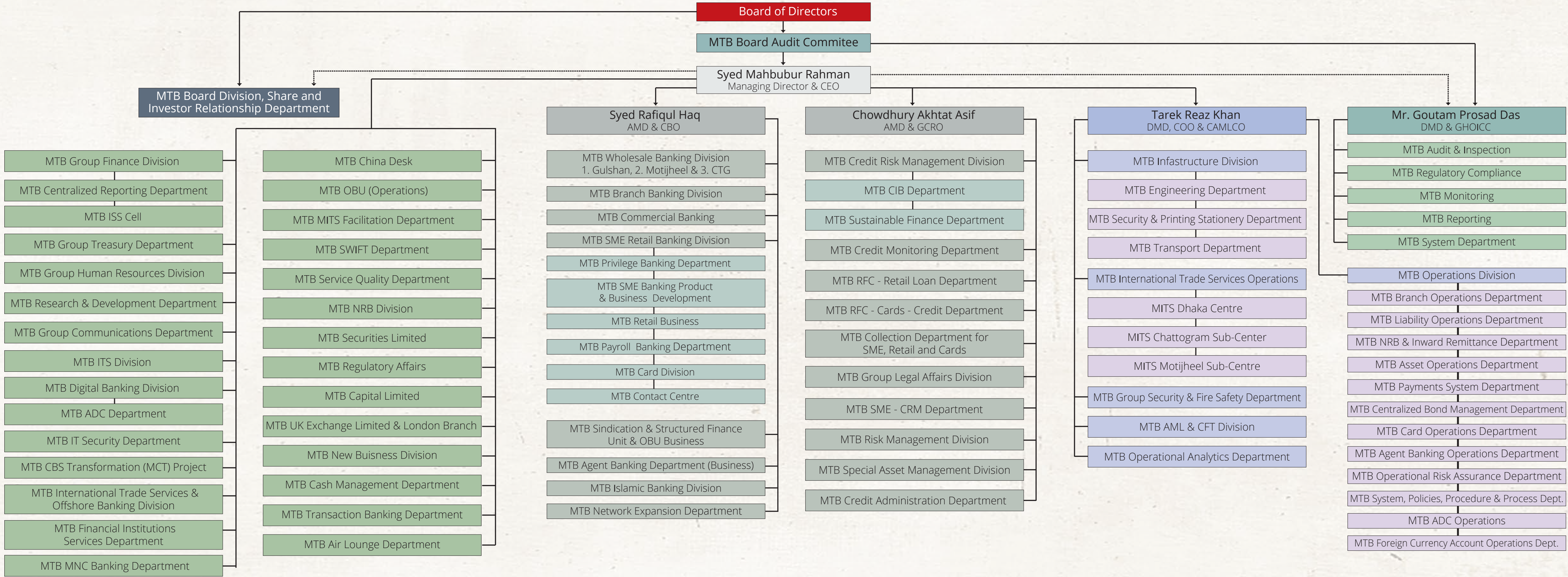
# SENIOR MANAGEMENT

Name	Designation
Mr. Syed Mahbubur Rahman	MD & CEO
Mr. Syed Rafiqul Haq	AMD & CBO
Mr. Chowdhury Akther Asif	AMD & GCRO
Mr. Goutam Prosad Das	DMD & GHOICC
Mr. Tarek Reaz Khan	DMD, COO & CAMLCO
Syed Rafiqul Hossain	SEVP
Sayed Abul Hashem FCA, FCMA	SEVP
Md. Khalid Mahmood Khan	SEVP
Abdul Mannan	SEVP
Azad Shamsi	SEVP
Md. Bakhteyar Hossain	SEVP
Khondaker Rahimuzzaman	SEVP
Malik Muntasir Reza	SEVP
Nurul Maruf Khan	SEVP
Md. Shah Alam Patwary	SEVP
Md. Shamsul Islam	SEVP
Kamrul Hasan Khan	SEVP
Md Nazrul Islam Mazumder	SEVP
Khairul Bashar Abu Taher Mohammed	SEVP
Syed Mahbub Morshed	SEVP
Shyamol Boran Das	SEVP
Usman Rashed Muyeen	SEVP
Mohammed Ishaque	EVP
Md. Zahidul Kabir	EVP
Md. Amirul Islam	EVP
Syed Mahmud Akhter	EVP
Marcus Cornelius Gomes	EVP
Mohammad Anwar Hossain	EVP
Md. Anisur Rahman	EVP
Mohammad Mamun Faruk	EVP
Amitav Kaiser	EVP
K. M. Abdul Wadood	EVP
Galib Hamid Protik	EVP
Shafayat Ullah	EVP
Mir Iqbal Hossain	EVP

Name	Designation
Md. Habibur Rahman	EVP
Md. Shamsul Alam	SVP
Touhid Ahmed	SVP
Suvash Chandra Biswas	SVP
Salek Sabbir Ahmed	SVP
Mohammad Shaheen Khan	SVP
Azam Khan	SVP
Md. Ifthakhar Hassan	SVP
Mohammad Rajib Hossain	SVP
Abu Zafar Md. Saleh	SVP
Md. Humayun Kabir	SVP
Md. Towfiqul Alam Chowdhury	SVP
Md. Tauhidul Alam	SVP
Md. Humayun Kabir	SVP
Md. Ashraful Islam	SVP
Khair Uddin Khan	SVP
Md. Shoab Khan Chowdhury	SVP
Giash Uddin Ahmed	SVP
Md. Azam Ali Khan	SVP
Md. Ehethesham Rahman	SVP
Eva Rahman	SVP
Ashraf Ur Rahman Chowdhury	SVP
Madan Mahan Karmoker	SVP
Md. Saiful Islam	SVP
Reaz Ahmed	SVP
Md. Moazzam Hossain	SVP
Iqbal Mahmud	SVP
Mohammad Ikramul Ghani Khan	SVP
Md. Aminul Islam	SVP
Mohammad Zahidul Ahasan	SVP
Sultana Shikder Ahona	SVP
Ashraf Uddin Ahmed	SVP
Khalid Munir Kanak	SVP
Khalid Hossin	SVP
Sanjib Kumar Dey	SVP



# MTB GROUP ORGANOGRAM





# 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 21st 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 already declining Global economy started with hopes of recovery in 2019, but it ultimately ended with further weakening situation. Idiosyncratic factors such as US-China trade tension, disruptions to the auto sector in Germany, disasters in Japan etc caused heavy toll on world economy. Rising trade barriers and associated uncertainty weighed on business sentiment and activity globally. Moreover, country specific weaknesses in large emerging market economies such as Brazil, India, Mexico, and Russia, geopolitical tensions in Iran, and social unrest in Venezuela, Libya, and Yemen rounded out the difficult picture. The year 2019 ended with Global GDP growth 2.9% which is much less than initially predicted 3.3% growth in the beginning of the year, also a reduction from global growth of 3.6% in the year 2018.

Global growth was projected to rise from 2.9 percent in 2019 to 3.3 percent in 2020, according to IMF. However, with the sudden unfolding of COVID-19 in China during January, 2020, wide range of measures to slow the spread of the virus were adopted. Those measures slowed economic activities and changed global growth calculation for 2020 rapidly. In the World Economic Outlook, June, 2020, IMF forecasted the global economy to contract sharply by negative (4.9) percent, which is the deepest global recession since World War II. In 2021 global growth is projected at 5.4 percent, upon successful containment of the virus and normalization of economic activities. The current scenario of the pandemic COVID-19 has caused steep decline in oil prices, rising unemployment rate and may lead to extreme poverty scenario in the world since the 1990s.

## Bangladesh Economy

While the whole world experienced slow growth year, Bangladesh economy grew at a faster pace than most major nations in 2019 and it became the 39st largest economy of the world in 2019. As per Bangladesh Bureau of Statistics (BBS) data, the country registered a 8.15% GDP growth in 2018-19, maintaining the 7% trajectory for the fourth consecutive time, driven by double-digit growth in manufacturing and construction sector. The rise in construction growth is attributable to progress in implementation of mega projects and increased growth in housing construction. After a modest performance last year, export earnings and remittances have bounced back helping the rural economy grow faster. The extraordinary growth momentum of the country has also been endorsed by major international agencies. The International Monetary Fund (IMF) marked Bangladesh as the second fastest growing economy in 2018-19. With a booming population of more than 160 million, Bangladesh offers a great market to the region and beyond in terms of investment, productivity and consumption. Currently, all most all the economic indicators are exhibiting shining results with robust private consumption, increased public investment, strong export performance, and expansion in industries. The Bangladeshi economy's journey to glory is only getting accelerated with the per capita income growing as high as USD 1,909 and approaching towards the USD 2,000 mark.

The budgetary projection of the current fiscal year 2019-20 was 8.2 percent, but economy has been hit hard on arrival of COVID-19, which was first identified in the country during March, 2020. Government took several measures to contain the spread of virus and due to those measures economy has been severely impacted in the current year. The two main channels through which the Bangladesh economy is being negatively impacted are exports of ready-made garments (RMG) and remittances. The industry has been hit by the cancellation or postponement of several billion US dollars in orders from major retailers in importing countries and remittance inflows started declining from January 2020. Moreover, while Bangladesh was forced to endure lockdowns to tackle the Covid-19 pandemic, these lockdowns had a crippling effect on workers and businesses across the country. Government has already relaxed the lockdown, and announced bail-out and stimulus packages for recovery. However, the severity of COVID-19 effects are still uncertain as it depends on how long the pandemic extends.

## Banking Industry

Despite the default loan concerns in banking sector in 2019, the year was rewarding for the industry as most of the private commercial banks reported hefty operating profit, mainly because the banks put more emphasis on maximizing non-funded business income and accumulating low cost deposits, that cut down costs and pushed up profits. During the phase of the year, the overall industry went through massive technological transformation. As, globally the way people and companies connect with their banks are getting changed. Hence, technological adoption in Bangladesh's financial industry is also gathering pace. The main challenges that the sector encountered during the year was ensuring cyber security and dealing with the pressure of non-performing loans.

The NPL of the banking sector eased slightly to 9.32% of the total outstanding loans of BDT 12,884.31 billion at the end of December 2019 mainly due to recovery efforts and loan rescheduling. At the end of September 2018, the number of banks non-compliant with the minimum capital to risk-weighted assets ratio (CRAR) were 11 out of 60. Banking sector's aggregate CRAR at the end of September 2019 was 11.65%, which was reported to be 10.90% at the end of December 2018.

Total deposit of the scheduled banks was reported to be BDT 11,370 billion at the end of December 2019, increased by BDT 1,270 billion (12.57%) from BDT 11,100 billion of December 2018. Advances by banks recorded an increase of BDT 1,523 billion or 13.41% to be BDT 12,884 billion at the end of December 2019 compared to BDT 11,361 billion of December 2018. The spread between weighted average advances and deposit rates came down to 3.87% in December 2019 from 4.23% of December 2018 on account of banks preparation for bringing the interest rates to single digit from April 2020 as per directions of Bangladesh Bank (BB).

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, issued a circular not to change the classification status of the borrower up to September 2020. 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. Also export-import activities and remittance inflows have declined, reducing banks earnings from non-funded sources and commissions' income. In addition, the 9% lending cap

rolled out from April, 2020, creating stress for the banks to keep up profit level. Income level of people has reduced substantially, thus depositors are liquidating savings and the situation will ultimately affect the liquidity status of the banking sector. The Government has declared different stimulus packages of more than BDT 1.0 Trillion for the business entities for the survival of different industries of the country and the entire fund is supposed to be channeled through the banking sector. Moreover, Bangladesh Bank also instructed not to classify any customer till September 2020. The repo rate was lowered from 6 percent to 5.75 percent effective March 24th and was further reduced to 5.25 percent effective April 12. 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. BB has also raised the advance-deposit ratio (ADR) by 2 percent to facilitate credit to the private sector and improve liquidity in the banking system. Banking sector is the heart of an economy, strong policies and recovery plans for post-pandemic period can ensure sustainability of the industry.

## Core Banking Software (CBS) Transformation: Investing in Future

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 had been 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. CBS Project Team and Consultants engaged in a) AS-IS & b) TO-BE and document finalization with all departments, divisions at Corporate Head Office and Branches. In parallel 140 internal, 2 meetings with BUET experts, MTB stakeholders and 4 analytical presentations to different Board Meetings by Project Director.

Currently, the CBS implementation team is engaged in multiple activities with one mission to Go-Live in 2020.

## MTB at a Glance

During 2019, MTB gained 14.20% and 14.92% growth over 2018 in risk assets and customers liabilities, respectively. Despite a stiff environment, the bank ended the year with

a credit-deposit ratio of 83.38%. In 2019, the number of branches across the country reached 118, agent banking centers expanded to 140, 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 June, 2019 MTB opened its third Air Lounge at Osmani International Airport (OIA), Sylhet.

The bank is moving towards centralization and to execute the process liability and assets will be centralized in the very first phase. The bank is also going to open banking Sub-branches as a part of guidelines given by central bank. Moreover, creation of Islamic Banking wing is also under consideration of the management.

## 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 Six hundred foreign correspondent banks.

Currently, the bank has a network of 118 branches, which includes SME/Agri branches and two booths at Hazrat

Shahjalal International Airport (arrival and departure lounges), Dhaka, 140 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. Launching the 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 provision 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, viz., (i) Credit Policy with Credit Risk Management Guidelines (ii) Asset Liability Management Manual (iii) ICC Policy (iv) Money Laundering (ML) & Terrorist Financing (TF) Risk Management Policy Guideline (v) Foreign Exchange Risk Management Policy & Guideline (vi) ICT Policy (vii) Wholesale Borrowing and Funding Guidelines (viii) Liquidity Contingency Plan (ix) Management Action Trigger Points (x) Anti-Fraud Policy (xi) Valuation Methodology of Collateral (xii) Internal Capital Adequacy Assessment Policy (ICAAP), and (xiii) Compliance Manual. 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 Landscape.

## 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 programs, 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. A total of 1,925 employees

were given training both at home and abroad in different fields of banking and management practices in 2019.

## 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 during the year 2019, details of which are given in the “Sustainability Analysis- Corporate Social Responsibility” part of this Annual Report.

## 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 2013), 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 2019, 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 2019 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.

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## 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, (as amended up to date), 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 program 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 program. 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) as adopted by The Institute of Chartered Accountants of Bangladesh, the Bank Companies Act, 1991, (as amended in 2013), 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.

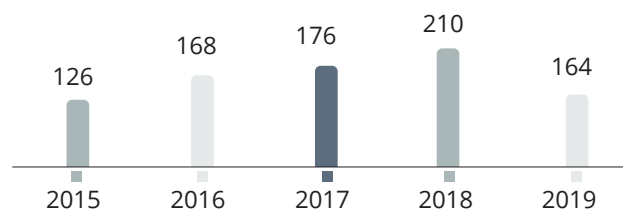
Review Report on MTB Operations, Products and Services  
A review on the bank's operational activities is given in detail in the later part of this Annual Report. Brief review reports of the bank and its subsidiaries are as follows:

## 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 14 strategically located offices spread across the country. During the year 2019, the company made an operating profit of BDT 164.07 million as against BDT 210.07 million in 2018.

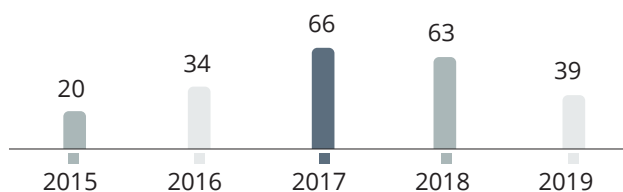
BDT in million



### 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 2019, the company made an operating profit of BDT 39.20 million as against BDT 62.76 million in 2018.

BDT in million



### 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 2019, the company made an operating profit of BDT 8.44 million as against BDT 3.14 million in 2018.

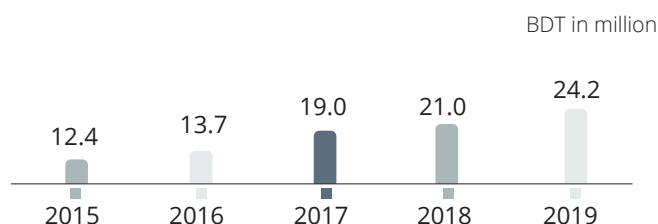
### Offshore Banking

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 145.43 million in December 2019 compared to USD 136.99 million in 2018, with a growth of 6.16%. In 2019, the OBU's operating profit stood at USD 1.46 million, equivalent to BDT 123.66 million, as against USD 0.96 million, equivalent to BDT 80.38 million, in 2018.



## Capital Management

As per Bangladesh Bank's guideline, from the beginning of 2019, 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 6.0 percent 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 3.15 billion and stood at BDT 24.19 billion in 2019. Tier-I capital grew by BDT 2.96 billion, and was recorded at BDT 14.54 billion in 2019. Total capital is now equivalent to 12.91% of total risk weighted assets. The details of capital adequacy and capital management are given in the "Market Discipline- Disclosures on Risk Based Capital (Basel-III)" chapter of this Annual Report.



## Financial Analysis

This section depicts performance and position for the year 2019. 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 (Page 335). Comparison for the performance and position with peer industry, future plan and projection is discussed under Managing Director and CEO's Statement (Page 57).

## Total Assets

The consolidated assets of the bank stood at BDT 256.91 billion in 2019 compared to BDT 222.46 billion in 2018. Total assets of MTB stood at BDT 256.06 billion in 2019 compared to BDT 221.83 billion in 2018, with a growth of 15.43%. 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

## 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 14.56 billion in 2019 compared to BDT 12.30 billion in 2018 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 3.59 billion in 2019 compared to BDT 4.76 billion in 2018. This was BDT 3.45 billion in 2019 compared to BDT 4.54 billion in 2018 for MTB only.

BDT in billion

Particulars	2019	2018	Growth
Deposits	190.95	166.16	14.92%
Advances	189.73	166.15	14.20%
Funds Under Management (FUM)	380.68	332.31	14.56%

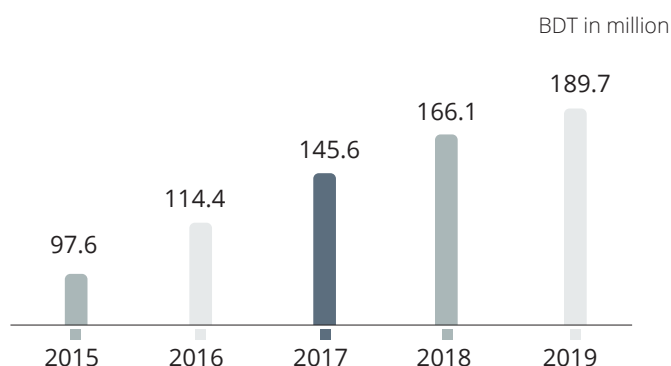


## Investments

MTB's consolidated investments increased during the year under review by BDT 6.79 billion to BDT 34.20 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 189.73 billion in 2019. Outstanding loans and advances of off-shore banking units was BDT 12.35 billion in 2019 compared to BDT 11.49 billion in 2018. Yield on loans and advances increased to 10.44% in 2019 from 10.07% in 2018 due to increase 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 5.39%, which was much below the industry average of 9.32% in 2019.



## Liabilities

The consolidated total liabilities of the bank stood at BDT 240.62 billion in 2019 compared to BDT 209.14 billion in 2018. MTB's total liabilities rose to BDT 240.14 billion in 2019 from BDT 208.80 billion in 2018, with a growth of 15.01%. The increase in liability was mainly due to growth in deposits, other liabilities and borrowings.

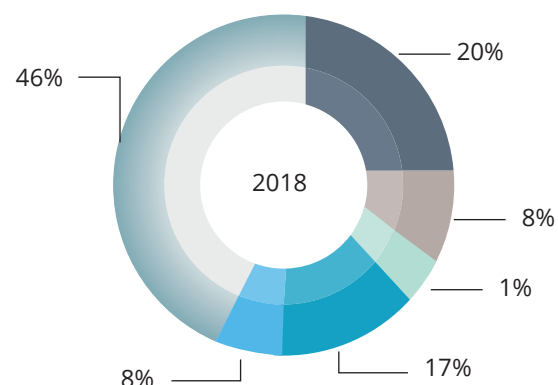
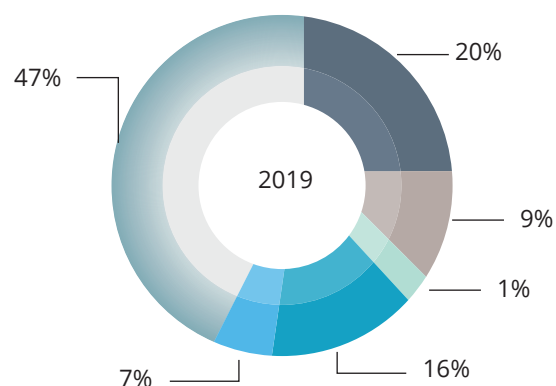
## Deposits and Other Accounts

MTB's consolidated deposits grew by 14.92% to BDT 190.95 billion in 2019. The growth was supported by a wide range of branch network, spread throughout the country. With 118 branches and 302 ATMs, MTB was able to acquire more low cost funds in 2019. Fixed deposits accounted for 47.69% of the total deposits. Cost of deposit increased to 6.52% in 2019 compared to 5.96% in 2018.

BDT in billion

Deposits and Other Accounts	2019	2018	Growth
Current Deposit & Other Accounts	16.35	14.09	16.04%
Bills Payable	1.64	1.70	-3.53%
Savings Deposit	29.88	28.24	5.81%
Special Notice Deposit (SND)	12.93	12.86	0.54%
Fixed Deposit	91.06	77.04	18.20%
Deposit Products	39.07	32.22	21.26%
Total Deposits	190.95	166.16	14.92%

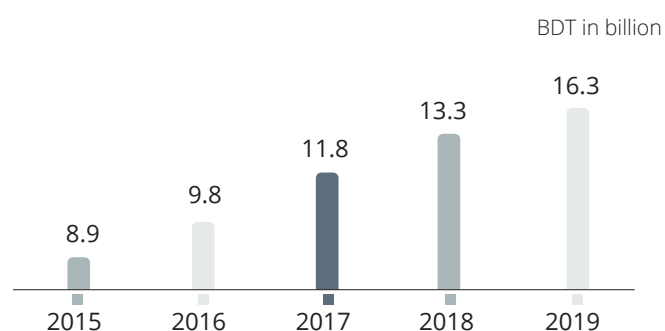
Deposit Mix



- Fixed Deposits
- Deposit Products
- Savings Deposits
- Current Deposits & Other Accounts
- Special Noticed Deposits
- Bills Payable

## Shareholders' Equity

MTB's consolidated shareholders' equity increased by 22.23% to BDT 16.29 billion in 2019. Paid-up capital of the bank increased by 22.69% to BDT 7.03 billion in 2019. Statutory reserves increased by 14.55% to BDT 4.69 billion during the year. Total distributable profit stood at BDT 775.66 million in 2019 after retaining of deferred tax assets of BDT 1,162.24 million.



## Analysis of Consolidated Income Statement of MTB

BDT in million

SL. No	Particulars	2019	2018	Growth
1	Interest Income	18,394	15,687	17.26%
2	Interest Expenditure	12,964	10,436	24.23%
3	Net Interest Margin (NIM)	5,430	5,251	3.40%
4	Net Interest Margin (NIM) Ratio	3.02%	3.34%	-0.32%
5	Income from Investment, Commission, Brokerage & Others	5,777	4,578	26.20%
6	Total Net Income (Net Interest Income + Non Interest Income)	11,207	9,829	14.02%
7	Operating Expenditure	5,967	4,945	20.67%
8	Profit Before Provision	5,240	4,884	7.29%
9	Net Profit after Tax	1,338	1,734	-22.87%

## Interest Income

Interest income increased by 17.26% to BDT 18.39 billion in 2019. The gross yield on advances stood at 10.44% in 2019 compared to 10.07% in 2018.

## Interest Expense

Interest expenditure increased by 24.23% to BDT 12.96 billion in 2019.

## Net Interest Margin

Net Interest Margin (NIM) increased by 3.40% to BDT 5.43 billion in 2019. The increase in interest income contributed largely to the increase in net interest margin. The net interest margin ratio stood at 3.02% in 2019 compared to 3.34% in 2018.

## Income from Investment, Commission and Brokerage and Other Operating Activities

Income from investment, commission, brokerage & others

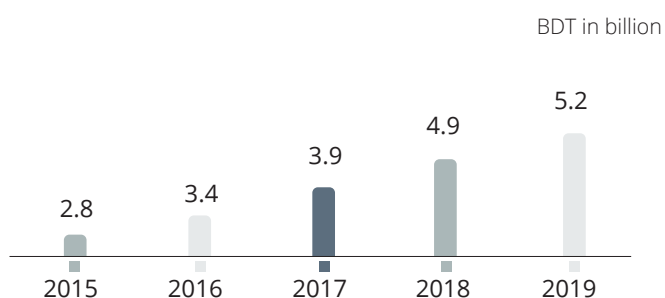
increased to BDT 5.78 billion in 2019 compared to BDT 4.58 billion in 2018.

## Total Operating Expense

Total operating expenses increased by 20.67% percent to BDT 5.97 billion in 2019 compared to BDT 4.95 billion in 2018.

## Total Operating Profit

Total operating profit increased by 7.28% to BDT 5.24 billion during the year 2019 compared to BDT 4.88 billion in 2018.



## Provision for Classified Loans

Total provision against classified loans and advances stood at BDT 3.10 billion in 2019 compared to BDT 3.18 billion in 2018. Provision decreased against classified loans by BDT 84.08 million in 2019. The non-performing loan ratio during the year is given below:

Year	2019	2018
Consolidated NPL Ratio	5.39%	5.39%

## Profit before Tax

Profit before tax stood at BDT 3.10 billion in 2019 with a positive growth of 21.94% as against BDT 2.54 billion in 2018.

## Provision for Income Tax

Due to decrease of specific provision made against classified loan, deferred tax expenses of BDT 101.93 million and provision for income tax stood at BDT 1,761.67 million in 2019 compared to BDT 807.42 million in 2018.

## Net Profit after Tax

Net profit after tax registered a negative growth of 22.87% to BDT 1.34 billion in 2019 compared to BDT 1.73 billion in 2018. Basic earnings per share (EPS) decreased to BDT 2.03 in 2019 compared to BDT 2.73 in 2018 (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 595.95 million was transferred to statutory reserve in 2019.

## Issuance of New Shares & Utilization

During the year 2019 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 Tk.17.1928471 except face value of Tk.10 and the fund is utilized as per Regulatory requirement.

## Dividends

The fund available for distribution was BDT 775.66 million in 2019 after retaining of deferred tax assets of BDT 1,162.24 million. In order to maintain a satisfactory capital adequacy ratio of the bank, the Board has decided to recommend 10 % dividend (5% Stock and 5% Cash) for the year 2019.

Mentionable that, during the year 2019, 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 (Page 57), Management Discussion & Analysis (Page 225) & Shareholders' Information (Page 314)

## 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 147 under 'Corporate Governance Report'

## Shareholding Pattern:

A report on the pattern of shareholding disclosing the aggregate number of shares' is available at page 164 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 165 of 'Corporate Governance Report' as well as under the 'Related Party Transaction'. Details of the executives are stated at page 166 under the same Report.

## Appointment or Reappointment of a Director

Ms. Anika Chowdhury, Mr. Herbert Ludwig Jaeger, Ms. Nasreen Sattar (Independent Director), Mr. M Mokammel Haque (Independent Director), Syed Mahbubur Rahman (Managing Director & CEO) have joined the MTB family in the year 2019. 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 2019.

## Board of Directors' Profile

Brief profile depicting the nature of expertise in specific functional areas of all the directors is available at page 34 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 436 under the segment 'Financial Statements'.

Declaration (certification) by the CEO and CFO has been published in the page 346 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 2019, the bank contributed BDT 3.61 billion to national exchequer as against BDT 2.98 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 2.03 and return on average equity stood at 9.03% during 2019. Market capitalization of MTB stood at BDT 18.64 billion as at December 31, 2019.

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 161 under corporate governance report.

## Appointment of Auditors

The Board of Directors' of the bank in its 20th Annual General Meeting held on June 30, 2019 appointed A. Qasem & Co., Chartered Accountants as External Auditor of the bank for the year 2019.

## Annual General Meeting

The Annual General Meeting of Mutual Trust Bank will be held virtually (using digital platform) on Thursday, August 27, 2020 at 03.00 p.m. The Directors' Report and financial statements were approved at 250th meeting of the Board of Directors of MTB, held on June 30, 2020 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. Hedayetullah  
Chairman



# DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING

The Directors are required to present a report along with the financial statements and place them before the 20th 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, 2019; 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 at 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. Hedayetullah  
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. Therefore, 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 that may pose as a threat to 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 businesses 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 the 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 proper 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 police 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 the Prime Minister's Relief Fund, distribution of bicycles among the unprivileged students of remote areas under a campaign titled "Swapno Sharathi", sponsoring corporate cricket tournament, blood donation, scholarship among the 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 and the social media. 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 and are renowned and pioneers 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, recently 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 the 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 honorarium is given for attending the Board meeting or the meeting of any Committees formed by the Board. As per the circular, the maximum remuneration for attending any meeting of the Board and its Committees has been fixed at BDT 8,000 only.

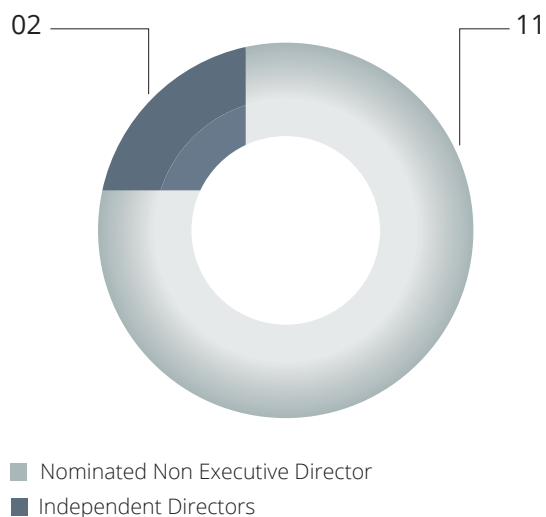
### 8. Independence of Independent Directors and their Adequate Representation

Mutual Trust Bank Limited (MTB) has 2 (two) Independent Directors in the Board. They are Ms. Nasreen Sattar, a renowned banker and Mr. M. Mokammel Haque, a retired Secretary of various ministries of the People's Republic of Bangladesh. 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.

### 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 the Managing Director are kept separate and independent of one another.



Board Structure

## 10. Responsibilities of the Board

### A) Board Structure

At present, there are 14 Board members, including two Independent Directors and Managing Director & CEO. The Board of Directors consists of:

Sl. No	Name of Directors	Position
1.	Mr. Md. Hedayetullah	Chairman
2.	Mrs. Khwaja Nargis Hossain	Vice-Chairman
3.	Mr. Syed Manzur Elahi (Founding Chairman)	Director
4.	Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director
5.	Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director
6.	Mr. M. A. Rouf, JP (Former Chairman)	Director
7.	Mr. Md. Abdul Malek	Director
8.	Mr. Md. Wakiluddin	Director
9.	Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director
10.	Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director
11.	Mr. Herbert Ludwig Jaeger ( Representing NORFUND)	Director
12.	Ms. Nasreen Sattar	Independent Director
13.	Mr. M. Mokammel Haque	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.

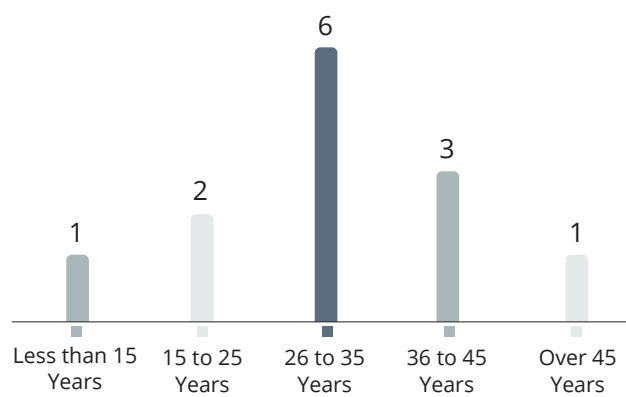
Each director's term of office is prescribed in the Articles of Association, bank company act as well as in the company act. At every Annual General Meeting, one-third of the directors retire. In any subsequent years, the directors, who have been in office the longest, retire. The retiring director may 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, if required.



Directors Length of Service

### Election/Re-election of the Directors

As per Companies Act, each year one-third of the Directors retire from office at the AGM, and, if eligible, as per the bank company act, may offer themselves for re-election by shareholders at the AGM. Accordingly, the following Directors retired at the 20<sup>th</sup> AGM and they were eligible for re-election.

In 2019, Mr. Rashed Ahmed Chowdhury , Director, Mr. M.A. Rouf, JP , Director, Mr. Md. Wakiluddin, Director and Ms. Anika Chowdhury, Director, retired and were re-elected. NORFUND has given a nominee, Mr. Herbert Ludwig Jaeger to represent them in the Board of Directors of MTB. Besides, Mr. Anwarul Amin and Mr. Sultan Hafeez Rahman retired as Independent Directors. Ms. Nasreen Sattar and Mr. M. Mokammel Haque were appointed as new Independent Directors.

### 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. The Bank Company Act, Section 15 (kha) and (ga) gives 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 apprises the shareholders of its opinions/recommendations on plans and strategies. It sets Key Performance Indicators (KPIs) for the CEO and officers immediately two tiers below the CEO, and evaluates 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

1. 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 on 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 programs 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

1. 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.
2. 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



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- 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 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. **Honorarium for attending Board Meeting:** As the CEO is a salaried official of the bank; he will not get any honorarium 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 the CEO

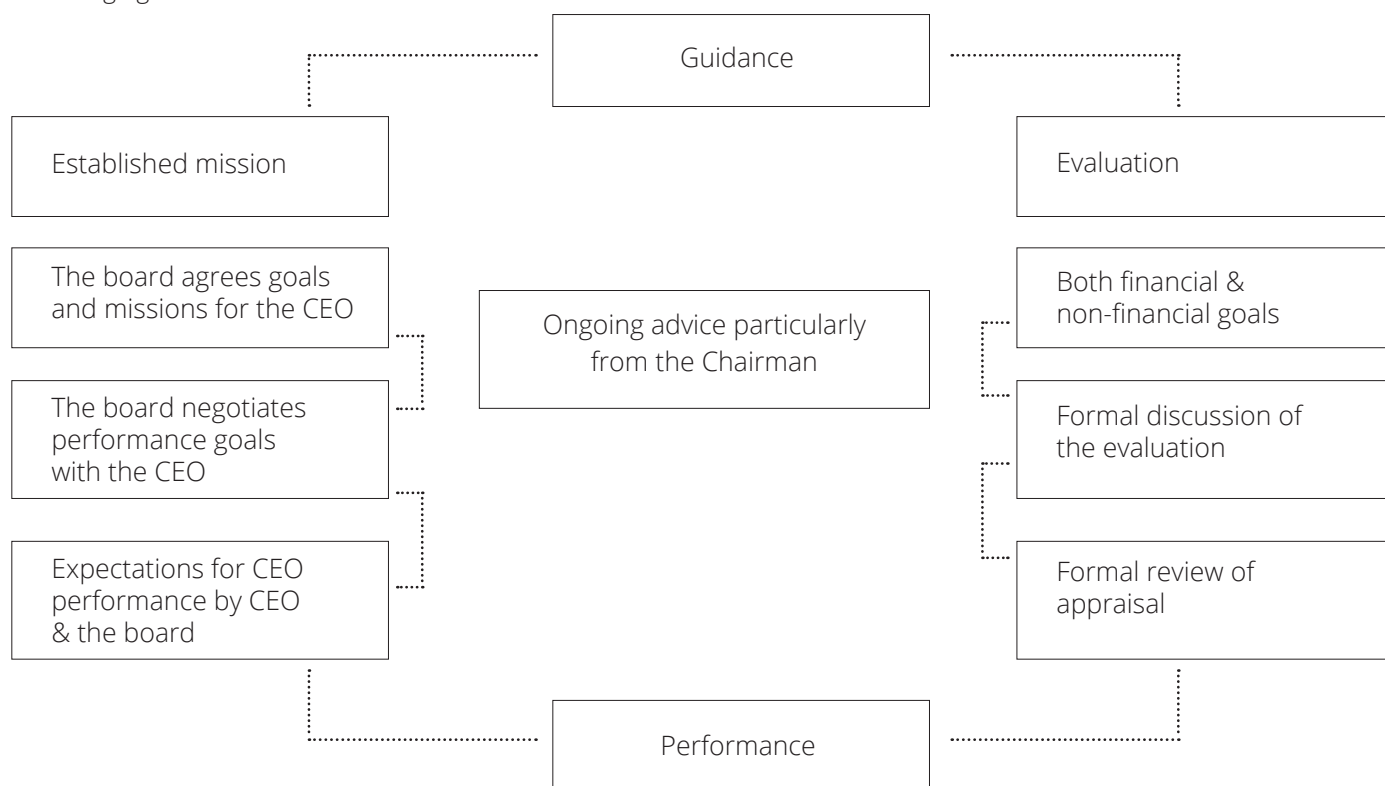
The CEO of the bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:

- 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.



## Establishment of High Level of Ethics and Compliance

MTB's Board of Directors has always been committed and adamant when it comes to establishing a high level of ethical & compliant practices among all the employees of the bank. The Board of Directors constantly encouraged & empowered the administration to ensure that everyone maintains a high ethical standard within the Bank.

### f) Other Responsibilities of the Board

#### 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.

#### l) 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 5 (five) 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.

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## 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 mis-statement 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 intervals 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 2019
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, amends 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 2019;
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 2019, 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 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 2019, the total manpower of the Bank was 2,340 of whom 1,325 work at Bank branches, 944 at the Corporate Head Office, 64 at MTB Securities Ltd. (a subsidiary of the bank), 7 at MTB Capital Ltd. (a subsidiary of the bank).

### (i) Staff Development Program 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 program, and implemented Learning Management System (LMS) via MNet for key mandatory training programs for all staff.

In 2019, the Bank organized 290 training courses, comprising 130 in-house, 135 local/out-sourced and 27 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 also appointed a 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 Performance Management System 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 Policy

The Bank's policy is to maximize shareholders' wealth. As a result, the bank tries to allocate optimum dividend to the shareholders for each operational year, after payment of income tax, transfer of fund to regulatory reserve, provision for loans and advances, etc. The payment of dividend is made within the time prescribed by law and published in a newspaper. With respect to the Bank's subsidiary companies, the decision to declare a dividend payment is at the discretion of the Boards of Directors of that particular subsidiary and is dependent upon the net earnings of the subsidiary.

## 14. Dividend

In order to maintain a satisfactory capital adequacy ratio of the bank, the MTB Board, at its 250th meeting held on June 30, 2020 has approved 10% dividend (i.e 5% in the form of

cash dividend and 5% in the form of stock dividend) for the year 2019 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

## 15. Appointment of Auditor

A. Qasem & Co., Chartered Accountants, is the statutory auditor of the bank. They were appointed as the Auditor at the 20th AGM, held on May 31, 2019. They have completed their 3rd years Audit. As per regulatory guidelines, their engagement with the MTB will expire after the 21th Annual General Meeting (AGM).

## 16. 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.

15. 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 institutions 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 the Institution of Business Administration (IBA), University of Dhaka. During his career, he attended numerous training, seminars and workshop on different aspects 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.

### Md. Shah Alam Patwary,

Senior Executive Vice President & Group Chief Information Officer (GCIO)

Md. Shah Alam Patwary, a Computer Engineer from Bangladesh University of Engineering and Technology (BUET), is serving Mutual Trust Bank (MTB) for more than 11 years with a working experience for more than 24 years in Information Technology. As per BRPD Circular letter no 03 dated March 25, 2018, He is responsible for bank technology and presently he is project manager (IT) for MTB Core Banking System Transformation Project (MCT).

### Mr. Sayed Abul Hashem FCA, FCMA

Senior Executive Vice President & Group Chief Financial Officer (GCFO)

Mr. Hashem is the fellow member of both professional institutes of Bangladesh i.e. The Institute of Chartered Accountants of Bangladesh (ICAB) and The Institute of Cost and Management Accountants of Bangladesh (ICMAB).

The Board has appointed him as Group Chief Financial Officer (GCFO) of the Bank. He attends the meetings of the Board of Directors. Duties of the GCFO include ensuring compliance with the applicable laws and regulations and



corporate governance guidelines and to assist the CEO regarding various issues related with financial operation and control.

### Mr. Malik Muntasir Reza

Senior Executive Vice President & Group Company Secretary

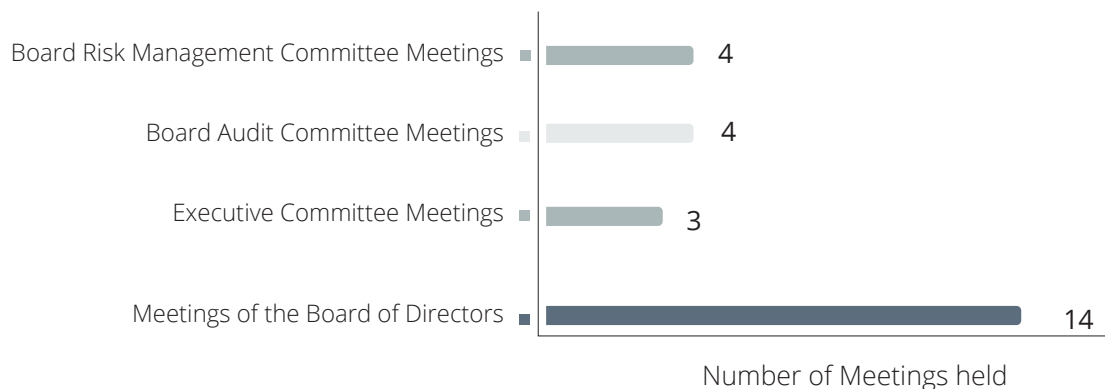
The Board has appointed Mr. Malik Muntasir Reza as Senior Executive Vice President & Group Company Secretary and Secretary to the Board of Directors and its Committees to assist the Board in fulfilling its tasks. Duties of the Secretary include providing advice and ensuring compliance with the applicable laws and regulations, which is consistent with the Corporate Governance Notification.

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. Core Management Committee (CMC)
- ii. Management Committee (MANCOM)
- iii. All Risk Committee (ARC)
- iv. Asset Liability Committee (ALCO)
- v. Credit Evaluation Committee (CEC)
- i. Exception Approval Committee (EAC)
- ii. Supervisory Review Process (SRP) Team
- iii. Group Integrity Committee
- iv. Central BCP (Business Continuity Plan)
- v. Document Preparation Committee
- vi. IT Steering Committee
- vii. IT Security Committee etc.



## Meetings of the Board of Directors

In 2019, meeting attendance of the members of the Board and Board Committees is as follows

Sl	Name of Director	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
1.	Mr. Md. Hedayetullah Chairman	14	14	112,000	
2.	Mrs. Khwaja Nargis Hossain Vice-Chairman	14	9	72,000	Leave of absence was granted
3.	Mr. Syed Manzur Elahi Director & Founding Chairman	14	13	104,000	"
4.	Dr. Arif Dowla Director (Representing Advanced Chemical Industries Ltd.)	14	8	64,000	"

SI	Name of Director	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
5.	Mr. Rashed Ahmed Chowdhury Director (Representing Associated Builders Corporation Ltd.)	14	11	88,000	"
6.	Mr. M. A. Rouf Director	14	13	104,000	"
7.	Mr. Md. Abdul Malek Director	14	13	104,000	"
8.	Mr. Md. Wakiluddin Director	14	11	88,000	
9.	Ms. Anika Chowdhury Director (Representing ASTRAS Ltd.)	13	11	88,000	Appointed on March 03, 2019
10.	Mr. Md. Manirul Islam Director (Representing Pioneer Insurance Company Ltd.)	14	11	88,000	Leave of absence was granted
11.	Mr. Herbert Ludwig Jaeger (Representing Norfund)	7	5	40,000	Nomination given on June 30, 2019
12.	Ms. Nasreen Sattar Independent Director	11	11	88,000	Appointed on April 09, 2019
13.	Mr. M. Mokammel Haque Independent Director	6	6	48,000	Appointed on July 30, 2019
14.	Mr. Anwarul Amin Independent Director	5	3	24,000	Retired on April 29, 2019
15.	Dr. Sultan Hafeez Rahman Independent Director	5	3	24,000	Retired on April 29, 2019
	<b>Total</b>			<b>1,136,000</b>	

### Executive Committee Meetings

SI.	Name of Director	Position	Total Meetings Held	Meetings Attended	Remuneration (BDT 8,000/ Meeting)	Remarks
01	Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman	3	3	24,000	
02	Mr. Md. Hedayetullah Chairman	Member	3	3	24,000	
03	Mr. M.A. Rouf JP Director	Member	3	1	8,000	Leave of absence was granted
04	Mr. Md. Abdul Malek Director	Member	3	3	24,000	
05	Mr. Md. Wakiluddin Director	Member	3	2	16,000	Leave of absence was granted
06	Ms. Anika Chowdhury	Member	2	1	8,000	Appointed on December 29, 2019
07	Mr. Anis A. Khan	Member	3	3	24,000	Retired on November 30, 2019
08	Mr. Syed Mahbubur Rahman	Member	--	--	---	Appointed on December 01, 2019
	<b>Total</b>				<b>128,000</b>	

## 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	Appointed on April 09,2019
02	Mr. Mokammel Haque Independent Director	Member	1	1	8,000	Appointed on July 01,2019
03	Mr. Rashed Ahmed Chowdhury Director	Member	4	2	16,000	Leave of absence was granted
04	Mrs. Khwaja Nargis Hossain Director	Member	4	3	24,000	"
05	Mr. Anwarul Amin Independent Director	Member	1	1	8,000	Retired on April 29,2019
06	Dr. Sultan Hafeez Rahman Independent Director	Member	1	1	8,000	Retired on April 29,2019
	<b>Total</b>				<b>96,000</b>	

## 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 Director	Chairman	4	3	24,000	Leave of absence was granted
02	Mr. Hedayetullah Chairman	Member	4	1	8,000	Leave of absence was granted
03	Mr. M. A. Rouf JP Director	Member	4	3	24,000	Leave of absence was granted
04	Mr. Md. Abdul Malek Director	Member	4	4	32,000	
05	Mr.Md. Manirul Islam Director	Member	4	3	24,000	Leave of absence was granted
	<b>Total</b>				<b>112,000</b>	

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 7,034,594,460 divided into 703,459,446 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:

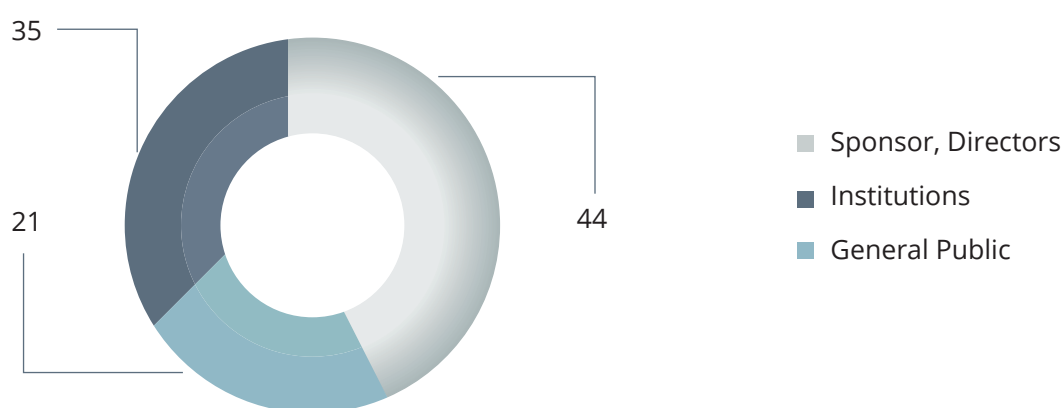
a) Shares held by the Directors and their spouses as on 31 December 2019:

Name of Director	Status	Nos. of Shares	Name of Spouse	Nos. of Shares	Remarks
Mr. Md. Hedayetullah	Chairman	14,289,971	Mrs. Afia Hedayetullah	---	---
Mrs. Khwaja Nargis Hossain	Vice Chairman	14,172,040	Al-haj Syed Abul Hossain	16,808,785	---
Mr. Syed Manzur Elahi (Founding Chairman)	Director	23,468,049	Late Mrs. Niloufer Manzur	530	---
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	35,951	Mrs. Rumana Rashid Dowla	---	21,214,386 Shares held by ACI Ltd.
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	3,836,010	Mrs. Yasmin Chowdhury	---	31,821,616 shares held by ABC Ltd.
Mr. M. A. Rouf, JP	Director	14,172,856	Mrs. Evelyn Rouf	---	---
Mr. Md. Abdul Malek	Director	14,132,184		---	---
Mr. Md. Wakiluddin	Director	14,183,273	Mrs. Rozina Afroze	23,593	---
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	----	Mr. Nabeel Essay	---	15,910,756 shares held by Astras Ltd
Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director	---	Mrs. Mansura Begum	---	44,376,660 Shares held by Pioneer In. Co. Ltd.
Mr. Herbert Ludwig Jaeger (Representing NORFUND.)	Director	---	Varista Jaeger	---	67,026,474 Shares held by NORFUND
Ms. Nasreen Sattar	Independent Director		Mr. Kazi Habib Us Sattar		
Mr. M. Mokammel Haque	Independent Director	---		---	---



## Ownership Composition:

Number of Shares According to Ownership Type



As on December 31, 2019, the Sponsors and Directors of MTB held 43.90% of the total paid up shares, whereas Institutions and General Public held 21.36% and 34.74%, respectively:

Sl	Type of Owners	No. of Shares	Values of Shares in BDT	(%) of Holding
1	Sponsor, Directors	308,801,443	3,088,014,430	43.90%
2	Institutions	150,256,833	1,502,568,330	21.36%
3	General Public	244,401,170	2,444,011,700	34.74%
	<b>Grand Total</b>	<b>703,459,446</b>	<b>7,034,594,460</b>	<b>100.00%</b>

Holdings	No. of Shareholders	No. of Shares	Values of Shares in BDT	Total Holdings %
Less than 499 shares	2,283	364,642	3,646,420	0.05%
500 to 5,000 shares	2,549	4,754,043	47,540,430	0.68%
5,001 to 10,000 shares	502	3,354,437	33,544,370	0.48%
10,001 to 20,000 shares	296	4,179,901	41,799,010	0.59%
20,001 to 30,000 shares	94	2,289,005	22,890,050	0.33%
30,001 to 40,000 shares	57	1,919,547	19,195,470	0.27%
40,001 to 50,000 shares	38	1,698,890	16,988,900	0.24%
50,001 to 100,000 shares	87	5,843,632	58,436,320	0.83%
100,001 to 1,000,000 shares	107	29,875,873	298,758,730	4.25%
Over 1,000,000 shares	71	649,179,476	6,491,794,760	92.28%
<b>Total</b>	<b>6,084</b>	<b>703,459,446</b>	<b>7,034,594,460</b>	<b>100.00%</b>

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 2019 :

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. Sayed Abul Hashem FCA, FCMA	SEVP & Group Chief Financial Officer	---	"
Mr. Malik Muntasir Reza	SEVP & 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 2019:

Name of Executive	Status	Number of Shares
Mr. Syed Rafiqul Haq	Deputy Managing Director & CBO	-----
Mr. Tarek Reaz Khan	Deputy Managing Director	-----
Mr. Kamrul Hasan Khan	Senior Executive Vice President	-----
Mr. Syed Rafiqul Hossain	Senior Executive Vice President	-----
Mr. Khondaker Rahimuzzaman	Senior Executive Vice President	-----

c) Share holdings 10% or more voting interest in the Company: N/A

# CERTIFICATE ON CORPORATE GOVERNANCE



## HEAD OFFICE :

RUPALI BINA BHABAN  
7, RAJUK AVENUE (5TH & 6TH FLOOR)  
MOTIJHEEL, DHAKA-1000  
Tel : 9555136, 9551563, 9551821  
FAX : 880-2-9551821  
E-mail : kwsr@dhaka.net  
Web : www.kwsrbd.com

## KHAN WAHAB SHAFIQUE RAHMAN & CO. CHARTERED ACCOUNTANTS



## BRANCH OFFICE :

FARUK CHAMBER (9TH FLOOR)  
1403 SK. MUJIB ROAD  
AGRABAD C/A, DOUBLE MOORING  
CHATTOGRAM, BANGLADESH  
Tel : 031-2520056  
E-mail : kwsrbtg@gmail.com

Certificate as per condition No. 1(5) (xxvii) of  
Corporate Governance Code of BSEC vide notification No. BSEC/  
CMRRCD/2006/158/207/Admin/80 dated June 03, 2018.

### Report to the Shareholders of Mutual Trust Bank Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Mutual Trust Bank Limited for the year ended on December 31, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the bank. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to 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:

- (a) The bank has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The bank 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;
- (c) Proper books and records have been kept by the bank as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the bank is highly satisfactory.

Dhaka, Dated  
July 15, 2020

Faruk Ahmed, FCA  
Partner  
ICAB Enrollment No. 1591  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants



In Practice since 1968

# COMPLIANCE STATUS OF BSEC GUIDELINES FOR CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No.SEC CMRRCD/2006-158/207/admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

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	✓		As per Bank Companies Act 1991
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	✓		
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

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			N/A
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			Prior approval has been obtained, in this regard.
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	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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			No such event occurred
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
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)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	✓		Upon receiving regulatory approvals, 63,707,004 nos. of equity shares, i.e., 9.53% of the outstanding shares of MTB were issued in favor of NORFUND
1(5)(viii)	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.			N/A
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial Performances and Annual Financial Statements			N/A
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	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
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 there of shall be explained			No such event occurred
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			N/A
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	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			N/A
1(5)(xxiv)	In case of the appointment or re-appointment of a director, a disclosure on the following information to the shareholders	✓		
1(5)(xxiv (a)	A brief resume of the director;	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	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)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1(5)(xxv)(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			N/A
1(5)(xxv)(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)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
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)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(7)	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)(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			N/A
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			N/A
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	✓		
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	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3(1)	<b>Appointment</b>			
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)	✓		

Condition No.	Title	Compliance status(Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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)	<b>Requirement to attend Board of Directors' Meetings-</b> 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)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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	<b>Board of Directors' Committee</b>			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee			N/A
5	<b>Audit Committee</b>			
5(1)	<b>Responsibility to the Board of Directors</b>			



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)	Chairman of the Audit Committee			
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	✓		
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			

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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	✓		
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.			No such event occurred
5(6)	Reporting of the Audit Committee			

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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)(i)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
5(6)(a)(i)(d)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
5(6)(b)	Reporting to the Authorities 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.			No such event occurred
5(7)	Reporting to the Shareholders and General Investors 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			No such event occurred

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>However, the bank has already sent a letter to Banking Regulation &amp; Policy Department (BRPD) of Bangladesh Bank with copies to the Governor of Bangladesh Bank and the Chairman of Bangladesh Securities and Exchange Commission (BSEC), in this regard, reply of which is yet to be received.</p>
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

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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
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 honorarium 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			
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



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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
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	✓		
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	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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><b>FORMATION OF BOARD OF DIRECTORS</b></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 &amp; proper criteria; maximum number of directors; appointment of Independent Directors appointment of maximum 4(four) members from a family as Director etc.</p>	Complied
	<p><b>1.1 APPOINTMENT OF NEW DIRECTORS</b></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> <ol style="list-style-type: none"> <li>Personal information of the nominated person (Appendix-ka)</li> <li>Nominated person's declaration(Appendix-kha)</li> <li>Declaration for confidentiality' by the nominated person(Appendix-ga)</li> <li>In case of Independent Director, the approval letter from Security and Exchange commission</li> <li>In case of Independent Director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha&amp;ga)</li> <li>CIB report of the nominated person</li> <li>Updated list of the directors.</li> </ol>	Complied
	<p><b>1.2 VACATION OF OFFICE OF DIRECTOR</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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 bank in company under Section 47 of BCA, 1991.</li> </ol>	N/A
	<p><b>1.3 REMOVAL OF DIRECTORS FROM OFFICE:</b></p> <p>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</p>	N/A

	PARTICULARS	COMPLIANCE STATUS
	Bangladesh Bank's approval. 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>1.4 APPOINTMENT OF ALTERNATE DIRECTOR</p> <p>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> <p>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.</p> <p>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.</p> <p>c. Any loan defaulter or any person who is not eligible to become a director as per any rules &amp; regulation will not be appointed as an alternate director.</p> <p>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.</p> <p>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 &amp; regulations will also be applicable to the alternate director</p>	N/A
2	<p>DEPOSITOR DIRECTOR</p> <p>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</p> <p>Banks are advised to take the following steps regarding director information: Every bank should keep an updated list of bank directors</p> <p>a) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.</p> <p>b) Banks should display a list of directors in the website and update it on a regular basis.</p>	Complied
4	RESPONSIBILITIES OF THE BOARD OF DIRECTORS	
	4.1 Responsibilities and authorities of the board of directors	
	<p>a. WORK-PLANNING AND STRATEGIC MANAGEMENT</p> <p>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</p>	Complied

	PARTICULARS	COMPLIANCE STATUS
	<p>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.</p> <p>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.</p>	
	<p>b). Credit and risk management</p> <p>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.</p> <p>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.</p>	Complied
	<p>(c). Internal control management</p> <p>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.</p>	Complied
	<p>(d). Human resources management and development</p> <p>i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, humanresources 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 The board will promote healthy code of conducts for developing a compliance culture. and promotion to different levels. Recruitment, promotion, transfer &amp; 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</p>	Complied



	PARTICULARS	COMPLIANCE STATUS
	<p>ii. The board shall focus its special attention to the development of skills 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 programs incorporated in its annual work plan.</p> <p>iii. The board will compose Code of Ethics for every tier and they will follow it properly</p>	
	<p>e). Financial management</p> <p>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.</p> <p>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.</p> <p>iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.</p>	Complied
	<p>(f). Appointment of Chief Executive Officer (CEO)</p> <p>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</p>	Complied
	<p>(g). Other responsibilities of the Board</p> <p>The board should follow and comply with the responsibilities assigned by Bangladesh Bank.</p>	Complied
	<p>4.2. Meeting of Board</p> <p>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>	
	<p>4.3. Responsibilities of the Chairman of the Board of Directors</p> <p>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.</p> <p>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</p>	Complied

	PARTICULARS	COMPLIANCE STATUS
	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	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.	Complied
	5.1 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.	Complied
	a. Organizational structure: 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.	Complied
	b. Qualifications of the Members: 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.	
	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.	
	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 All decisions/observations of the committee should be noted in minutes.	

	PARTICULARS	COMPLIANCE STATUS
	<p>5.2 Audit Committee</p> <p>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.</p>	Complied
	<p>a. Organizational structure</p> <p>i. Members of the committee will be nominated by the board of directors from the Directors</p> <p>ii. The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) Independent Director</p> <p>iii. Audit committee will comprise with Directors who are not executive committee members</p> <p>iv. Members may be appointed for a 03 (three) year term of office</p> <p>v. Company secretary of the bank will be the secretary of the audit committee.</p>	Complied
	<p>b. Qualifications of the Members</p> <p>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</p> <p>ii. Each member should be capable of making valuable and effective contributions in the functioning of the committee</p> <p>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.</p> <p>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.</p>	Complied
	c. Roles and Responsibilities of the Audit Committee	
	<p>i. Internal Control</p> <p>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</p> <p>2. Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS)</p> <p>3. Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management</p> <p>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.</p>	Complied
	<p>ii. Financial Reporting</p> <p>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 &amp; regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank .</p>	Complied

	PARTICULARS	COMPLIANCE STATUS
	2. Discuss with management and the external auditors to review the financial statements before its finalization.	
	iii. Internal Audit: 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.	Complied
	iv. External Audit: 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	Complied
	v. 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.	Complied
	iv. Other Responsibilities: 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	Complied
	d. Meetings 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.	Complied
	5.3 Risk Management Committee 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
	<p>a. Organizational Structure</p> <ol style="list-style-type: none"> <li>Members of the committee will be nominated by the Board of Directors from themselves</li> <li>The Risk Management Committee will comprise of maximum 05 (five) members</li> <li>Members may be appointed for a 03 (three) year term of office</li> <li>Company secretary of the bank will be the Secretary of the Risk Management Committee.</li> </ol>	Complied
	<p>b. Qualifications of the Members</p> <ol style="list-style-type: none"> <li>Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;</li> <li>Each member should be capable of making valuable and effective contributions in the functioning of the committee;</li> <li>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.</li> </ol>	Complied
	c. Roles and Responsibilities of the Risk Management Committee	
	<p>i. Risk identification &amp; control policy</p> <p>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 &amp; methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures.</p>	Complied
	<p>ii. Construction of organizational structure</p> <p>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 &amp; compliance risk, money laundering risk, information &amp; communication risk including other risk related guidelines.</p>	Complied
	<p>iii. Analysis and approval of Risk Management policy</p> <p>Risk management policies &amp; 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.</p>	Complied
	<p>iv Storage of data &amp; Reporting system</p> <p>Adequate record keeping &amp; 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 &amp; summary in a specific format &amp; inform the Board of Directors.</p>	Complied
	<p>v. Monitoring the implementation of overall Risk Management Policy</p> <p>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.</p>	Complied



	PARTICULARS	COMPLIANCE STATUS
	vi. Other responsibilities: 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.	Complied
	d. Meetings 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.	Complied
6	TRAINING FOR THE DIRECTORS The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly.	Complied
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: 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.	Complied
	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 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	Complied

	PARTICULARS	COMPLIANCE STATUS
	<p>3. Transparency and Financial Integrity: Before appointment as chief executive, satisfaction should be ensured to the effects that:</p> <p>a. The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;</p> <p>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</p> <p>c. He is not a tax defaulter</p> <p>d. He has never been adjudicated an insolvent.</p>	Complied
	<p>4 Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank</p>	Complied
	<p>4 Age limit: No person crossing the age of 65 years shall hold the post of CEO of a bank</p>	Complied
	<p>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</p>	Complied
	<p>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 such proposal to Bangladesh Bank:-</p> <p>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.</p> <p>b. Total salary shall be comprised of direct salary covering 'Basic Pay' 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 monetized and thus determining monthly total salary, it shall have to be mentioned in the proposal to be submitted to Bangladesh Bank. In the proposal, Basic Pay, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.</p> <p>c. Without improving the bank's major economic indicator like- CAMELS annual salary increment will not be payable.d)</p> <p>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.</p> <p>e. The Chief Executive 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.</p> <p>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.</p>	Complied

	PARTICULARS	COMPLIANCE STATUS
	7. Incentive Bonus: Subject to the payment of incentive bonuses 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.	Complied
	8. Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any Committee formed by the Board.	Complied
	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	Complied
	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 upto 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.	Complied
	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 The CEO of the bank, 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 e. The recruitment and promotion of all staff 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	Complied

	PARTICULARS	COMPLIANCE STATUS
	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	
	1. Moral Integrity: 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.	Complied
	2. Experience and Suitability: 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/official 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.	Complied
	3. Transparency and financial integrity: 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.	Complied
	4. Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a Bank	Complied
	5. Tenure: 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.	Complied
	6. Guidelines in fixing the salary and allowance: 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	Complied

	PARTICULARS	COMPLIANCE STATUS
	<p>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.</p> <p>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.</p> <p>c. Without improving the bank's major financial indicator like-CAMELS, annual salary increment will not be payable.</p> <p>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.</p> <p>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.</p> <p>f. The bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it</p>	
	<p>7. Incentive Bonus: The CEO will get incentive bonus subject to paying incentive bonus to all executives/officers/workers of the bank and the said bonus amount will not exceed BDT 1,000,000 in a year.</p>	Complied
	<p>8. Honorarium for attending the Board Meeting: Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or the meeting of any committee formed by the Board</p>	Complied
	<p>9. Evaluation Report: For reappointment of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.</p>	Complied
	<p>10. Prior Approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) &amp; (5) of 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 &amp; 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 &amp; Annexure B to BB.</p>	Complied
	<p>11. Decision of Bangladesh Bank is final: 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.</p> <p>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.</p>	No such event



PARTICULARS		COMPLIANCE STATUS
<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>		No such event
<p>B. DUTIES AND RESPONSIBILITIES OF CEO:</p> <p>The CEO of the bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:</p> <ul style="list-style-type: none"> <li>a. In terms of the financial, business and administrative authorities vested upon him by the Board,</li> <li>b. 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.</li> </ul> <p>The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.</p> <ul style="list-style-type: none"> <li>c. At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting,</li> <li>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.</li> <li>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.</li> </ul>		Complied
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		
<p>1. Experience and Suitability</p> <p>For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications:</p> <ul style="list-style-type: none"> <li>a. Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;</li> <li>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;</li> <li>c. Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;</li> <li>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;</li> <li>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</li> </ul>		N/A
<p>2. Responsibilities:</p> <p>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.</p>		N/A

	PARTICULARS	COMPLIANCE STATUS
	3. Prior approval from Bangladesh Bank: 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.	N/A
	4. Remuneration and other facilities: 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.	N/A
	5. Tenure: 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.	N/A
	6. Appointment of Ex-officials: 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.	N/A
	A. APPOINTMENT OF CONSULTANT	
	1. Terms of Reference: 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.	Complied
	2. Responsibilities: 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.	Complied
	3. Tenure: 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.	Complied
	4. Remuneration/honorarium: The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	Complied
	5. Appointment of Ex-officials: 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.	Complied

# 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 fulfil 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 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 2019, the overall Internal Control and Compliance position of the Bank was at satisfactory level.



**Md. Hedayetullah**  
Chairman

# 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/CMRRCD/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 245<sup>th</sup> 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 fulfil the same, MTB Board Audit Committee performs, among others, the following functions:

### a) Internal Control:

- i. 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.
- ii. Reviews the arrangements made by the management for building a suitable Management Information System (MIS) including computerized system and its applications.
- iii. Considers whether the internal control strategies/structures recommended by internal and external auditors from time-to-time have been implemented by the management.
- iv. 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.
- v. 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:

- i. 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.
- ii. Discusses with the management and the external auditors to review the financial statements before its finalization.

### c) Internal Audit:

- i. Ensures that the internal audit functions are dealt with independently and submitted to the Audit Committee of the Bank.
- ii. 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.
- iii. Examines the efficiency and effectiveness of internal audit functions.
- iv. 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:**

- i. Reviews the audit performance of the external auditors and their audit reports.
- ii. 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.
- iii. 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:**

- i. 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:**

- i. 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.
- ii. Ensures that the internal and external auditors submit evaluation reports to the Committee on a particular issue.
- iii. Performs other oversight functions as requested by the Board, and its own performance is evaluated on a regular basis by the Board of Directors.

**g) Composition of the Committee:**

The members of the Audit Committee are:

SL. No	Name of Member	Status
01	Ms. Nasreen Sattar, Independent Director	Chairman
02	Mrs. Khwaja Nargis Hossain, Vice Chairman	Member
03	Mr. Rashed Ahmed Chowdhury, Director	Member
04	Mr. Herbert Ludwig Jaeger, Director	Member
05	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.

**h) 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.

**i) 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.

j. **Approval of Financial Statements:**

The Audit Committee reviewed and examined the Annual Financial Statements, 2019 prepared by the Management and audited by the External Auditors A. Qasem & Co. and recommended to place the same before the Board for consideration.

The Board approved the same in its 1st meeting held on June 30, 2020.

**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.



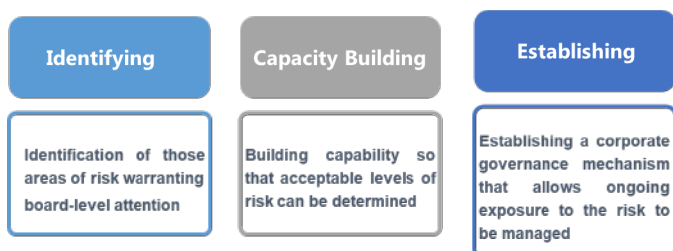
Nasreen Sattar

Chairman of the MTB Board Audit Committee

# REPORT OF THE ACTIVITIES OF THE BOARD RISK MANAGEMENT COMMITTEE (BRMC)



## What is Board-Level Risk Management



The imperial role of the Board Risk Management (BRMC) is manifested through multivariate aspects which, in turn, assists, in the culmination of robust risk culture across the organization. The Board of MTB believes, risk management must be built on a foundation of ethical culture where ensuring excellent governance underpins everything we do and is critical in retaining the trust of our shareholders and wider stakeholders. The Board places significant reliance on BRMC by delegating a broad range of responsibilities and issues to them. Evidently enough, the BRMC has successfully proved its supremacy in managing risk with sheer efficacy and in full harmony and solidarity with the

Board's vision. The pervasiveness of risk in the operation of everyday business means that the Board must factor risk as an integral part of organizational strategy. Also to ponder, technology has increased the pace of business transactions globally, which has increased the volume and speed of product cycles. Today's businesses are wrought with complexities and litigiousness like never before—issues that hold the potential to destroy organizations overnight.

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 adhering to the highest ethical standards and state-of-the-art risk management infrastructure. We strive to continue to invest in our human capital and culture of compliance and controls, in light of the enduring need to be an indisputably strong and stable institution. 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 to the board's vision for the bank, including its commitment to risk oversight, ethics and intolerance of compliance failures, are well communicated effectively throughout the organization.

The MTB Management has established risk management policies designed to ensure that the Bank's financial risk exposures – credit, market and liquidity risks – are identified, appropriately measured, controlled, monitored and reported. The bank develops and updates policies and proposals while monitoring adherence to defined rules and limits. It continuously assesses the Bank's capital adequacy, considering both balance sheet leverage and economic capital utilization. The overriding 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.

Today's commercial and economic climate demands that Boards step up their game with an intense focus on risk

management. Whereby we, through our risk oversight role, strive to remain contented that the risk management policies and procedures designed and implemented by the our bank's senior management are consistent with the company's strategy and risk appetite; that these policies and procedures are functioning as directed; and that necessary steps are taken to foster an enterprise-wide culture that supports appropriate risk awareness, judgments about risk and recognizes and appropriately escalates risk-taking beyond the company's determined risk appetite. Our risk appetite framework is comprehensive, incorporating all risks, enterprise-wide and applicable across products, functions and geographies. We firmly believe, risk appetite is the mutual understanding between management and the Board regarding the drivers of, and parameters around, opportunity-seeking behavior. A balanced approach to value creation means the organization accepts those risks that are prudent to undertake and which it can reasonably expect to manage successfully or handle the consequences of the occurrence. Effective formulation of this largely depends on the acceptance and cooperation among all business, support and operational functions of the bank. We are aware that the result of poorly managed risks can quickly deplete an organization's reserves.

So, risk management may fall under more than one Board's committee, which may be the risk management committee or the audit committee. To effectively cover all areas of risk, committees are intrinsically coordinated so that communication between them regarding risk occurs horizontally and vertically. Committees report back to the MTB's Board regarding the adequacy of risk management measures so that the Board as well as BRMC have enough confidence on the judiciousness of the management. One danger is often observed that separate business units often tend to function as "silos," and that corporate-wide concentrations of risk might grow undetected. That inclination towards concentration risk can become even more pronounced when the business unit's success is measured by performance targets that emphasize shorter-term objectives (such as revenue) rather than problems that may take longer to surface. Significant parts of the corporate machinery, therefore, can bias the business unit against complete objectivity in evaluating risk. Our goal is fostering a collaborative, transparent and effective risk management system where functioning in silos is nipped in

the bud. We also strive to strengthen the bank's expertise and sophistication in the risk management framework under the stewardship of GCRO whereby having him report directly to the BRMC.

With the evolving proliferation of new technologies and the increasing use of the internet, mobile devices and cloud technologies to conduct financial transactions, banks have been, and will continue to be, subject to an increasing risk of operational disruption or cyber or information security incidents from these activities. The ever-increasing dependence on technological advances that characterizes all aspects of business and modern life has been accompanied by a rapidly growing threat of cybercrime. 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 cohesion across the bank on managing ICT Risk. MTB also stands firmly at the enterprise level ESG compliance. The impacts of climate change are becoming increasingly stark - not just the physical effects of a warming planet as it threatens communities and reshapes urban infrastructure but also the economic impacts as every sector examines its material risks and opportunities associated with these changes. The science is clear: climate change is a monumental challenge, and we need to move toward a low-carbon global economy to minimize E & S risks. 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 sectors.

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 inextricably bound up with innovation. The technological sea change 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 is bound to intensify further in the wake of the pandemic, which is likely to accelerate many behavioral and technological trends that were already

in train before. On the other hand, with the outbreak of global pandemic, Bangladesh bank as well as international bodies like the BCBS coordinated a range of regulatory and supervisory reforms to alleviate the financial stability impact of Covid-19. These measures targeted the provision of lending and financial services by banks to the real economy while maintaining banks' capacity to absorb losses in an orderly manner. Beyond our core mandate, the Board seeks to increasingly integrate social and environmental concerns into the bank's mission. These efforts include fostering

diversity, bolstering financial inclusion and addressing climate-related challenges. COVID-19 has destroyed the lives of many people and their families, their jobs and hurt economies throughout the world. But we know that we will rebuild and will recover better. We must ensure that those recovery packages are clean, sustainable, inclusive and just. At the end, we must recognize and acknowledge the significance of understanding risks inherent in our strategic plans, risks arising from the competitive landscape and the potential for technology and other developments to impact the our profitability and prospects for sustainable, long-term value creation.

## Board Risk Management Committee Disclosures

MTB's Board of Directors constituted the Board Risk Management Committee with the following 5 (Five) members, in accordance with Bank Company (Amendment) Act 2013 and it does comply with the BRPD Circular no. 11, dated October 27, 2013 and DOS Circular no. 04, dated October 08, 2018.

Name	Status with Bank	Status with Committee
Dr. Arif Dowla	Director	Chairman
Mr. Md. Hedayetullah	Chairman	Member
Mr. M. A. Rouf, JP	Director	Member
Mr. Md. Abdul Malek	Director	Member
Mr. Md. Manirul Islam	Director	Member

Effective risk management is a critical component in providing consistent and sustainable performance for the bank's broad range of stakeholders. So, as Chair of the Board Risk Management Committee, I am pleased to present a brief overview of

Committee's discussion periphery for the year ended December 31, 2019.

Activities Over The Year 2019	
Risk Appetite	<ul style="list-style-type: none"> <li>Reviewed and challenged the formulation of the bank's Risk Appetite Statement, in order to assure that it is effective in setting appropriate boundaries in respect of each core Risk Type along with other risks.</li> <li>Assessed whether the bank's strategy is consistent with the agreed-upon risk appetite and tolerance</li> </ul>
	<ul style="list-style-type: none"> <li>Considered and recommended the Risk Appetite statement to the Board for approval.</li> </ul>
	<ul style="list-style-type: none"> <li>Monitored actual exposures relative to Risk Appetite limits using regular Risk Information Reports provided by management.</li> </ul>
	<ul style="list-style-type: none"> <li>Tracked a broad range of risk metrics that are reported to the Committee periodically.</li> </ul>



## Activities Over The Year 2019

Stress Testing	<p>The management of the Bank's capital adequacy is complemented by a comprehensive stress testing. The stress testing includes the analysis of severe historical and adverse hypothetical macroeconomic scenarios, as well as sensitivity tests of extreme but still plausible movements of the key risk factors identified.</p> <p>The objective of stress testing is to support the bank in assessing that it:</p> <ul style="list-style-type: none"> <li>• Does not have a portfolio with excessive risk concentration that could produce unacceptably high losses under severe but plausible scenarios</li> <li>• Has sufficient financial resources to withstand severe but plausible scenarios</li> <li>• Has the financial flexibility to respond to extreme but plausible scenarios</li> <li>• Understands the key business model risks and considers what kind of event might crystallize those risks – even if extreme with a low likelihood of occurring – and identifies, as required, actions to mitigate the likelihood or impact as required</li> </ul>
	<ul style="list-style-type: none"> <li>• The Committee provided oversight, guidance and approval for the stress test results for the year 2019</li> </ul>
Credit Risk Management Structure	<p>Credit risk arises because a counterparty may fail to meet its obligations in accordance with the agreed contractual terms and conditions. A financial asset is considered past due when a counterparty fails to make a payment on the contractual due date. The Bank manages credit risk within a framework and policies set by the Board of Directors and Management. These are complemented by more detailed guidelines and procedures at the level of the independent risk management function.</p>
	<ul style="list-style-type: none"> <li>• Discussion around strengthening of the bank's Credit Risk Management (CRM) Division, criterion for on-boarding new clients and marking of weak loan Accounts took place</li> </ul>
Non- Performing Loan Status	<ul style="list-style-type: none"> <li>• Conducting an impact analysis on Non-Performing Loans (NPLs) accounts and preparation of action plan/strategy regarding recovery from thereon</li> </ul>
Quarterly Risk Management Report	<ul style="list-style-type: none"> <li>• Review with management the categories of risk the company faces, including any risk concentrations and risk inter-relationships, as well as the likelihood of occurrence, the potential impact of those risks, mitigating measures and action plans to be employed if a given risk materializes</li> <li>• Periodic review of the key risks; for identification and analysis to ensure mitigation and diversification</li> </ul>
Effectiveness Of Risk Management Function	<ul style="list-style-type: none"> <li>• Operational resilience: The committee seeks to implement Key Performance Indicators (KPI) to assess and improve the performance. The KPI would be focal consideration in achieving core objectives.</li> <li>• Moreover, risk management must be center point for decision making, creating and protecting values.</li> </ul>
Examples Of Deeper Discussions Into Specific Topics	<ul style="list-style-type: none"> <li>• Reviewed the bank's overall organizational structure</li> <li>• Reviewed and considered the proposal of floating Perpetual Bond to meet the requirement of Tier-I capital, and Subordinated Bond to meet the requirement of Tier-II capital</li> <li>• Compliance status of the resolutions put forth in the preceding RMC meetings</li> </ul>



**Dr. Arif Dowla, Chairman**  
Board Risk Management Committee

# REPORT ON RISK MANAGEMENT BY GCRO

From The Desk Of  
Group Chief Risk Officer (GCRO)



Bangladesh has proved to be one of the fastest growing economies in Asia-Pacific. Our economy has undergone major transformation over the past two decades. This change has been spearheaded by the rapid expansion of the garment industry, which has helped reduce poverty and raise the employment of women. The garment trade that began in Bangladesh in the 1970s is a vibrant industry now. Also coupled with it, the success of the IT industry is central to the digital transformation and ongoing economic growth of the country. Driven by strong private consumption, public investment and remittance inflows, Bangladesh's economy expanded remarkably in 2018 and onwards. Albeit being one of the most densely populated economies in the world, our country has continued making impressive strides in achieving social development goals for its 167 million citizens. The resilience of the country's economy is commendable. Our country has made excellent progress in expanding electricity supply, but further steps need to be taken to satisfy the demand for electricity which is rapidly increasing with the growing economy. In order to strengthen the financial position and distribution of utilities and ensure more efficient consumption, a cost-based pricing mechanism could be adapted. Bangladesh

could also invest on cross-border transmission interconnections to increase electricity supply in a cost-effective method. However, sound economic policy must be implemented to mitigate underperformance of the financial sector, diversify exports and create better employment opportunities by increasing private investment. Bangladesh needs to form a stable macro-economic framework by addressing the problematic areas of exchange-rate volatility, poor banking and fiscal management. The performance of the banking sector continued to be a drag of the economy.

The soundness of a bank depends on its strength and capacity of monitoring, status of default loans, presence of good governance, strong balance sheets and availability of funds, and capacity to repay. The banking industry plays a pivotal role for sustaining the growth momentum of the country. To this end, banks need to be more proactive in funding output oriented high yielding innovative projects, promoting technology based ventures and diversifying the portfolio through financial inclusion. But above all, manage risks to harness the ever increasing non-performing loans is of utmost significance for all. During the recent past, the difficulties of the banking sector have been exacerbated by the drop in private sector credit growth, mounting liquidity stress, unabated non – performing loans (NPLs), massive loan rescheduling & writing off, worrying capital inadequacy in certain banks and futile recapitalization of banks. Liquidity pressure in the banking sector was also evident through the increasing trend of call money rates. Moreover, without reducing NPLs, capital adequacy cannot be improved since higher levels of NPLs lead to increased provisioning requirements, which results in capital shortfall.

In 2019, the banking sector in Bangladesh appeared to be resilient despite one or two sporadic events. However, lenders witnessed an increase in classified loans. The vulnerable state of the banking sector steeped in default loans poses the biggest danger to sustenance of Bangladesh's tremendous growth momentum. To address them, the main priorities are a strict enforcement of existing legal and regulatory requirements, an increase in banking sector capital and a reform of the state-owned banks, with a clear separation of commercial

and development functions. To boost up private sector investment, Bangladesh Bank has been providing policy supports meticulously.

**Now, what do we understand by the term “Risks” in the banking sector?** Risk is a form of uncertainty about outcomes that may have a potentially adverse effect on an individual or an entity. Risk is subjective as perceived by the entity that would sustain the loss or injury. In portfolio investment theory, risk is viewed in the context of the classic risk/return trade-off. Wherein, risk is defined as the uncertain variation of a financial return around an average expected outcome. In addition to this, a risk management framework is defined as a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organization. The risk management framework also alludes to the idea of “risk appetite”. It implies that as a bank we should have a consensus on how much risk we are willing to take on in the pursuit of our objectives. More formally defining it, 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. (ISO Guide 73).

Now, risk management has become a “Performance Enabler” where organizations are heavily focusing and investing on. Starting from information security to safety of bank’s intellectual and physical properties the role of apt risk management is imperative. In this era of climate change, along with the efficient management of the six core risks as prescribed by Bangladesh bank and the risks taken into account by the Basel Committee on Banking Supervision, we at MTB put ample attention to environment and social risks in our bank’s periphery of work. And strive to address climate change risks while appraising any credit proposal. These pertinent elements are key to our daily business operation. We believe, everyone should be more responsible towards their society and focus on values such as social empowerment, long term economic sustainability and environmental restoration while conducting business. We always strive to embed the strong principles of our organization standing on the steadfast pillars of

Commitment, Accountability, Agility and Trust.

Moreover, “Empowering the Risk Management” functions is a transformational endeavor taken up by Mutual Trust Bank Limited (MTB). We have revamped these functions to bring more robustness, certitude and synergy with the contemporary best practices adapted across the globe. This transformation started from the beginning of 2019 by revising risk management structures and frameworks.

The process started by renaming and reconstituting management level All Risk Committee (ARC) into Executive Risk Management Committee (ERMC) and formulating risk management policy of the bank in line with central bank guidelines and international best practices. Under this new transformation process, risk management objectives have been aligned with bank’s overall business and strategic objectives. Risk Management Division (RMD) is persistently working to bring novelty into the ways of managing and mitigating risks by developing risk taxonomy. The risk taxonomy will drive risk identification and assessment; controls, mitigation, and testing; and management information (MI) and reporting tools. Through risk taxonomy, we will prioritize risks by ranking them on an appropriate scale, putting most severe cases as the most important ones to opt for resolution and put mitigation measures in place.

Over the past ten years, along with financial risk, non-financial risk management has gained significant importance in terms of complexity and resource allocation. Multivariate elements fall under the purview of non-financial risk such as operational, compliance, ethics and conduct, information technology (IT) and cyber, business continuity, fraud, money laundering, third party, and legal risks. Non-financial risk management is becoming more challenging due to the added complexity from rapid shifts in technology, extensive process automation, and greater dependence on systems instead of people. These changes in the way financial institutions do business have led to new risk exposures, either in the form of denial of service attacks, data theft, or online fraud. With the evolution of digital banking, crypto currencies impacting the global banking system, rising incidents of hacking in internet banking and number of unprecedented digitization risks, it is

imperative that MTB remains vigilant and manages cyber risks prudently & proactively. We believe there are always opportunities to strengthen and extend the management of information security and henceforth vehemently combat the indiscriminate attacks from hackers and fraudsters. Going forward, special focus will be given on operational risk management by creating loss database, KRI etc. Risk dashboard will be developed to monitor day to day risks issue.

Development of a strong Management Information System (MIS) for risk reporting is already underway. This will contribute to the digitalization of the communication process of risks. Risk Communication is an important mechanism to disseminate information and garner complete understanding of a risk management decision. This understanding and information will enable stakeholders to make an informed choice on how the decision will impact their interests and values. MTB Risk Management demonstrates strong stakeholder engagement vis-a-vis its local, international, internal and external counterparts to create and reinforce the value system of the organization. By engaging adequately skilled manpower and creating an environment where everyone will disclose risks deliberately at the right time in the right forum, MTB yearns to develop organization wide risk culture where proper escalation and timely resolution are embedded in the core. Regular risk awareness program including training, workshop and seminar are organized to capacitate every employee and help them garner apt knowledge and skill set requisite to manage risks with supreme efficacy. MTB risk management adheres to all local and international rules, regulations and guidelines believing in and operating with "Compliance First" philosophy only. By implementing above measures risk management in MTB will be able to create and protect value for its customers, shareholders and all its stakeholder.

Bangladesh has been forecasted to continue its impressive economic performance and social development in the short run. As the country continues its remarkable progress, policymakers should focus on a few key areas of improvement including a stable macroeconomic structure, an efficient financial sector and a dynamic electricity market. Employment opportunities for the

young population should be taken into consideration while making investment decisions. These measures will ensure fairer distribution of the benefits of robust growth. Improving the business environment would help attract foreign direct investment, support the creation of new export industries and help nascent industries grow, stimulating higher economic growth over the medium term. The strength of our risk management process and practice is reflected in the Balance Sheet of the bank that shows a steady growth in business, quality of asset & maintenance of capital. As for our bank, within the ambit of our risk management framework, we are focused on ensuring the highest levels of transparency in our disclosures, thereby enabling our stakeholders to place their continued faith and trust in our institution.



**Chowdhury Akhtar Asif**

Additional Managing Director & GCRO

# MARKET DISCIPLINE PILLAR III DISCLOSURE

## Disclosures on Risk Based Capital (Basel III)

### 1. Introduction

Bangladesh Bank (BB) issued Guidelines on Risk Based Capital Adequacy (a revised regulatory capital framework for banks in line with Basel III) in December 2014, in accordance with Basel III, a global regulatory framework for more resilient banks and banking systems, issued by Basel Committee for Banking Supervision (BCBS) in 2010.

The objectives of Market Discipline in the revised framework is to establish more transparent, and more disciplined financial market, so that stakeholders can assess the position of a bank regarding holding of assets, and to identify the risks relating to the asset and capital adequacy to meet probable loss of assets. We are providing the following detailed qualitative and quantitative disclosures, in accordance with Guidelines on Risk Based Capital Adequacy by Bangladesh Bank.

### 2. Disclosure Policy

Bank calculates Risk Weighted Assets (RWA) under the following approaches as per Basel III guidelines (BRPD circular no.18, dated December 21, 2014) :



### 3. Components of Disclosure Framework:



#### i. Scope of Application:

The Risk Based Capital Adequacy framework applies to all banks on 'Solo' and 'Consolidated' basis. The framework on 'Solo' basis refers to all positions of the bank, its local and overseas branches/offices, and 'Consolidated' basis includes subsidiary companies, if any. Mutual Trust Bank Limited (MTB) applies both the frameworks on "Solo" and "Consolidated" basis, as the bank has three subsidiaries, namely i) MTB Securities Limited ii) MTB Capital Limited iii) MTB Exchange (UK) Limited.

#### ii. Capital Structure

##### Qualitative Disclosures

The terms and conditions of the main features of all capital instruments have been segregated in terms of eligibility criteria (BRPD circular no. 18 dated December 21, 2014 and other instructions given by Bangladesh Bank).

Tier-I (Going-Concern Capital) Capital consists of Common Equity Tier-I (CET-I), and Additional Tier-I Capital. MTB has no additional Tier-I Capital. CET-I Capital of MTB comprises Paid-up Capital, Statutory Reserve, General Reserve, Retained Earnings, and Minority Interest in Subsidiaries. Tier-II (Gone-Concern Capital)



comprises General Provisions (on unclassified and Special Mention Account (SMA) loans and off-balance sheet exposure), Revaluation Reserves for Securities, Fixed Assets, and Equities, following the deductions as per Basel III guidelines, MTB's Partially Convertible Subordinate Bond, as approved by Bangladesh Bank (BB), and Bangladesh Securities and Exchange Commission (BSEC).

## Quantitative Disclosures

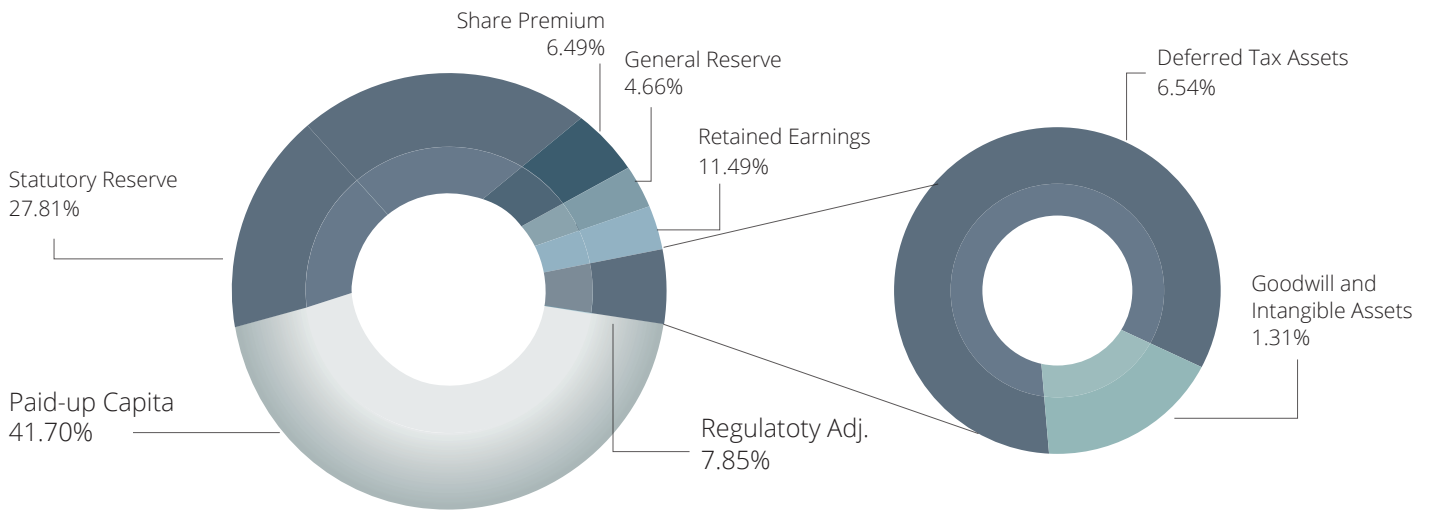
### Total Eligible Capital

BDT in million

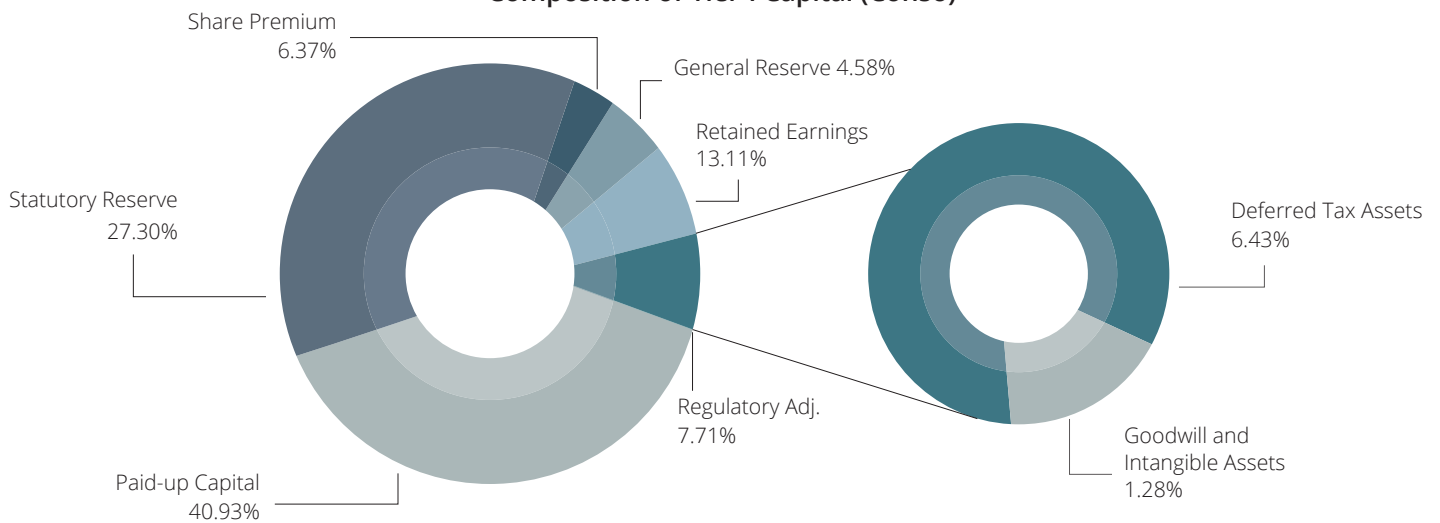
Particulars	Solo	Consolidated
<b>Common Equity Tier-I Capital:</b>		
Paid-up Capital	7,034.59	7,034.59
Statutory Reserve	4,691.95	4,691.95
Share Premium	1,095.30	1,095.30
General Reserve	786.78	786.78
Retained Earnings	1,937.90	2,253.89
Minority Interest in Subsidiaries	-	0.13
<b>Regulatory Adjustments/Deductions</b>		
Goodwill and Other Intangible Assets	220.27	220.27
Deferred Tax Assets	1,104.13	1,104.13
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.22	0.22
<b>Total Common Equity Tier-I Capital</b>	<b>14,221.91</b>	<b>14,538.04</b>
<b>Additional Tier-I Capital</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Tier-I Capital</b>	<b>14,221.91</b>	<b>14,538.04</b>
<b>Tier-II Capital:</b>		
General Provision	4,450.29	4,450.29
Revaluation Reserves	260.14	260.14
Subordinated Debt	5,200.00	5,200.00
<b>Regulatory Adjustment/Deduction</b>	<b>260.14</b>	<b>260.14</b>
<b>Total Tier-II Capital</b>	<b>9,650.29</b>	<b>9,650.29</b>
<b>Total Eligible Capital</b>	<b>23,872.20</b>	<b>24,188.33</b>

\*As per Bangladesh Bank letter (Reference No. DBI-1/119/2020-1616 dated 24 June 2020) the shortfall provision of BDT 2,903.566 million (Including Good borrower provision of BDT 1.467 million) deferred which will be maintained in next 4 years i, e. 2020, 2021, 2022 & 2023 equally."

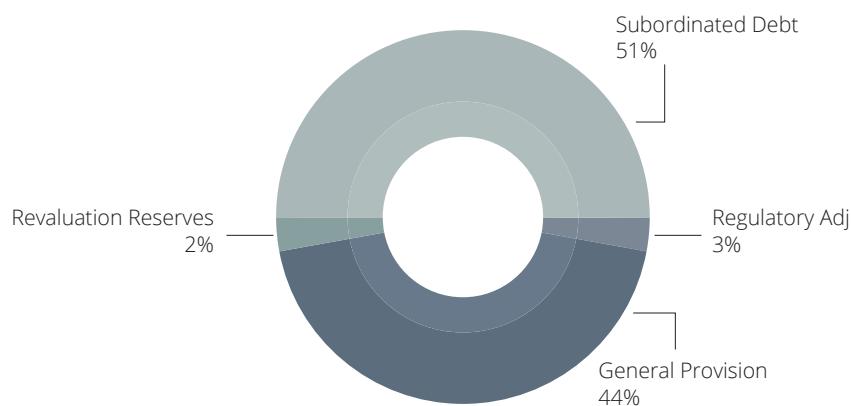
### Composition of Tier-I Capital (Solo)



### Composition of Tier-I Capital (Conso)



### Composition of Tier-II Capital (Solo & Conso)



### iii. Capital Adequacy Qualitative Disclosures

#### a. Capital Calculation Approach

The assessment of capital adequacy is carried out in conjunction with the capital adequacy reporting to the Bangladesh Bank (BB): standardized approach for credit and market risk, and basic indicator approach for operational risk.

MTB follows the following principles in maintaining its capital base:

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

MTB ensures compliance with the regulatory requirements, and satisfaction of external rating agencies and other stakeholders including depositors.

#### b. Capital Management

Initiative to ensure adequate capital encompasses:

- Issuing subordinated debt to raise Tier-II capital;
- 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
- Assessing risk profile, and credit rating of new clients.

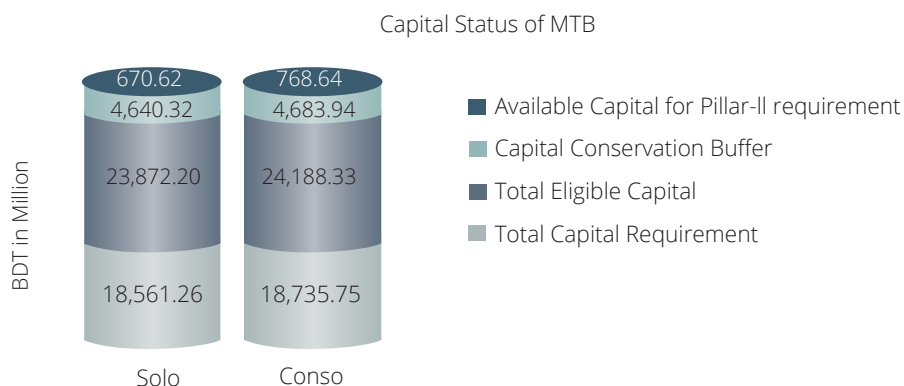
MTB's CRAR is periodically reviewed by the Risk Management Division (RMD), and reported to the senior management and the Board.

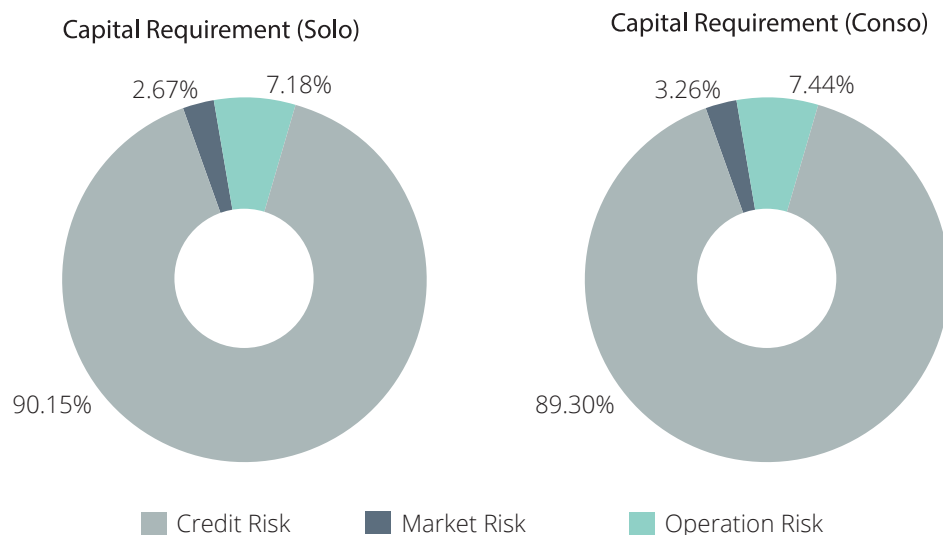
### Quantitative Disclosures

#### c. Capital of the Bank

BDT in million

Capital Adequacy	Solo	Consolidated
Capital Requirement for Credit Risk	16,732.35	16,730.81
Capital Requirement for Market Risk	495.53	610.47
Capital Requirement for Operational Risk	1,333.38	1,394.47
Total Capital Requirement	18,561.26	18,735.75
<b>Total Eligible Capital</b>	<b>23,872.20</b>	<b>24,188.33</b>
Capital to Risk Weighted Asset Ratio (CRAR) (%)	12.86	12.91
Common Equity Tier-I Capital Ratio (%)	7.66	7.76
Total Tier-I Capital Ratio (%)	7.66	7.76
Tier-II Capital Ratio (%)	5.20	5.15
Capital Conservation Buffer	4,640.32	4,683.94
Available Capital for Pillar-II requirement	670.62	768.64





## IV. Credit Risk

### Qualitative Disclosure

MTB manages credit risk through a robust process that enables the bank to proactively manage its loan portfolio in order to minimize losses, and earn an acceptable level of return for its shareholders.

### Credit Risk Management at MTB

MTB's Credit Policy Manual (CPM), approved by the Board of Directors, defines organizational structure, roles, responsibilities and processes, whereby, credit risks can be identified, quantified, and managed. Credit instruction manuals address regulatory issues, and establish control points. MTB credit approval process specifies all conceivable aspects including eligibility of the borrower, requirement of papers/information/documents, borrower's stake, and all other issues related to borrowing. The credit policy encompasses, all operational issues of credit, right from 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. MTB manages credit risk through continuous measuring, and monitoring of risks at obligor (borrower) levels and portfolio level, and follows the Internal Credit Risk Rating System (ICRRS) model of Bangladesh Bank, and has deployed a credit appraisal/ approval process. The ICRRS model captures both the quantitative and qualitative issues, related to leverage, liquidity, profitability, coverage, operational efficiency, and earning quality as well as performance behavior,

business risk/industry risk, management risk, security risk, relationship risk, compliance risk, while assessing the overall grading of borrowers. We also get credit rating of our clients by External Credit Assessment Institutions (ECAIs). In 2019, MTB's total number of rated clients is 1,403 which was 1,575 in the previous year. For ensuring smooth and quality credit operations, good governance, quick approvals, better control, and making safe and secured lending have been emphasized.

### Loan Classification

All the loans and advances are grouped into four categories for the purpose of classification, which are: (i) Continuous Loan (ii) Demand Loan (iii) Fixed Term Loan and (iv) Short-term Agricultural and Micro-Credit.

For the purpose of facilitating the existing business environment and aligning with the economic cycle, the following set of instructions have been followed for loan classification under objective criteria.

Any Continuous Loan if not repaid/renewed within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Any Demand Loan if not repaid within the fixed expiry date for repayment or after the demand by the bank will be treated as past due/overdue from the following day of the expiry date. Whereas, In case of any installment(s) or part of installment(s) of a Fixed Term Loan is not repaid within the fixed expiry date, the amount of unpaid installment(s) will be treated as past due/overdue after six months of the expiry date.

Continuous Loan, Demand Loan, Fixed Term Loan or any installment(s)/part of installment(s) of a Fixed Term Loan are classified as:

- Sub-standard - if remain past due/overdue for a period of 03 (three) months or beyond but less than 09 (nine) months;
- Doubtful - if remain past due/overdue for a period of 09 (nine) months or beyond but less than 12 (twelve) months;
- Bad/Loss - if remain past due/overdue for a period of 12 (twelve) months or beyond.

Short-term Agricultural and Micro Credit are classified as:

- Sub-standard - if the irregular status continues after a period of 12 (twelve) months;
- Doubtful - if the irregular status continues after a period of 36 (thirty-six) months;
- Bad/Loss - if the irregular status continues after a period of 60 (sixty) months.

A continuous credit, demand loan or term loan which remains overdue for a period of 60 days or more is classified as a "Special Mention Account (SMA)".

### Guidelines for Loan Loss Provisions

The Bank follows Bangladesh Bank guidelines regarding loan classification, provisioning, and any other issues related to Non-Performing Loan (NPL), internal credit guidelines, direct loan provisioning, review procedure, loan write-off, facility grading, reporting requirement, and interest recognition.

Particulars	Rate
<b>General Provision</b>	
Against all unclassified loans (Standard and SMA) of Small and Medium Enterprise (SME)	0.25%
Against all unclassified loans, off-balance sheet exposures and Housing Finance (HF) under Consumer Financing (CF) (Other than loans under Consumer Financing (CF), SME Financing, Loans to Brokerage House, Merchant Banks, Stock dealers)	1%
On unclassified amount for Loans for Professionals (LP) to set up business & Credit Card Loans under consumer financing scheme, loans to Brokerage House, Merchant Banks, Stock dealers.	2%
On unclassified amount for consumer financing other than HF & LP	5%
<b>Specific Provision</b>	
Specific provision on Sub-standard and Doubtful loans and advances for Short Term agri. credit & Micro credit	5%
Specific provision on Sub-standard loans and advances except Short Term agri. credit & Micro credit	20%
Specific provision on Doubtful loans and advances except Short Term agri. credit & Micro credit	50%
Specific provision on Bad and Loss loans and advances	100%

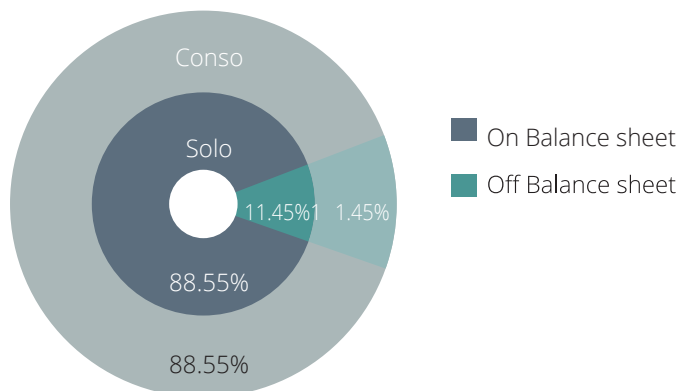
### Quantitative Disclosures

BDT in million

Capital Adequacy	Solo	Consolidated
On Balance sheet exposure	148,163.12	148,147.70
Off balance sheet exposure	19,160.41	19,160.41
<b>Total</b>	<b>167,323.53</b>	<b>167,308.11</b>



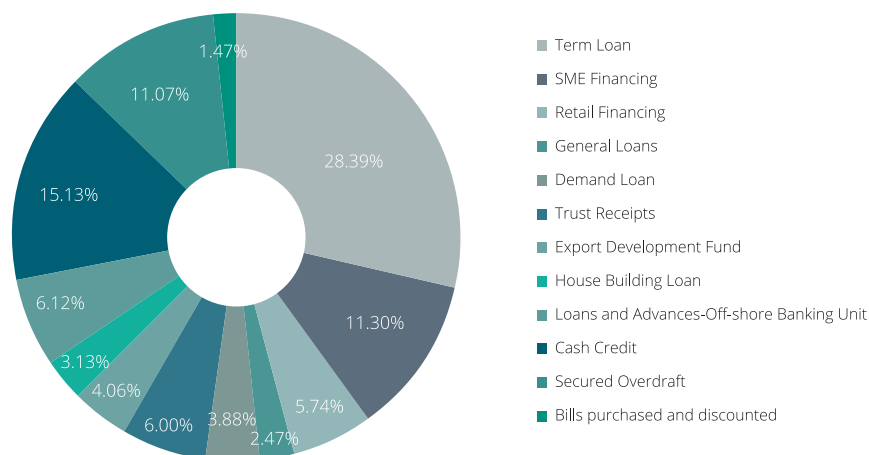
### Credit Risk Weighted Assets



BDT in million

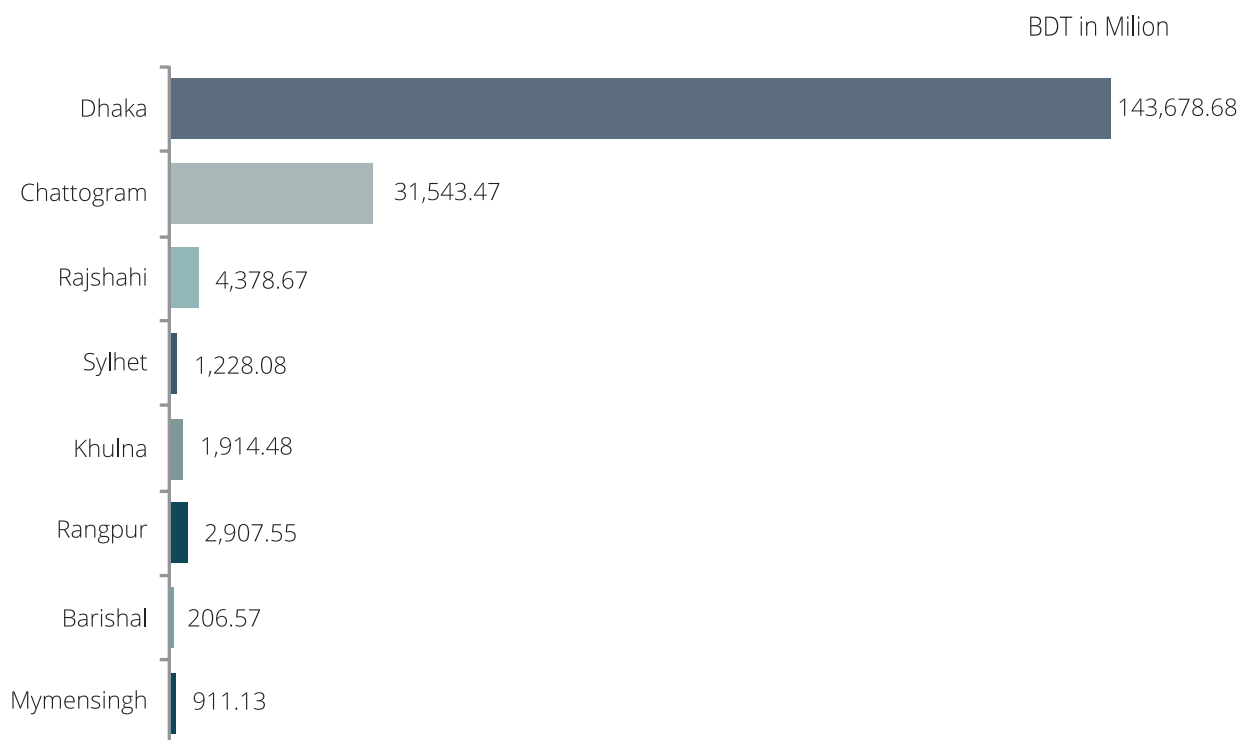
Credit Risk	Amount
<b>a) Total gross credit risk exposures broken down by major types of credit exposure. (Solo)</b>	
Term Loan	53,031.58
SME Financing	21,104.12
Consumer Financing	99.21
Retail Financing	10,711.69
General Loans	4,604.79
Demand Loan	7,248.63
Payment Against Documents (PAD)	457.86
Trust Receipts	11,199.96
Lease Finance	249.57
Export Development Fund	7,585.56
House Building Loan	5,840.65
Staff/Employee Loan	895.12
Loan to MTB Securities Limited	-
Loans and Advances - Off-shore Banking Unit	11,423.80
Loan disbursed by MTB subsidiaries	-
Cash Credit	28,262.40
Packing credit	637.23
Secured Overdraft	20,677.99
<b>Bills purchased and discounted</b>	-
Payable in Bangladesh	1,389.88
Payable outside Bangladesh	425.20
Offshore Banking Unit	923.39

### Credit Risk Weighted Assets



Credit Risk	Amount
b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure. (Solo)	
<b>Urban</b>	
Dhaka Division	140,434.40
Chattogram Division	30,019.17
Rajshahi Division	4,378.67
Sylhet Division	1,163.99
Khulna Division	1,914.48
Rangpur Division	2,543.49
Barisal Division	206.57
Mymensingh Division	713.86
<b>Rural</b>	
Dhaka Division	3,244.27
Chattogram Division	1,524.29
Rajshahi Division	-
Sylhet Division	64.09
Khulna Division	-
Rangpur Division	364.06
Barisal Division	-
Mymensingh Division	197.26

#### Geographical Concentration of Loans and advances



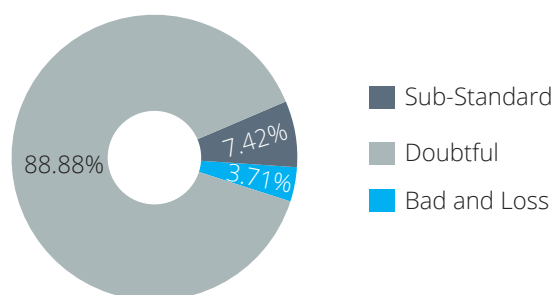
Credit Risk	Amount
<b>c) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure. (Solo)</b>	
Agriculture	2,781.10
RMG	31,389.14
Textile	17,322.47
Ship Building	2,509.75
Ship Breaking	2,635.40
Other Manufacturing Industry	32,512.75
SME Loans	30,180.62
Construction	7,661.70
Power and Gas	2,537.43
Transport, Storage and Communication	1,244.66
Trade Service	29,532.78
Commercial Real-estate Financing	3,822.49
Consumer Credit	12,385.85
Financial Institutions	3,955.43
Advances to Managing Director and Senior Executives	895.12
Others	4,399.86
<b>d) Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure. (Solo)</b>	
On demand	21,752.33
Not more than three months	41,676.14
More than three months, but less than one year	70,829.80
More than one year, but less than five years	46,633.81
More than five years	5,876.53

### e) Amount of Impaired Loans

BDT in million

Particulars	Amount
Sub-Standard	758.46
Doubtful	379.08
Bad and Loss	9,089.68
<b>Total</b>	<b>10,227.22</b>

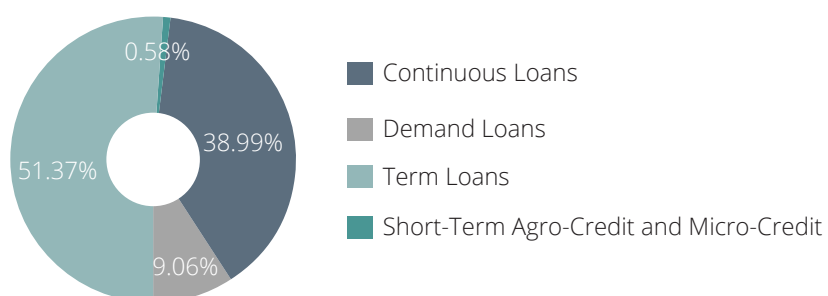
Classified loans of MTB



BDT in million

Particulars	Amount
Continuous Loans	3,987.55
Demand Loans	926.48
Term Loans	5,253.71
Short-Term Agro-Credit and Micro-Credit	59.48
<b>Total</b>	<b>10,227.22</b>

#### Impaired Loans of MTB



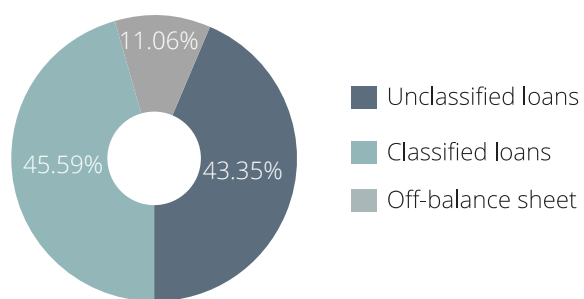
### Specific and General Provisions

Specific and general provisions are made on the amount of classified and unclassified loans and advances/investments respectively, exposures of off-balance sheet, and Offshore Banking Units of the Bank.

BDT in million

Particulars	Amount
Provision on unclassified loans and advances/ investments including Off-shore banking unit	2,946.95
Provision on classified loans and advances/ investments	3,099.30
Provision on off-balance sheet exposure	751.67
<b>Total</b>	<b>6,797.92</b>

#### Provision maintained



## f. Movement of NPA, and specific provision for NPA

The following table gives MTB's movement of NPAs, and specific provision for NPA

BDT in million

Gross Non-Performing Assets (NPAs)	Amount
Non-Performing Assets (NPAs) to Outstanding Loans & Advances (%)	5.48
<b>Movement of Non-Performing Assets (NPAs)</b>	
Opening balance	8,951.40
Additions	1,275.82
Reductions	
<b>Closing Balance</b>	<b>10,227.22</b>
<b>Movement of specific provisions for NPAs</b>	
Opening balance	3,183.38
Add: Provisions made during the period	178.27
Add: Recoveries of amounts previously written off	44.57
Less: Waiver during the year	(0.45)
Less: Adjustment for Loan written off during the year	(306.47)
<b>Closing Balance</b>	<b>3,099.30</b>

## v. Equities: Disclosures for banking Book Positions

### Qualitative Disclosures

MTB Securities Limited, a corporate member of Dhaka Stock Exchange Limited (Member No. 197), executes the stock brokerage functions of MTB. For equity financing, only investment in unquoted securities are considered as 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:

- i) Quoted securities (common or preference shares and mutual funds) - Traded in the secondary market (trading book assets)
- ii) Unquoted securities- Categorized as banking book equity exposures, which are further, sub-divided into two groups:
  - a) Unquoted securities which are invested without any expectation that these will be quoted in near future i.e. Held-to-Maturity (HTM);
  - b) Unquoted securities acquired under private placement or IPO that are going to be traded in the secondary market after completing required formalities.

The primary aim is capital gain or dividend income. Dividends received from these equity securities are accounted for as and when received. Both quoted and un-quoted 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.

### Quantitative Disclosures

BDT in million

Equities	Amount
a) Value disclosed in the balance sheet of investments, as well as, the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	



## Quantitative Disclosures

BDT in million

Equities	Amount
a) Value disclosed in the balance sheet of investments, as well as, the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value	
Cost price	540.96
Market price	585.20
Difference	44.24
b) Cumulative realized gains (losses) arising from sales and liquidations in the reporting period	
c) Total unrealized gains (losses)	(60.48)
d) Total latent revaluation gains (losses)	-
e) Any amounts of the above included in Tier II capital	-
f) Capital requirements (solo) broken down by appropriate equity groupings, consistent with the bank's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements	
Specific Risk	64.91
General Market Risk	64.91

## vi. Interest Rate Risk in the Banking Book

### Qualitative Disclosures

Interest rate risk arises when changes in market interest rates adversely affect bank's financial condition, affecting both current earnings (earnings perspective), and net worth of the bank (economic value perspective).

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. This poses a risk to the net worth of the bank, arising out of all re-pricing mismatches, and other interest rate sensitive positions. MTB assesses the earnings and economic value at risk due to interest rate shock on a quarterly basis.

### Quantitative Disclosures

BDT in million

Interest Rate Risk in the banking book	Amount		
Total Risk Sensitive Assets	139,638.50		
Total Risk Sensitive Liabilities	135,771.10		
Cumulative Gap			
< 3 months	(593.50)		
3-6 months	7,161.90		
6-12 months	3,867.40		
Consolidated CRAR before Shock (%)	12.91		
Assumed Change in Interest Rate (%)	1	2	3
<b>NET INTEREST INCOME AND RE-PRICING IMPACT (%)</b>			
<b>CRAR after Shock (%)*</b>	<b>11.71</b>	<b>10.52</b>	<b>9.32</b>

\*Considering revised stress testing of Q4- 2019

## vii. Market Risk

### Qualitative Disclosures

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in different market variables, namely:

- Interest rate movements;
- Foreign currency exchange rate movements;
- Equity/stock price movements.

MTB's Market Risk Policy, approved by the Board, covers assessment, monitoring, and management of the market risks. The Board sets limits, and reviews compliance on a regular basis, in order to provide cost effective funding to finance asset growth, and trade related transactions.

#### a. Methods Used to Measure Market Risk

Standardized approach for market risk calculates the minimum capital requirement, for each risk sub-category, in terms of two separately calculated capital charges for "specific risk" and "general market risk".

#### b. Market Risk Management System

The Treasury Department manages market risk covering liquidity, interest rate, and foreign exchange risks, with oversight from Asset Liability Management Committee (ALCO), comprising of senior executives of the bank. The Managing Director and CEO of the bank chairs the ALCO, and meetings are held at least once in a month.

#### c. Policies and Process for Managing Market Risk

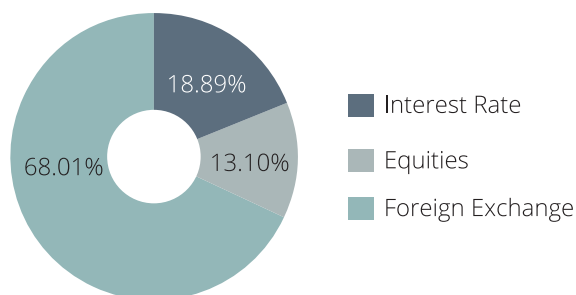
There are approved limits for credit deposit ratio, liquid asset to total asset ratio, maturity mismatch, commitments for both on-balance sheet and off-balance sheet items, and borrowing from money market and foreign exchange position. The limits are monitored and enforced on a regular basis to mitigate market risks. The Treasury Department of the Bank reviews the prevailing market conditions, exchange rates, foreign exchange position, and transaction to mitigate foreign exchange risks on a daily basis. Foreign exchange risk is computed on the sum of net short positions, or net long positions, whichever is higher of the foreign currency positions held by the bank.

### Quantitative Disclosures

BDT in million

Market Risk (Solo)	Amount
Capital Requirement for:	
Interest Rate related instruments	93.61
Equities	64.92
Foreign Exchange Position	337.00
Commodity Risk	-
Total	495.53

Capital Requirement (Market Risk)



## viii. Operational Risk

### Qualitative Disclosures

Operational risk arises from inadequate or failed internal processes, people and systems, or from external causes, whether deliberate, accidental or natural - inherent in all of the Bank's activities. The policy for operational risks, including internal control and compliance risk, is approved by the Board, taking into account 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 object of mitigating all operational risks.

#### a. Performance Gap of Executives and Staff

MTB tries to staff with excellent quality of personnel by offering competitive remuneration packages, and by ensuring workplace safety for its employees with consistent adoption of best employment practices, and constantly following the policy of non-discrimination regarding compensation, health and safety. Its strong brand image plays an important role in employee motivation. Combination of all these has created a very strong choice among the workforce of banking industry for MTB as being professionally an ideal place of choice.

#### b. Systems

MTB has invested heavily in IT infrastructure for better automation, online transaction platform and network links to avoid business disruption and system failure. The Bank's IT system does not allow any kind of external access, ensuring safeguarding from external fraud (theft/ hacking of information assets, forgery etc.).

#### c. Policies and Processes for Managing Operational Risk

MTB has Risk Management Division in place. Its objectives are mainly to identify, assess, monitor, control and manage risks including operational risks and also to rectify risk events, and implement any additional procedures required for compliance. As per the internal control and compliance policy, 2019 of the bank, Group Internal Control & Compliance Department (ICCD) is conducting risk based internal audit. To do these, the activities of branches are being rated in terms of their risk status. It is the policy of the bank to conduct audit on all the branches at least once a year. ICCD directly reports to the Audit Committee of the Board. Human Resource Division of MTB has also introduced a vigorous Key Performance Indicators to evaluate human resources in terms of objective and performance, and instill a performance-based culture within the organization.

### Quantitative Disclosures

BDT in million

Operational Risk	Amount
Capital requirement for Operational Risk (solo)	1,333.38

## ix. Leverage Ratio

### Qualitative Disclosures

As an additional safeguard against model risk, and measurement error by supplementing the risk-based measure, a non-risk based regulatory leverage ratio has been introduced with a simple, transparent and independent measurement of risk. The Basel III leverage ratio is defined as the capital measure (Tier-I capital of the risk based capital framework) divided by the exposure measure, this ratio is expressed as a percentage.

### Quantitative Disclosures

BDT in million

Components	Amount
Leverage Ratio (Solo) (%)	4.70
On-Balance Sheet Exposure	252,956.70
Off-Balance Sheet Exposure	51,277.24
Regulatory adjustment made to Tier 1 capital	1,324.61
Total Exposure after regulatory adjustment	302,909.33

## x. Liquidity Ratio

### Qualitative Disclosures

To measure the liquidity status of banks, Bangladesh Bank, in line with Basel Committee on Banking Supervision, has introduced two new standards for better liquidity management- Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR), under Basel III accord. The LCR aims to ensure that a bank maintains adequate level of High Quality Liquid Assets (HQLA) that can be converted into cash to meet its liquidity needs for 30 calendar days, under stressed scenario. The NSFR aims to limit over-reliance on short term wholesale funding during times of abundant market liquidity, and encourage better assessment of liquidity risk across all on and off-balance sheet items. Regulatory standards for LCR ratio is '≥100%' and for NSFR ratio is '>100%'.

MTB manages liquidity risk in accordance with its ALM Policy. This policy is framed as per the regulatory guidelines, and is approved by the Board of Directors. The ALM Policy is reviewed periodically to incorporate changes as required by regulatory stipulation or to realign with changes in the economic landscape. MTB's ALCO formulates and reviews strategies, and provides guidance to manage liquidity risk within the framework laid out in the ALM Policy. The committee proactively manages liquidity risk as a part of its ALM activities. MTB uses various tools to measure liquidity risk, which include Statement of Structural Liquidity (SSL), Liquidity Cash Flow Statements, Liquidity ratios and Stress Testing through scenario analysis etc. MTB management has also framed a Liquidity Contingency Plan (LCP), which serves as a framework for early identification and calibrated action in the event of tight liquidity conditions. The LCP includes various indicators, which are monitored regularly, and lays down the mechanism for escalation, remedial action, and crisis management until return to normalcy.

### Quantitative Disclosures

BDT in million

Components	Amount
Liquidity Coverage Ratio	107.24%
Net Stable Funding Ratio	102.48%
Stocks of high quality liquid assets	45,596.82
Total net cash outflows over the next 30 calendar days	42,518.54
Available amount of stable funding	208,232.01
Required amount of stable funding	203,194.78

## xi. Remuneration

### Qualitative Disclosures

#### a. The bodies that oversee remuneration

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.

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.

#### b. Design and Structure of Remuneration

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:

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

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.

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:

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

The remuneration is a combination of fixed pay and variable pay. The variable pay is higher at senior levels than that of junior levels.

## Quantitative Disclosures

#### e. Number of employees received variable remuneration award

Employees received variable remuneration award for the year 2019 for their extra ordinary effort to ensure business profitability:

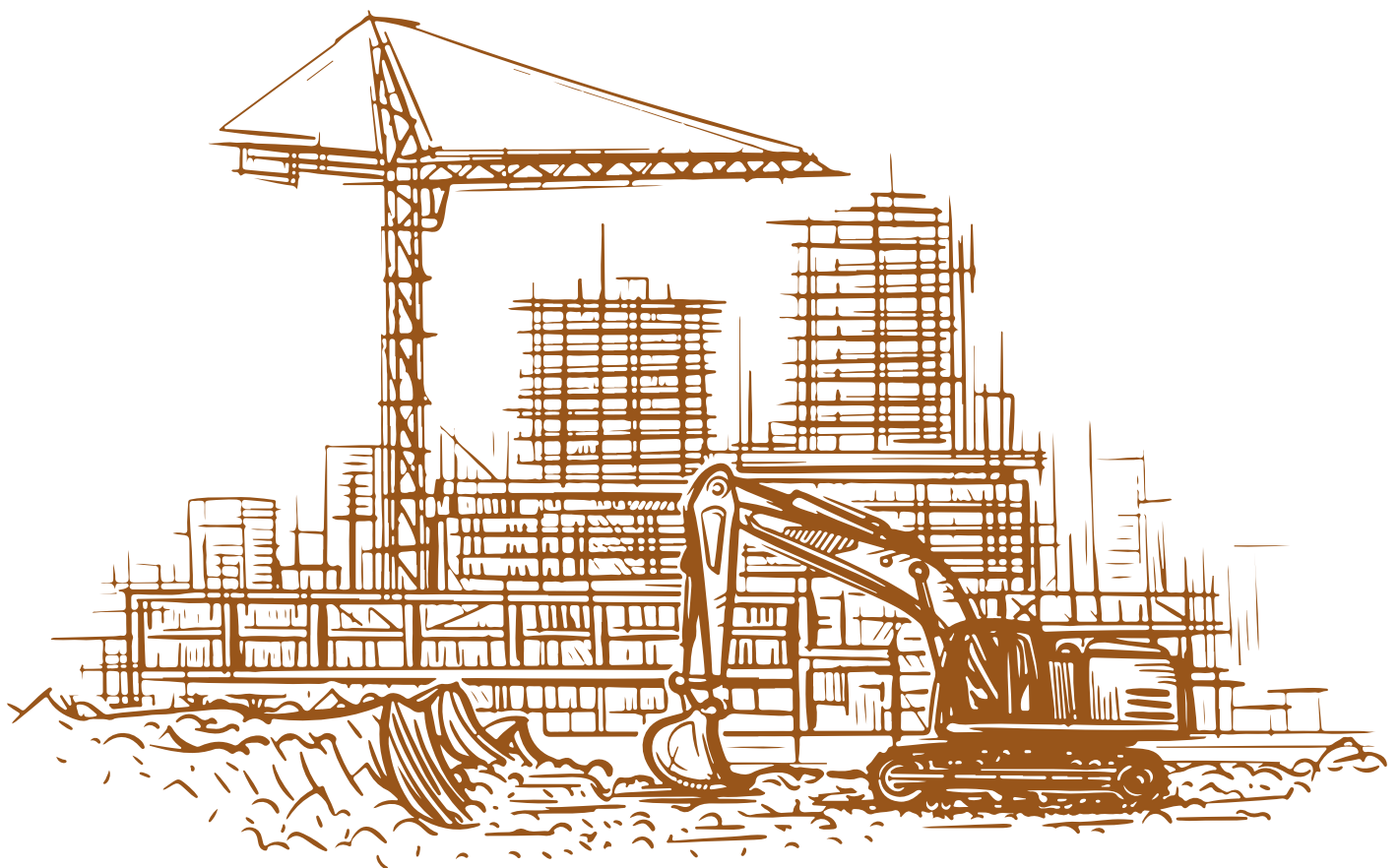
Category	Number of employees
Executives	6
Officers	-

#### f. Total amount of severance payment:

Total amount of BDT 43.65 million was disbursed to 45 outgoing employees as severance payment for the year 2019 at the time of releasing them from the service of the bank.



# MANAGEMENT DISCUSSION & ANALYSIS



## **Infrastructural Investment**

Infrastructural Investment is essential for the long term economic development of a country. Key infrastructure assets create additional economic benefits by supporting urbanisation and industrial growth and providing better access to adjoining countries and stronger trade links. This, in turn, accelerates growth in GDP per capita and therefore the ability to derive greater financial returns. Bangladesh has become a melting pot of such development in varied sectors from roads and highways to power plants. According to AIIB, there continues to be significant infrastructure investment opportunities across Asia, including in Bangladesh, despite current market uncertainty and short-term challenges.

# PERFORMANCE ANALYSIS WITH THE MANAGEMENT

## Accounting for changes in reporting standards

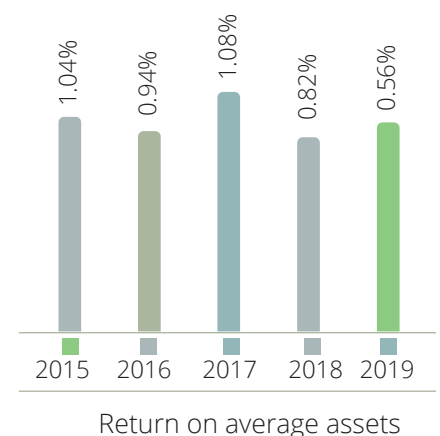
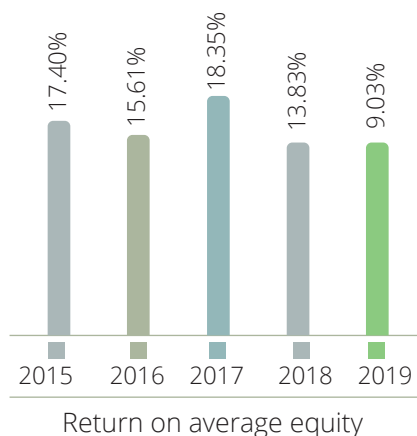
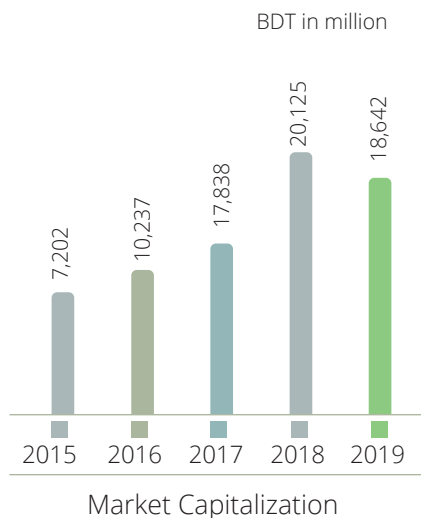
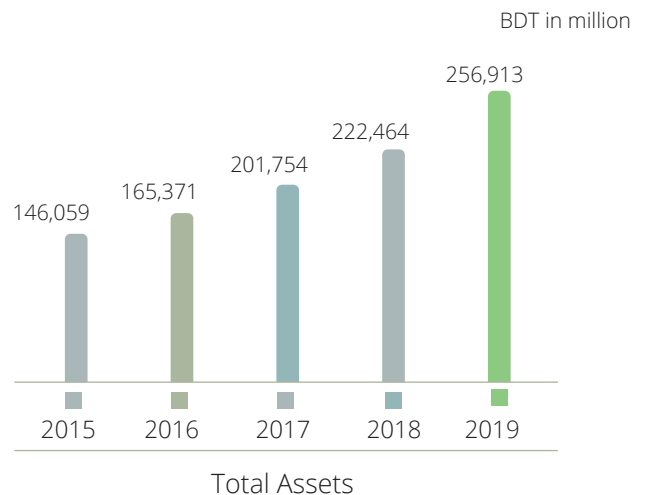
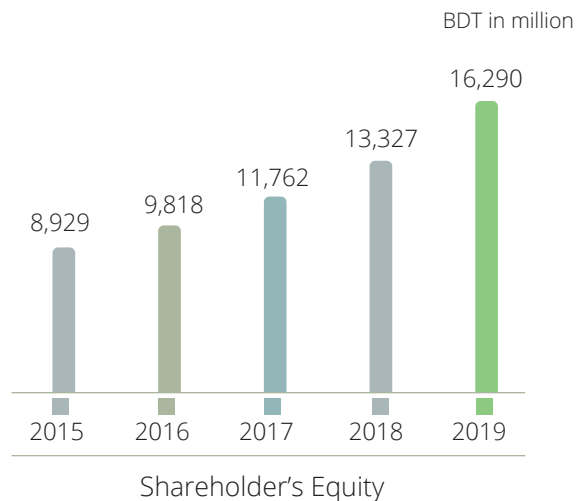
As is applicable, we adhere to the International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh for our reporting framework, except the circumstances where the local regulations differ and supersede the standards. These are listed in details in note 2.22 and 2.23 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; keeping in mind the scope to which they are permissible by our prime regulatory authority - Bangladesh Bank.

## The fundamentals of our business strategy

MTB has delivered a strong performance in 2019, thanks to our robust customer-focused approach, sound capital allocation strategy and a sustainable growth platform that enabled us to mitigate earnings volatility and report consistent growth. This is reflective in the sustainable growth trends of our Net Profit and Total Assets which have registered growth rates of 23%, 15% and Market Capitalization experienced 7% of decreased over the last year.

Over the years, MTB's successive management teams have 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, our multiple business verticals allow us to strategically balance our focus over different fronts to take advantage of potential opportunities, enabling us to maximize our Return on Equity (ROE).



# MANUFACTURED CAPITAL

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 2020 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

### SDG Relevance

Our energy is directed at creating an environment for responsible and sustainable development our manufactured capital contributes to the following SDG goals



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

118 Branches  
05 Sub-branches  
302 ATMs

Capital Expenditure of  
BDT 985 Million and  
rent expenditure of  
BDT 384 Million

State of art  
international and  
domestic airport  
lounges

144 Agent Banking  
Centre opened to  
reach the unbanked  
population

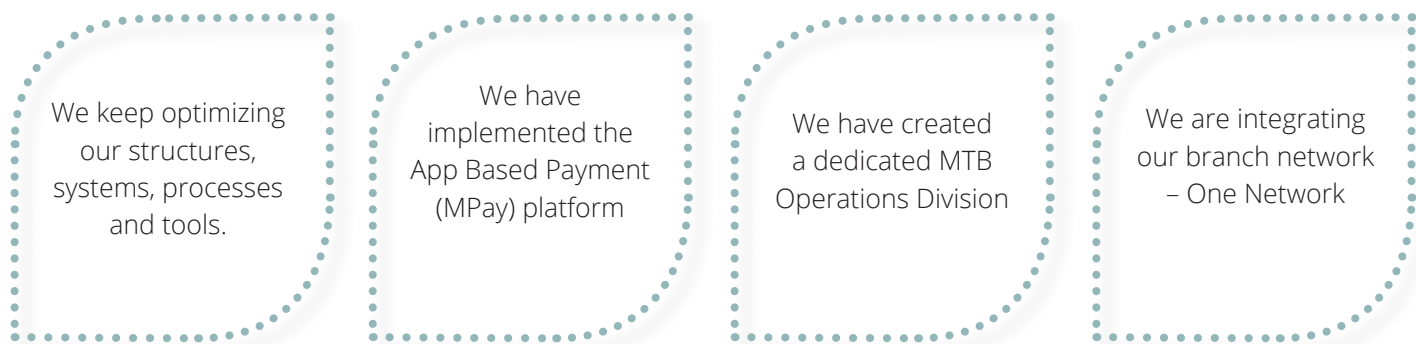
## Creating Values

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, 05 sub-branches with more than 302 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.

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## 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.

### 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.

### Further Analysis

The following chapters provide detailed analysis of manufactured capital-

- Business Divisional Overview
- Other Division Overview- Service Distribution and Facilitation

# BUSINESS DIVISIONAL OVERVIEW

## WHOLESALE BANKING DIVISION

The biggest challenge to a financial institution has always been keeping 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, 2019, where new dimensions of banking were explored and service excellence was achieved by delivering appropriate product solutions, which revamped the business matrix for the institution.

The fundamental in-house challenge was to roll out the 'Centralization' of Business and Operations taking support of the Core Banking Solution. However, the conceptualization of the process had been embedded into the mindset of the organization and expected to be fully implemented within the second quarter of 2020. Ongoing Business restructuring would help the bank to mitigate business and credit risk and also ensure the efficiency in rendering service to the Wholesale Customers.

The financial sector of Bangladesh continued to grow in 2019. Though on a slower pace, Wholesale Banking Division (WBD) could make commendable growth. Since the beginning of 2019, the money market was quite dry making the debt expensive, which lessened the growth of private sector. The exhilaration around the rescheduling of classified loans persisted throughout the year with an emphasis to reduce cost of doing business. Major impediments to economic growth like inflation on basic commodities, increase in energy price, financing of budget deficit, rising Non-performing loans (NPL), weak governance amid crisis in the banking sector, and lower remittance inflow made the overall business atmosphere challenging. However, incentivizing remittance at the second half of the year made the Foreign Exchange (FX) market little stable.

In 2019, WBD thrived 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 2019, we gained confidence and mindshare of the customers by rendering quality services and meeting customers' expectations by offering required products and services and the result was reflected into the growth of WBD Portfolio.

Wholesale Banking Division (WBD) of MTB is considered as one of the core strengths of the bank as MTB continues to be a predominantly corporate banking focused institution.

### SDG Relevance

Our energy is directed at creating an environment for responsible and sustainable development.

Our Wholesale business contributes to the following SDG goals



Throughout the year, WBD continued to cater to a diverse range of industries such as RMG, Textile, Manufacturing, FMCG, Power, Poultry, Steel etc. to meet their banking service requirements in both domestic and international arena. Our commercial banking services, funding facilities for working capital and large projects, trade financing for imports and exports, cash management, etc. are there only to serve our customers from various industries. In 2019, asset portfolio of Corporate Business Unit of WBD grew by almost 41%, which largely contributed to the overall asset growth of the bank. The growth has been on account of financing provided to high-rated corporate clients 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 few of them. WBD tried to capture optimum share of wallet of the customers to maximize the outcome while keeping risk level at minimum.

Trade growth of WBD in 2019 was 54%, where export grew by 56% and import by 53%. In the coming days, our key priorities are to focus on blending the revenue mix through expanding non-funded business in the trade space and to grow our source of funds from re-finance schemes.

Optimization of portfolio yield was the key concern for Corporate Business Unit (CBU) which eventually played a vital role in increasing the non-funded business. Reducing the balance sheet dependencies by creating new avenues of refinance from local and international channels has always been the priority.

Despite stiff competition and margin compression, which



became evident across the industry, especially in the larger segment, Team CBU, WBD grew its revenue substantively. Healthy portfolio growth will remain as highest priority, along with zero loan impairment cost, in the coming years.

The operating model of Wholesale Banking Division (WBD) constitutes with the following segments:

## Corporate Business Unit (CBU)

CBU 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 the 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
- ✓ Ensuring cross-selling and trade business
- ✓ Enhancing non-funded income generation CBU contributes around 35% of the total wholesale business portfolio of MTB. Major clients include large players from varied industries. CBU itself boosted up its asset size almost 41% from the previous year with a diversified portfolio comprised of clients from RMG, Textile, Steel, FMCG, Manufacturing, power poultry industry, etc

## Structured Finance Unit (SFU)

A very dynamic unit, SFU is aimed at delivering structured finance solutions by means of raising money through debt or equity instruments, diversifying the risks of large scale investments and enabling the bank to earn funded and non-funded income by offering short-term and long-term facilities. SFU acts as the lead arranger, co-arranger, participant lender, agent or trustee for providing flexibility in terms of maturity structure, security design and asset types, which allows issuers to earn augmented returns at a customized degree of diversification compatible with investors' risk appetite.

Major activities of SFU are -

- ✓ Arranging syndication financing in BDT and USD
- ✓ Raising funds through issuance of preference share, subordinated debt instruments, bond and

commercial papers

- ✓ Channeling funds for Off-shore Banking Unit
- ✓ Providing R&D and advisory Services
- ✓ Managing Special Projects
- ✓ Sourcing of foreign debt and maintaining connectivity with multilateral agencies

## Cash Management Unit

MTB Cash Management Unit is committed to provide best in tailored made cash management service to the corporate clients & institutions that truly complement their financial requirements. Leveraging on superior technological platform, we offer customized banking services, using a variety of advanced collection and payment solutions, to achieve a balanced level of liquidity and return for the business operations. With vast banking network, customized reporting and MIS, web based and internet banking facility, MTB Cash Management Unit delivers effective management of payables and receivables along with ease of reconciliation.

## Core Products of Cash Management unit

- MTB Nationwide Collection Solution
- MTB Nationwide Payment Solution
- MTB Capital Market Service.
- MTB Web- based Banking Service

## MTB Nationwide Collection Solution

MTB Nationwide Collection Solution is formulated to facilitate large Corporate clients in collecting their receivables through MTB Branch network to their single collection account maintained with MTB. This facility enables the large corporate clients to avail funds faster in a cost-effective manner. MTB is providing tailored made cash management services to a number of government organizations, utility companies, NGOs, local corporates, insurance companies, education institutions and capital market companies.

## MTB Nationwide Payment Solution

MTB Nationwide Payment Solution is formulated to facilitate large corporate institutions and clients to manage their payables from a single bank account. Customers can manage their payable i.e. vendor payment, salary payment, dividend payment etc through BEFTN, RTGS platform as well as account transfer.

## MTB Capital Market Service

MTB Capital Market Service is formulated to facilitate any organization or company to provide lead banker role for IPO & right share collection. We have a dedicated collection point for IPO & right share collection and allocated team for smooth operation and reconciliation. We also have a wide range of reporting lines with data management to meet day to day MIS requirements. We are confident enough to efficiently manage events as lead banker as well as banker for fund raising issue management.

## Host to Host Connectivity and MIS Management

This application is defined as a middleware between MTB's core system and Customer's core accounting system. That means once a transaction is done at any MTB branch, BEFTN or RTGS platform, the entry is directly reflected into customer's core software on real-time.

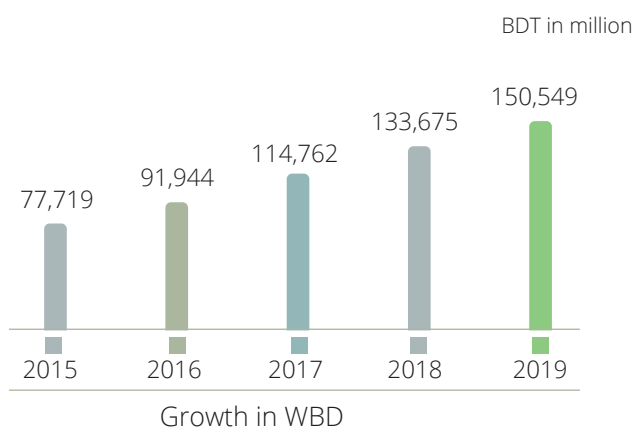
This web-based service benefits an organization in numerous ways:

- **MIS:** Customers will receive complete MIS every day.
- **Just-in-Time:** Customers will get real-time transaction reflection in their system.
- **Error free data:** As the MIS is totally system-generated, there is be no probability of data manipulation.
- **Reconciliation:** Customers' core accounting systems are adjusted automatically as both the systems share date and reconcile on real time through host-to-host connectivity.

## Business Highlights of Wholesale Banking Division

### Corporate Business Unit

Steering the business more towards export oriented clients, CBU has made a remarkable journey last year while establishing new banking relations with top players from RMG sector. Inclined to grow more, the five business units



## Financial Highlights

Loans & Advances
2018: BDT133,575 million
2019: BDT150,549 million
Interest Income
2018: BDT 11,641 million
2019: BDT 13,544 million
Commission & Exchange Income
2018: BDT 154.83 million
2019: BDT 247.07 million

added 41% more asset last year. CBU has facilitated 56% more export businesses in 2019 than last year whereas import business grew by 53%. The unit is equipped with a bunch of skilled resources having commendable knowledge on the industries of different sectors and their co-relations to the overall macroeconomic situation which helped the unit to sell more products and services to its customers. The team has always remained conscious to maintain a healthy asset portfolio with minimum loan impairment cost.

## Structured Finance Unit (SFU)

At present, MTB is one of the few banks in the industry who can offer flexible long term USD financing for its customers. It is because of the initiative taken by the SFU, the Asian Development Bank has extended Trade Finance Program (TFP) facility to MTB for USD 39 million. Another USD funded credit line of USD 20 million is availed from the German Development Finance Agency. NORFUND, a development finance institution of Norway, has approved long-term funded facility of USD 20M and we have already availed this facility. USD financing capacity of MTB has increased significantly and the funds will be used through Off-Shore Banking Unit for financing the corporates' and SME businesses inside and outside the Export Processing Zones.

MTB is actively involved in offering long-term financing for USD 26.23 million to its various clients under Bangladesh Bank's Financial Sector Support Project funded by the World Bank.

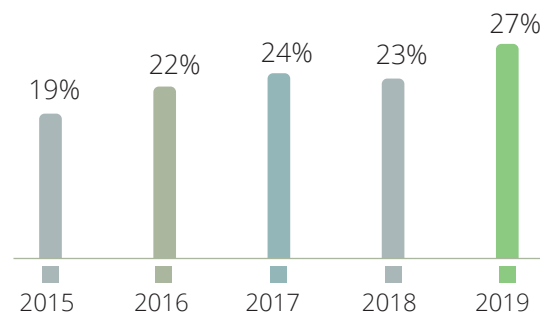
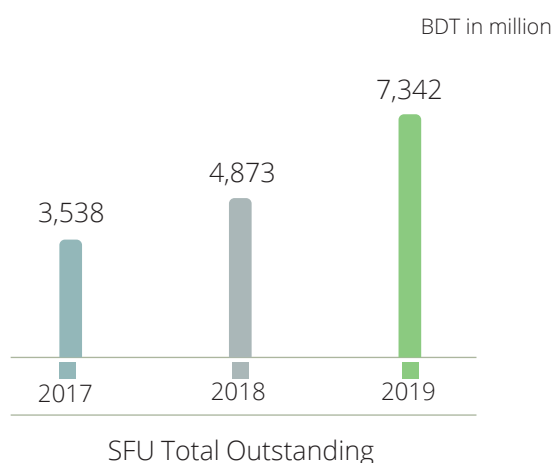
With immense potential to provide synthetic products, the Structured Finance Unit had initiated the lead arrangement for raising BDT 950 million Preference Shares of Star Ceramics Limited. It was also the lead arranger for providing term loan of total BDT 5,136 million to Agami Apparels Ltd. & JMI Group. The unit, under international

syndication initiative, arranged term loan facility of USD 36 million from IFC and FMO to finance the first-ever Swissotel in Bangladesh, a project of Bengal Hotels and Resorts Limited. Another syndication term loan of BDT 6,212 million of Cumilla Economic Zone Ltd. (Meghna Group) is under process.

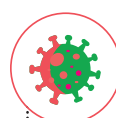
MTB is one of the few banks in the country to avail a number of funds from World Bank channeling through Bangladesh Bank, such as Financial Sector Support Program (FSSP), Green Transformation Fund and IPFF-II fund, etc. The bank also received JICA funds for participating in Urban Building Safety Program (UBSP) project for refinancing and pre-financing purposes and Two-Step Loan Fund under Foreign Direct Investment Promotion Project (FDIPP) project.

The biggest landmark SFU achieved last year was the injection of equity investment from Norwegian Investment Fund for Developing Countries (Norfund). The equity company was established by the Norwegian Government in 1997 with the objective 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 subscribed for 63,707,004 or 9.53% of total shares of MTB @27.19 per share and total investment will be 1,732.20 million. Face value of Tk. 10 per share will be added to the paid-up capital and Tk. 17.19 per share will be added as share premium. Till date, it is the biggest equity investment in any private commercial bank of our country.



Year wise CBU Contribution



### Actions after COVID-19

Channeling the COVID-19 Stimulus packages, which was initiated by Bangladesh Government through Bangladesh Bank, to the Corporate clients who are eligible and in requirements of finances

## Outlook 2020

Though the coming days will be challenging due to tremendous pressure to keep the interest rate below 10%, we are looking forward to attaining the Sustainable Development Goals (SDGs) and focus to sectors with high growth where government has given emphasis. While we are positive in our approach, we fully understand that there will be challenges in the macroeconomic environment in the coming days. We, at MTB WBD, are optimistic in exceeding our performance records and to contribute more to the growth of the bank. Few considerations to the journey are

- ✓ Streamlining current policy, process and operation to ensure excellence in customer services
- ✓ Introducing an early alert mechanism to detain overdue portfolios and strengthening the monitoring of credit risk and planning accordingly or exit of portfolio as may deem fit to
- ✓ On boarding export based customers to ensure FX liquidity and also to enhance non-funded income
- ✓ Optimizing balance sheet, ensuring proper return
- ✓ Tapping into cross-selling opportunities through collaboration of all the enabling units of the bank
- ✓ Exploring for more opportunities and scope for growth in syndicated financing and fund sourcing while maintaining the current ones effectively.

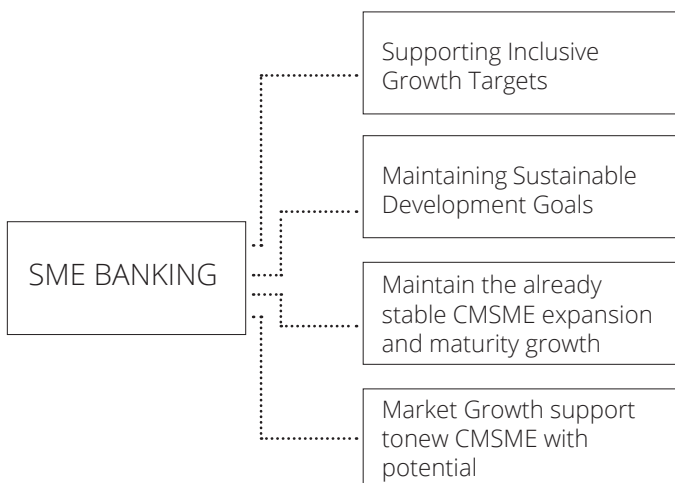
## SME BANKING DIVISION

Cottage, Micro, Small and Medium-Sized Enterprises (CMSMEs) always play a vital role in socially inclusive economic growth. These businesses contribute significantly to the nation's employment and income generation. In Bangladesh, there exists a congenial environment for CMSME grow thas indicated through Bangladesh Bank's different initiatives, stable political condition, wide use of Mobile Financial Services (MFS) or mobile money, expansion of Agent Banking, sub-branches, improved road network infrastructure and access to electricity. The impact is evident through loan disbursement to CMSME sector as well as induction of increasing number of new entrepreneurs, starts up, E-Commerce and F-Commerce.

Recently Dhaka Stock Exchange (DSE) created Small Capital Platform "for SMEs around Bangladesh to access a deep pool of domestic capital." It is new era for the SMEs, on the other hand, in reality, the challenges for new and budding CMSME enterprise remains same which point out the need for continuation of nourishment of new CMSMEs as well as accommodation of the demand of matured, stable SMEs, both are present in the current scenario.

In the upcoming year the growth rate of GDP of Bangladesh will be one of the highest in Asian Region, the baseline of the growth will be formed through the contribution of CMSME sector. So supporting CMSME is essential for strengthening the core of the current development pace at national level.

Bank network coverage is expanding through sub-branch and Agent Banking, and transaction is made easier through Mobile Banking or Mobile Financial Services. So the facilitation to CMSME is increased but the challenges in financing in this sector is still there. On the other hand, NPL in banking sector is still increasing.

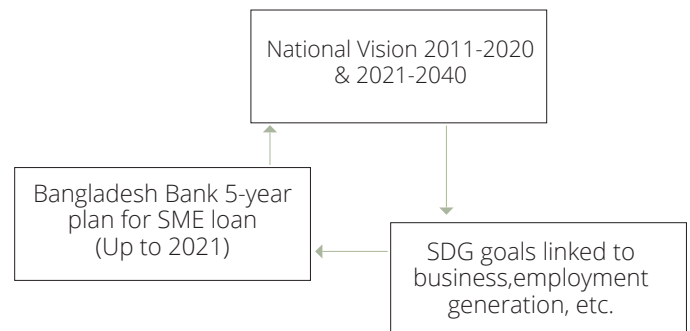


## SDG Relevance

Our business is aligned with achievement of SDG goals. Through our SME division, we contribute to the following SDG goals:



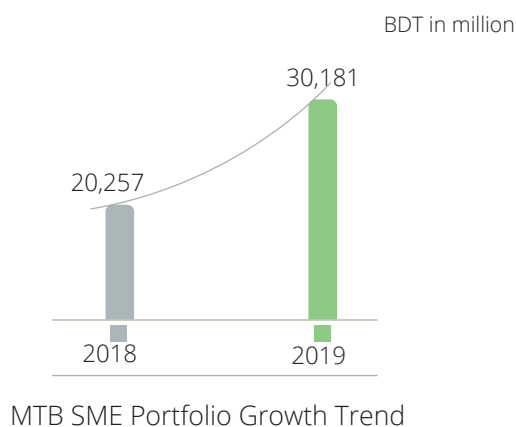
## Business Highlights



MTB SME Banking Strategic Goal Drivers

*The triangulation of International Development Goal, national policy and guidance from Bangladesh Bank is the core element of MTB Strategy for SME Development.*

MTB SME Banking division continues its strategic journey for inclusive finance growth in CMSME. Its Branch banking networks with dedicated team members serve as the field force for sourcing the SME Loan proposal. They provide guidance to CMSME for their business, creditworthiness etc. On the other hand, head office and senior management level provide the policy support, which is adoption of SME friendly finance framework. Sector and segment specific need assessment is done at CHO level, afterwards, product and process reengineering is done accordingly.



### MTB Agri Finance

Bangladesh is predominantly an agriculture based country. The volume of agriculture and associated activity in the economy is huge. The sector is diverse and the requirements for finance is escalating with the increasing agricultural production in crops, poultry, dairy, fisheries and related activities. The bank is financing the sector through MTB Krishi and MTB Krishijat Loan. MTB is using both bank's own network as well as MFIs to reach the last mile of agriculture related finance. MTB has successfully achieved the total target of agricultural loan disbursement for last year.

### MTB Women Entrepreneur Financing

Through different government and central bank initiatives over the years, women entrepreneurship is encouraged and financing women entrepreneurs has become a priority for banks and financial institutions all across the country.

MTB is supporting women entrepreneurs by providing loan at preferential rate under Pre Finance Scheme and Re Finance Scheme.

Women entrepreneurs can avail any facility as per their requirement through two of our innovative financial products for women entrepreneurs: MTB Bhagyobati and MTB Gunabati.

### MTB Green Finance

Renewable, sustainable energy generation and environment friendly technology which reduce negative impact on environment are covered under MTB Green Finance. MTB has a dedicated product, MTB Green

### Resilient Women Entrepreneur

Resilience is one of the core strength of women entrepreneurs in Bangladesh. Women in our country, in many cases, start their own ventures out of dire need. Those ventures become successful and grow because of their entrepreneurial leadership and indomitable spirit.

Mst. Rubana Ferdous, proprietor of Marex Colour Pencil of Ishwardi Pabna, is a great example of such resilient force.

Her husband initially had the idea to produce Marker Pencils which are used in garments industry and initiated the production at factory level in Dhaka. But he died in dengue fever, leaving Ms. Rubana in a helpless condition with two children.

After a long struggle, she restarted the operation of the factory in Dhaka which was later handed over to her brother-in-law. Later she shifted to Ishwardi, took teaching as profession. But after a year, in 2006 she restarted the business of colour pencil production.

Now more than 50 workers both full time and part time work in the factory. Some of her former employees also set their own factory after acquiring skills by working in her factory. In her journey, she took loan in several phases from MTB Iswardhi SME/Agri Branch. She is enjoying current financial facility in single digit interest rate under the MTB Bhaggobati loan product scheme.



Renewable, sustainable energy generation and environment friendly technology which reduce negative impact on environment are covered under MTB Green Finance. MTB has a dedicated product, MTB Green Energy Loan, which is



an environment friendly green credit product that enables the prospective customers to set up renewable energy projects such as solar, biogas, wind, hydro and any other potential renewable energy plants.

The renewable energy sector is evolving over the time. Due to rapid electrification in off grid area, new model for solar energy emerged from individual solar home system to large scale solar panel, whereas mini grid is evolving as well. So MTB is also focusing in this segment .MTB used to finance individual borrowers and organizations directly as well as through MFIs. Now the focus has shifted to companies working for integrating renewable energy as a part of regular business (i.e. setting up solar panel over factory shed). MTB also provides finances for ventures that take initiatives to reduce the carbon footprint of the country, such as setting up of modern technology in brick kilns, ETPs in factories etc. Under Green Finance Initiatives.

MTB SME Banking Division offers a number of diversified products keeping in mind the wide-range needs of micro, small and medium sized enterprises and special business segments like agro-based industry, renewable energy, light engineering and MFIs. For providing one stop service to CMSMEs, non-funded products like bank guarantee and LC have also been brought under MTB's SME Banking umbrella. The division launched four new products in 2019: MTB Shachal, MTB Commercial Space Finance, MTB Supply Chain Finance and MTB Abason, which cater to specific needs of SME customers.

### Promoting MTB SME Banking Products

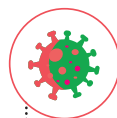
To reach out the prospective entrepreneurs who are in SME financing needs, bank desires to make people more aware of its SME products. MTB participates in different fair and events to create awareness among the mass people.

- SME Banking Division participated in 'Banker-SME *Nari Uddoktha Somabesh O Ponna Prodorshoni Mela 2019*' held at Bangladesh Shishu Academy from March 8 to March 10, 2019 to promote SME products of MTB.
- SME Banking Division participated in "*Krishi Utshab Fair*" held in Khulna from September 28-29, 2019.
- To better serve the customers, the division arranged special training for SME Relationship Managers (RMs) of 91 branches of MTB in 2019.
- The division designed and participated in a workshop on "SME, Agri Credit and Inclusion Banking: Reaching

the Last Mile" held in Chittagong on August 24, 2019. The workshop was jointly organized by MTB TI, Office of the MTB Chattogram Division Branches and SME Banking Division.

MTB SME Banking Division took part in "MTB Retail SME Conference 2019" where all MTB Branch Managers and SME RMs got together for a greater discussion about SME challenges, prospects and SME products of MTB.

With the active support of SME Banking Division, Office of the MTB Chattogram Division Branches participated in 4th International SME Fair Bangladesh 2019, arranged by The Chittagong Chamber of Commerce and Industry which took place on 21-23 December 2019.



### Actions after COVID-19

1. SME Division is channeling the COVID-19 Stimulus packages to the SME clients who are eligible and in requirements of finances. 2. Classification status of loan, lease or advance has been kept unchanged till September 2020

### Outlook 2020

- More Segmentation and focused initiatives to reach last miles to fulfill the finance needs of CMSMEs
- Focus on Cluster based financing
- Introducing fresh ideas and innovation
- Streamline business process, policy and tools

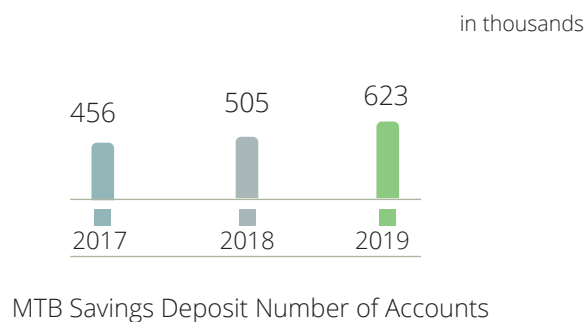
## RETAIL BANKING DIVISION

Retail banking refers to the division of a bank that deals directly with individual customers. Also known as consumer banking or personal banking, retail banking is the visible face of a bank to the general public, with branches and other touch points located at places that are easy-to-reach.

Banks that focus purely on retail clientele are relatively few in our country, and mostly, retail banking is conducted by separate divisions of banks. Customer deposits garnered through retail banking represent an extremely important source of funding for most banks. Retail sources of funds largely enable banks to make loans to their retail and

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largely enable banks to make loans to their retail and business customers.

Retail customers avail products suitable for individual needs - deposit products like savings, fixed, current, monthly deposit, etc. Retail loan products entail loans and advances that cater to individual needs such as home loan for financing purchase, construction or renovation of houses, auto loan for buying cars and personal loans for any personal purpose. In addition to deposit and loan products,

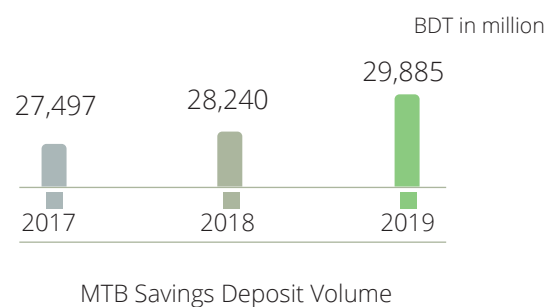
## SDG Relevance

Our business is aligned with achievement of SDG goals. Through our retail banking, we contribute to the following SDG goals:



retail customers also look for banking channels to have safe and secured banking transactions through internet banking, SMS banking, ATM transactions, debit/credit cards, etc. The advancement in technology is also making it possible to offer new products through a variety of delivery channels and greater convenience in banking facilities for the retail customers.

MTB Retail Banking offers an array of thoughtful financial services to the community so that the customers choose our banking channels for making transactions. MTB's retail



products are designed to fulfill the desires of its customers and to meet the latent demand of our valued clients. MTB's tailored products for the retail customers include deposit products, loan products, student banking, locker services, and many more. The number of banks currently operating in Bangladesh can be considered high given the size of the economy. This has intensified the competition, where product innovation and excellence in providing services are building blocks for retail banking success. These are the

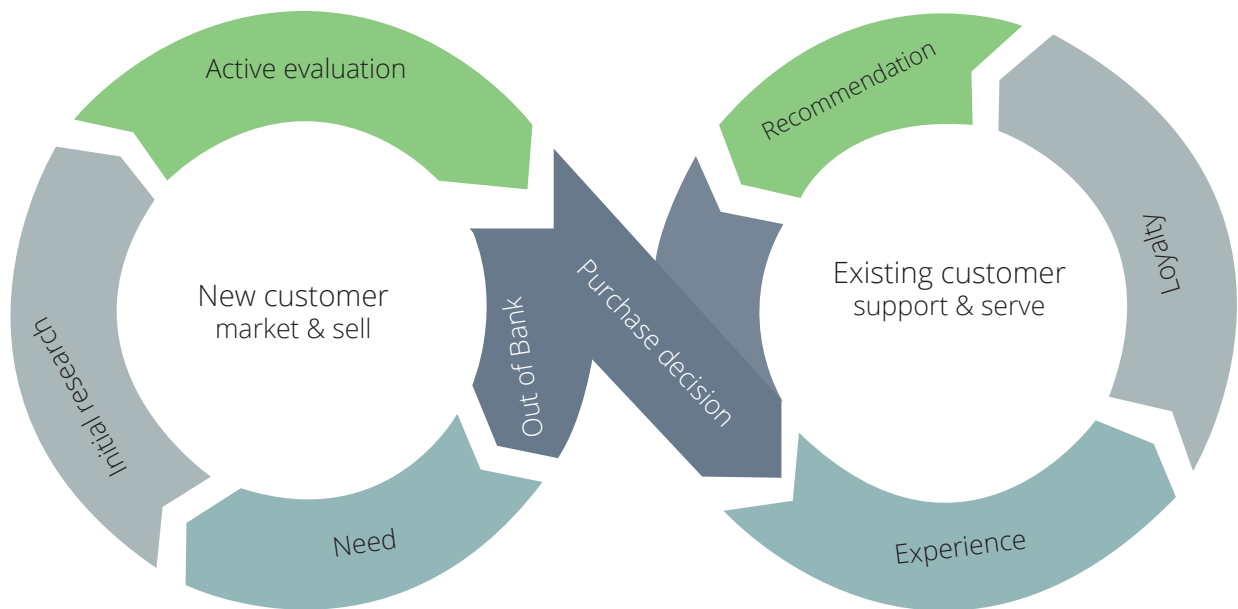
very reasons behind the continuous growth in retail banking business of MTB. However, there is no scope for being complacent with its growth, as the bank sees more potential to tap into this segment and aspires to capture even more market share by refining its products and processes even further to exceed customer expectations.

### Imperatives in Retail Banking at MTB

Currently Bangladesh is at the midpoint of the demographic dividend which is expected to run until 2040. Our population is young and we have a growing middle class with increasing share of income scattered

across the country. They have access to information due to high penetration of mobile internet services. Today's retail customer segment is demanding more than ever before in terms of simpler terms and conditions, and service convenience. Customers from these segments have a wide variety of needs. Fulfilling those needs through optimizing the onboarding cost is key to generating a sizeable income from this segment.

We, at the MTB Retail Banking Division (MTB RBD) has mapped out way on how to attract and convert target segments and maintain a profitable relationship.

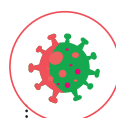
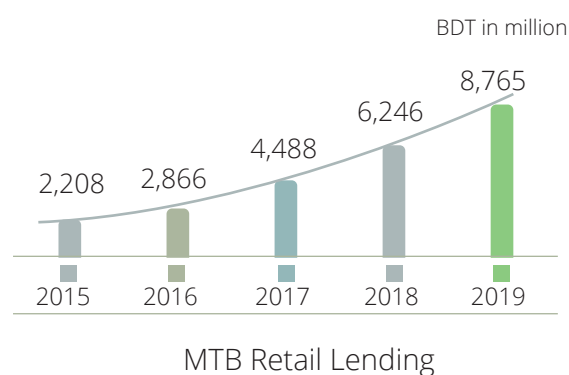


Customer Journey	What Customers Want	What MTB RBD do for them
Need Creation	In order to live a certain lifestyle, mid income segments feels the need for financing for their home renovation, or purchase, purchase of vehicle and personal needs.	We actively try to understand the need of our customer and design with convenient mode of payment. We have both deposit products and loan products tailored for different segments of customers. Not only we target the unbanked clients, we continuously advise our existing customers so that they avail complete financial solutions from the bank.
Initial research	For a customer initial search begins with what they can tangibly see as physical evidence for a financial institutions. Factors that play significant roles are online searching for reviews and recommendation, print and media presence of service offered, Word of Mouth from influencers, touch point proximity and digital touch points.	We have identified these key customer decision journey and actively increasing our presence through existing and opening new branches, sub-branches, agent banking centers, ATM and even through bank's website, where customers look for information. We want to reach our customers at the moment that most influences their decision. Our objective is to reach them at the right place, with the right message, at the right time.

Customer Journey	What Customers Want	What MTB RBD do for them
Active Evaluation	This begins with our potential customers reaching out through our digital spaces or physically visiting our touch points	Customer interaction and engagement plays a key role here. We continuously train and develop our human resources so that they understand customer demands and navigate them to most appropriate products and successfully convert them. MTB RBD has dedicated team to reach to the clients and take initiatives to convert them from regular individuals to bank customers.
Purchase Decision	Ultimately after comparing our offerings with competitors, a customer makes their first step into our service ecosystem.	Customer interaction and engagement plays a key role here. We continuously train and develop our human resources so that they understand customer demands and navigate them to most appropriate products and successfully convert them.  The sales team of RBD reaches out to the customers who are willing to take banking services or the customers can visit nearby branches for completing the procedures.
Loyalty	The post purchase experience influences every other subsequent purchase behavior. A lot of customers feel post purchase dissonance and they further research it to come to a closure whether they made the right decision.	We take post purchase customer service with utmost importance. Customers, especially when they are new to availing financial services feel overwhelmed by the processes. We try to partner with them in their journey and build on a profitable customer relationship.
Recommendation	Loyal customers tend to spread positive words about our services and these words of mouths are more impactful than anything else. However, the downside is dissatisfied customers do the same as well.	We actively engage and listen to customer disappointments through complain management tools and resolve them so that we have strong active customer base. The bank's Service Quality Department (SQD) is actively working to keep customer experience at satisfactory level. Also our team maintain regular follow up with clients to assess, advice and provide them for further financial service requirements.

## Highlights of 2019

MTB is expanding its reach of services through various channels such as branches, ATMs, agent banking, privilege banking, payroll banking, student banking etc. The bank, with the help of technology, makes its products and services conveniently available to its customers. Internet banking and SMS banking are targeted to cater to MTB's valued customers so that they can avail its services from anyplace, anytime. The bank has also more than 308 ATMs across the country. MTB tries to reach rural customers through its innovative agent banking model. At the end of 2019, the number of MTB Agent Banking Centers (MABCs) reached 131. The initiatives have resulted in increased business, both in deposits and lending. In 2019, MTB experienced a growth of BDT 2,520 million (40.30%) in retail lending.



### Actions after COVID-19

1. Extended time for DPS payment without any late charge
2. Extended time for Card bill payment without late fees and interest charge.
3. Launching of two savings product- MTB Shield and MTB Extreme Savings Account, with auto insurance coverage for COVID-19

## MTB Retail Banking Outlook 2020

MTB Retail Division always strives to make MTB as the bank of choice for retail banking customer. Envisioning its long-term goal, MTB Retail Division has set a few short term plans for 2020:

- Enhancing focus on retail banking sector through an integrated approach from the division to seize the growing opportunity in this segment.
- Increasing the percentage of contribution in overall profitability of the bank.
- Stimulating non-funded income opportunities for the bank by reengineering existing revenue model in addition to incorporating new revenue generating avenue.
- Changing the asset portfolio mix, focusing more on the secured lending.
- Integrating more cross selling opportunities for bank like Bancassurance and improving overall customer experience to redirect their loyalty towards the bank.
- Accelerating business processes through establishment of hubs, which will be segregated by area, segmentation of businesses and employing dedicated ROs to expedite market penetration at lower cost.
- Utilizing internet banking channel to capitalize the enhanced capacity of the various service segments
- With the initiation of centralization process in the bank, MTB Payroll Banking unit will hold onto its main agenda, which is to sign up more quality large corporates rather than mass selling to below standard corporates.

## MTB Student Banking

The student banking unit caters to the banking service requirement focusing on students. There is a wide variety of products offered by MTB Student Banking Units-

MTB Student Banking
MTB Junior
MTB Graduate
MTB Children Education Deposit Scheme
MTB Education Plan
MTB EDU Finance
MTB Student File Services

The products are structured in such a way that students get a habit of banking from the early stage of their lives. Their banking needs might be small, but bank gets the opportunity to create a loyal customer base, who will avail more services from the bank in future. Also, the product shelf that MTB has created for students is quite extensive and caters to all possible banking requirements of a student. MTB has junior accounts for children who are under the age of 18 and MTB Junior account holders can operate the account under the supervision of their parents. Parents can also save for their children's future with MTB Children Education Deposit Scheme and can borrow money under MTB EDU Finance so that their children can finish their studies without any disruption. MTB has student file service which allows students going abroad to remit their fund for their admission fees, tuition fees, living expenses etc. This gives those students a one-stop solution to transfer their fund with ease and convenience.

MTB is very keen and in support of conducting school banking activities under the mandate of Bangladesh Bank. With the help of wide branch network of MTB, student banking unit has carried out numerous school banking campaigns all over the country. Such program is pivotal to realizing financial inclusion in our country and MTB student banking unit wholeheartedly support this goal.

## 2019 Highlights

- Significant growth in generating revenue under student file services while creating significant footprint in the market
- Opened a new student banking desk at Banani branch to ensure one-stop services for the students going abroad for higher education
- This unit opened 1,607 student files till 2019.

## Payroll Banking Unit

Since its re-launch in 2014, MTB Payroll Banking has been showcasing professionalism, team work, and consistent growth by providing expert banking solutions to its dedicated payroll based secured customers. The team has shown continuous and consistent progress in almost every component of the portfolio and 2019 was not anything different from that. In the last year, MTB Payroll Banking unit on boarded 90 companies. The new on boarded

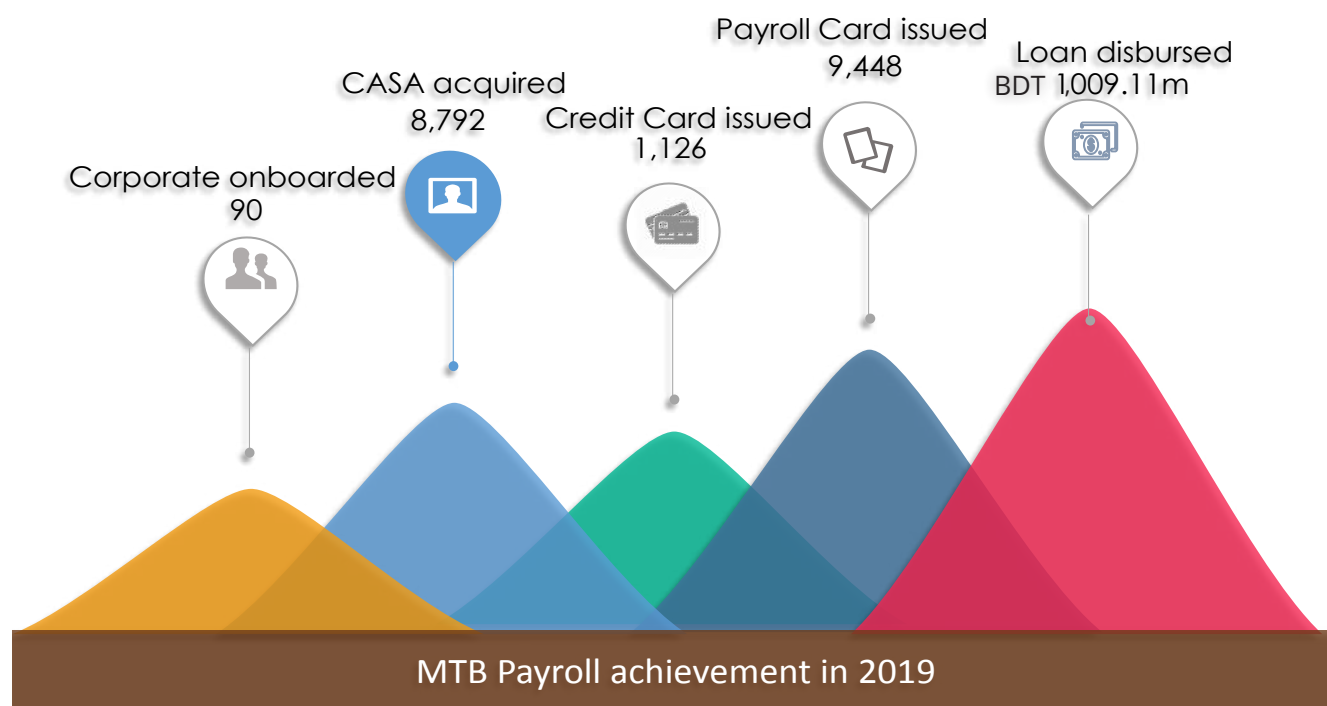


company list consists of MNCs, large local corporates, local organizations, education and medical institutes etc. Low-cost deposit CASA accounts increased by 8,792 in 2019, marking total 41,000 Payroll CASA accounts. In 2019, Asset disbursement to payroll companies reached a milestone amount of BDT 1009.11 million in the history of MTB.

## 2019 Highlights

- To enhance the presence of MTB and to gain from the opportunities that are being created with the growing economy of port city of Bangladesh, MTB Payroll Banking expanded its wing by opening a Chattogram based Payroll Banking team.
- Payroll accounts contributed to almost 11.5% of the total
- Retail loan portfolio in 2019, and the number is 48% higher than that of 2018.
- MTB Payroll conducted 30 Roadshows at its top payroll corporates in 2019 which increased the bank's visibility in the market and enhanced cross-selling of MTB products.
- Approximately BDT 700 million salary funds flow occur every month in payroll banking accounts.
- MTB Payroll sold 1,126 credit cards and 9,448 payroll cards to payroll corporates in 2019.

MTB Payroll Portfolio 2019	
Number of Corporate Clients	90
Number of CASA Account	8,792
Loan Disbursed ( BDT in million)	1,009.11
Number of Credit Card	1,126
Number of Payroll Card	9,448



## MTB Cards

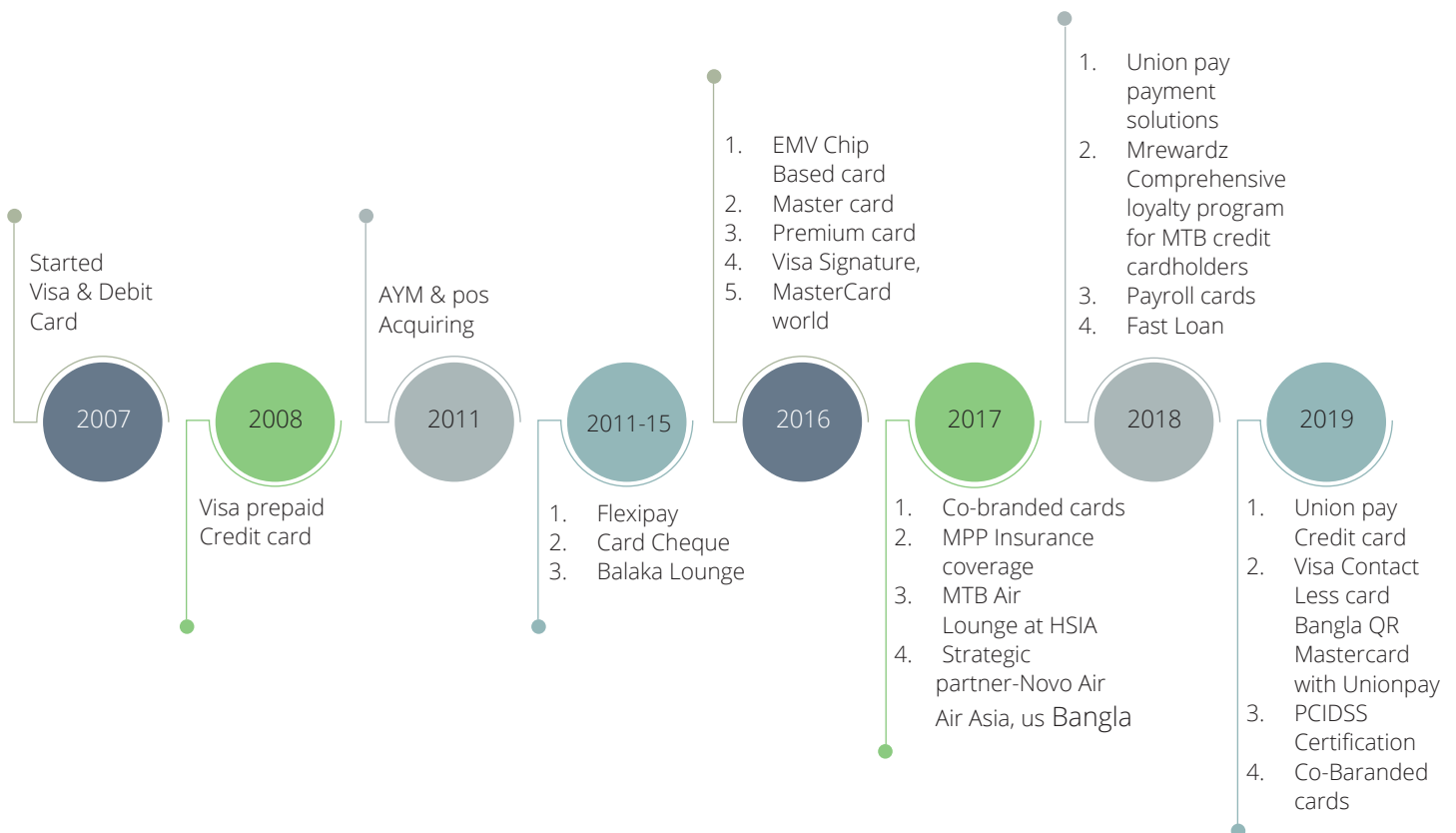
MTB Card Division started its journey in 2007 to offer convenient digital payment solutions for the customers. With the motto of “Working towards a Cashless Society”, MTB now has become one of the major players in the card business of Bangladesh through continuous innovations. Over the years, MTB Card Division has adopted new technologies to make transactions through MTB cards faster, smoother and more secure. With all the premium features & facilities including Airport Lounges, Airport Pick & Drop, Loyalty Program and many more, MTB Cards have become customers’ desired payment method. The service of the customers is ensured by 24/7 MTB Contact Center and a wide network of 118 branches.

2019 has been one of the most eventful years for MTB Card Division. The year started with the launch of VISA Contactless Credit cards. The introduction of UnionPay Credit Cards was

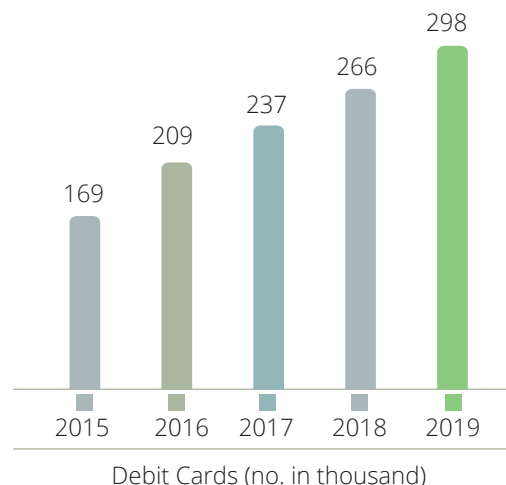
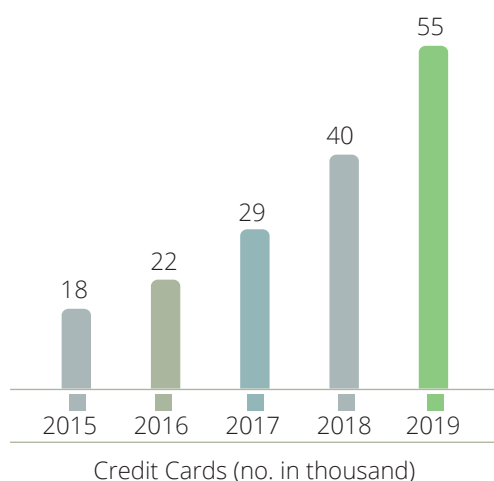
another significant event of the year. PCIDSS Certification in 2019 is a great recognition for MTB. This recognition signifies the capability of digital security and compliance of MTB. In 2019, MTB Card division issued co-branded cards with University of Dhaka, Sylhet Station Club, Sylhet Club, and Apex. The year ended with the mega launch of first-ever national interoperable BanglaQR with Mastercard.

## A Success Story of Remarkable Growth

The year 2019 marks the rise of MTB to prominence in card business through offering innovative solutions and ensuring superior service. In 2019, MTB credit card outstanding remarkably grew by 25%. Total number of credit cards issued increased by 38% and the number of debit cards increased by 12%. This significantly enhanced the revenue for the bank in the form of service charges and interest income.



During the last couple of years, MTB Card Division has shown a remarkable performance, backed up by innovations; value added services and customer experience. The graphical presentation shows the growth trend of the cards business over a few years:



## Highlights 2019

### Launch of MTB UnionPay Credit Card

In 2019, MTB Card Division launched UnionPay Credit Card in the market as the very first bank in Bangladesh to launch a Chinese plastic card as a payment method. UnionPay credit card is widely accepted in every nook and corner of the world significantly in Asia and South-East Asia.

### MTB VISA Contactless "TAP & PAY"

MTB Card Division introduced VISA contactless Credit Card in 2019. Contactless Card is the smartest technology in plastic card industry. Ease of use and secure transactions are the main objectives of this technology. Contactless Card doesn't require PIN/Password for making transactions up to a certain threshold.

### First-ever National Interoperable BanglaQR

QR Code based payment solution is one of the smartest FinTech of recent times. With a view to creating a cashless society, MTB launched first-ever National Interoperable BanglaQR with Mastercard and UnionPay in 2019. The Cardholders can make transactions by scanning QR Code with their Smart Banking App. Small & Medium enterprises including retail and wholesale business can easily reap the benefits of this mode of digital transaction.

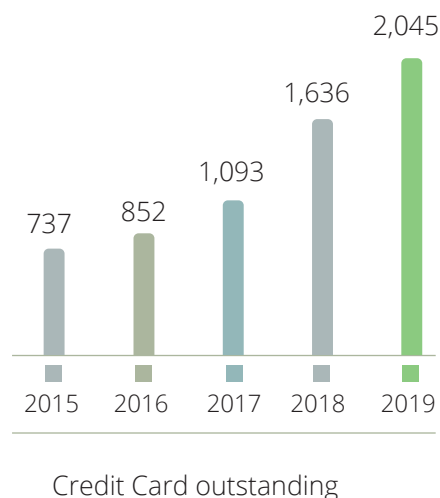
### PCIDSS Certification

This has been a great recognition for MTB in 2019. Security and compliance is a major concern for card usage. Only 3 banks in the country have such recognition.

## Co-branded Cards

In 2019, MTB issued co-branded cards with 4 renowned organizations. MTB issued cards for Apex Rewards Gold members, members of Sylhet Club, members of Sylhet Station Club and the respected teachers and officials of the University of Dhaka. All the co-branded cardholders will have customized amenities and privileges.

BDT in million



## 2020: A Year for Taking off

MTB aims at continuing the momentum it had in 2019 by introducing more innovative payment solutions and enhancing customer experiences. The bank will focus on the implementation of FinTech solutions to meet the evolving market demands. In summary, we will keep moving forward as our vision dictates, 'Working towards a Cashless Society'.

# OTHER DIVISION OVERVIEW

## BRANCHES

These are the core touchpoints of the bank with 118 of those are in operation all over the country.

The branches offer all the necessary banking services that are provided through MTB and operate as the main touchpoint in a specific region. Branches are being operated by experienced banking professionals and connected through real time network and technical supports.

## SUB-BRANCHES

A relatively new concept in the industry, Sub-Branch was introduced through BRPD Circular no. 28, with its core purpose being financial inclusion. The sub-branches are meant to offer banking services with low operating cost in a more optimized space with very efficient services. Every sub-branch is tagged with a branch nearby. In 2019, 05 new sub-branches were opened to provide customer services more efficiently in cost effective ways.

## AGENT BANKING

Agent Banking is growing rapidly in Bangladesh as a mechanism for reaching underserved people and the concept has gained immense popularity due to its simplicity and cost-effectiveness. This is an approach to provide banking services by appointing an agent in areas where regular bank branches are usually not available. Starting in 2014, Bangladesh's banking industry has witnessed a steady growth in agent banking. According to Bangladesh Bank data, up to September 2019, 19 banks were offering agent banking services. MTB started its agent banking segment from June 2016 by setting up its first MTB Agent Banking Centre (MABC) in Cumilla and its operations have grown rapidly.

MABC is a blend of extensiveness and convenience in providing banking services to small scale financial service receivers. Agent banking services include collection and processing of account opening forms, collection of small value cash deposits and withdrawal service of the same and receipt of clearing cheques. Agent banking centers not only collect deposits but also make disbursements of foreign remittances and small value loans. Besides

regular banking services, many other banking facilities are offered through agent banking, such as balance enquiry, collection of utility bills and school fees, payment of insurance premium, beneficiary owner (BO) account opening, etc. As MTB attempts to offer a variety of financial services to its agent banking customers, the agent banking centers offer SME, Agri and retail loan products as well.

The Agent Banking Software (ABS) which enables the online transactions to be real time is used to make the services of agent banking secure. The transactions are secured by a two-factor authentication (2FA) mechanism in which thumbprints of both the customer and the agent are used through a biometric device to validate transactions. The customer is notified through a system generated printed receipt of the executed transaction and an SMS alert as well.

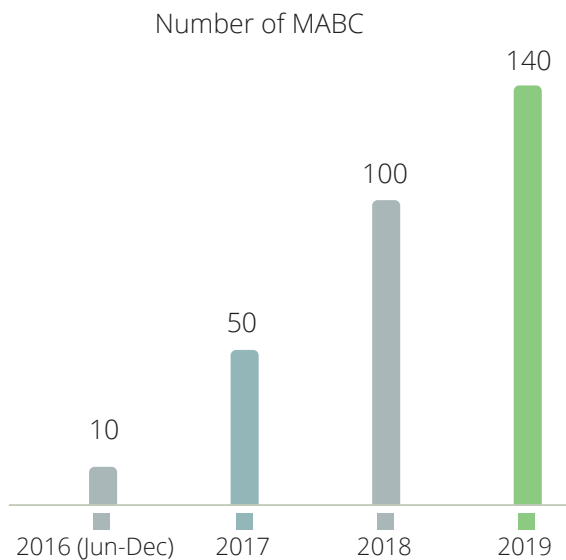
### SDG Relevance

Our business is aligned with achievement of SDG goals. Through our Agent banking, we contribute to the following SDG goals:



### Highlights 2019

- 40 new MABC opened during 2019 making the total number of MABC to reach 140.
- The MABC network covered 37 districts. 106 MABCs are situated in rural areas while the rest 34 are in urban areas.
- Total number of accounts reached 55,588 with total deposit figure amounting to BDT 2,203 million, and BDT 1,711 million of cash disbursement was made against foreign remittance.



## Outlook 2020

- Enhance the reach of agent banking in compliance with Bangladesh Bank regulations.
- Keep the services cost effective, convenient and secure.
- Train the agents to deliver services maintaining the standard of MTB.

## MTB AGENT BANKING: BREAKING THE GLASS CEILING

While pursuing our dreams, we continuously search for opportunities, work really hard and try to accomplish everything at once. But the path to success is not a bed of roses. So many difficulties often restrict our willpower to become successful. But the essential thing is to not give up and continue to work hard. What really matters is that, in the end, we can be happy with what we do. Such is the story of Ms. Nadira Sultana Mitu, which also inspires women to pursue their dreams, never to lose hope, to work hard and become a role model for others.

Ms. Nadira Mitu always dreamt of being an entrepreneur. From the very beginning of her life, she wanted to become a self-made successful person. Unlike most of the Bangladeshi women, she chose the path of difficulty. During her time, it was not very easy for a woman to go against the decision of the family and chose a totally struggling path in career. But Ms. Nadira's eagerness to become a businessperson was very rock-solid.

Due to her ultimate ambition to do become self-sufficient, Ms. Nadira disregarded the idea of running after govt. and private jobs. Her dream was different from rest of the women of her age. Ms. Nadira wanted to create job for the women instead of doing just a 10 to 6 structured job that pays well. That is exactly why she started MTB Gollamari Agent Banking Centre in

Gollamari Bazar, Khulna City Corporation, Khulna on December 27, 2017.



Photo: "Ms. Nadira Sultana Mitu",  
A successful MTB Agent Banker from Gollamari





Since then, Ms. Nadira has been successfully running her MABC as a self-made woman entrepreneur of Bangladesh. And MTB is the proud patron of her hard work and entrepreneurial mindset.

**"Currently, I have got 535 account holders in Gollamari MABC, having deposit balance 29.65 Million. Almost 32% of these account holders are female."**

**---Nadira Sultana Mitu**

Ms. Nadira completed her MBA in Human Resources from Khulna University and later on did her second MBA in Marketing from North Western University, Khulna. Ms. Nadira started her entrepreneurial journey with MTB Agent Banking as soon as she completed her studies. Prior to that she used to work as a user (agent employee) of "MTB Zero point Agent Banking center" in Khulna.

Ms. Nadira dreams of a society without unemployment as well as a society empowered by women. And she has been utterly determined to carry out her responsibilities as an MTB agent banker.

Ms. Nadira got the initial investment of BDT 2.5 Million for agent banking from her family since her family also believed that MTB is a trustworthy bank of Bangladesh and Ms. Nadira would be able to perform well by becoming a partner of MTB, a highly compliant and one of the best performing banks of Bangladesh.

Ms. Nadira changed common peoples' attitude towards a woman doing agent banking, with her courage and sheer

perseverance. She conquered the trust of customers with solid integrity, sincerity and cordial behavior.

MTB Gollamari Agent Banking Centre is different from most other agent banking centres of MTB since this MABC also performs its responsibilities towards society by arranging vivid social activities from time to time. Like- Winter clothes distribution amongst poor, drawing competition for a cause and providing financial aids to the needy people of the Gollamari society.

Ms. Nadira carries out her activities as an MTB Agent by increasing awareness among customers about MTB and how people can save their money without just putting their money in old tin boxes or under pillow or within pillow covers. Ms. Nadira has been building perception about having a saving mentality among people of

Gollamari. She has been working hard to provide banking services to the unbanked people of Gollamari with proper dedication.

Ms. Nadira Sultana Mitu is an example of perfect woman entrepreneur with strong mindset towards overcoming hardship. What becomes clear from her story is that there can be ups and downs in life, and it is pretty normal. We just should stay determined and never give up.

Ms. Nadira Sultana Mitu achieved tremendous success by being a partner of MTB agent banking services. Her right choice of choosing a career with MTB not only made her successful and well regarded business person of the society but also became an inspiration of thousands of other women. MTB Agent Banking has thus paved the way to success for many people like Ms. Nadira Sultana Mitu.



## MTB PRIVILEGE BANKING

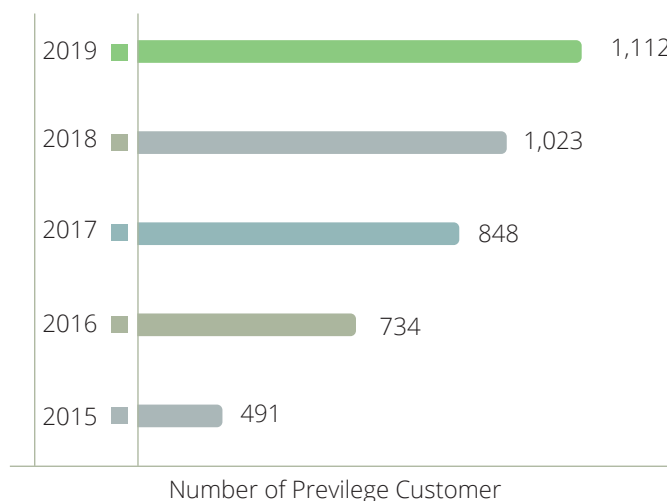
Understanding each customer as an individual with unique dreams and aspirations is at the heart of MTB Privilege Banking (MPB). Since its inception in 2010, the MTB's Privilege Banking Department has strived to provide 360 degree banking solutions to its top notch clientele with its well-trained and dedicated industry leading relationship managers. The privilege centers are well decorated and furnished as exemplary stylish business suits that give an experience of cozy virtual office with state-of-the-art technologies.

## Pleasure of Privilege

Any Bangladeshi citizen maintaining a minimum liability portfolio of BDT 4 Million with MTB is eligible for privilege services. MTB Privilege Banking operates having faith in 6 (six) core values - Customer Focus, Quality, Teamwork, Integrity, Respect for the Individual and Respectable Citizen. As MTB aspires to become the best amongst the privilege banking service providers of the industry, the bank restructured its privilege banking in 2014 and added 8 new state-of-the-art privilege centers to provide the aspired industry leading customer experience to the customers with high net worth. Seven of the privilege centers are located in Dhaka and one in Chattogram.

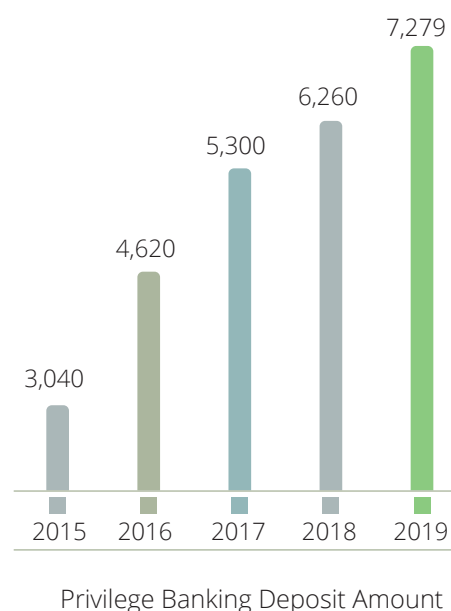
MTB Privilege Banking offers attractive deals to its customers throughout the year on shopping, dining, lifestyle, travel and entertainment. In order to ensure premium customer service for privilege customers, MTB has signed agreements with more than 115 premium brands, has been offering attractive discounts and facilities of several fashion houses, hospitals and service providers like restaurants, hotels, resorts and airlines.

MTB wants to make the privilege customers feel that they are



taken care of with special attention wherever and whenever they travel. With that in mind, MTB Privilege Services are no longer limited within the bank premises. To serve the customers outside the bank premises, Privilege Banking offers Complimentary Access to Airport Lounge at Hazrat Shahjalal International Airport (HSIA) located in Dhaka, Shah Amanat International Airport (SAIA) located in Chattogram and Osmani International Airport (OIA) located in Sylhet along with sumptuous & delicious food, beverage and many

BDT in million



more special amenities. Other than that, Complimentary Airport Pickup and Drop-off Service from Europcar, complimentary Airport Protocol Assistance Services/Meet and Greet Services are also offered to the customers.

Customized Health-Care Support at top hospitals of Bangladesh and abroad, celebrating special days with personalized wishes, gifts and specialized cakes, greetings in festivals and invitations to exclusive Privilege Banking events and seminars are some of our efforts to acknowledge the significance of our privilege customers. To entertain the valued customers, other non-financial facilities included, but not limited to, free debit cards with higher withdrawal limits, pre-approved MasterCard World and VISA Signature Card, discount on locker service, SMS and internet banking services with dedicated 24/7 call centre.

## Business Highlights

MTB Privilege Banking with its unique target marketing strategy has been catering to the affluent clientele for MTB. Since 2014, MTB Privilege Banking through MTB Privilege Centers has been providing industry leading premium services and winning customers' satisfaction. MTB Privilege Banking Department is experiencing a growing trend in demand of premium Banking and the achievement of last couple of years in dynamic banking environment has been

inspiring to come up with more Privilege Banking Centers which will increase the availability of privilege banking services. Moreover Privilege Banking Department of MTB strives to retain the client growth through making new customers to increase its client base as well as to continue providing the supreme services to the existing clients. From the experiences from last couple of years, MTB Privilege Banking Department is now confident enough to grab a significant market share and drive to explore the area where it can be optimized for sustainable growth and development while maintaining world class standard of service quality to be The Bank of Choice.

### Highlights 2019

- Extended retail lending product offerings to high net-worth customers appraising their financial need, and registered a staggering growth.
- Contributed significantly to boost credit card business growth, and enhance profit of MTB Card Division.
- Organized different health awareness sessions with Apollo Hospital Dhaka, Praava Health, and Galaxy Health Care Bangladesh as part of our customer engagement programs to keep them connected with the bank. Organized different socialization program, with privilege customers and high net-worth customers of the bank.
- Celebrated Pohela Boishak, EID, Christmas & New Year with esteemed Privilege Customers by sending customized gifts.

### Outlook 2020

- Launching new MTB Privilege Banking Centres in Dhaka, Chattogram and Sylhet while increasing the availability of privilege services for privilege customers.
- Introducing innovative and customized propositions to let the customers have even better experience from our Privilege Banking Department.
- Taking initiatives to maintain the portfolio growth through acquiring new customers.
- Increasing the lending and liability business to enhance the scope of accessibility of privilege banking services to the premium customers.
- Organizing "Privilege Customer Night 2020".
- Taking initiatives for better customer engagement and attachment with the bank by organizing special events, such as, Boishakhi Fair and also conducting different customer events throughout the year including health awareness, vehicle show, jewelry show, ice cream festival, etc.

## MTB AIR LOUNGE

"MTB Air Lounge", introduced by the dynamic management committee of Mutual Trust Bank Limited (MTB) has given a new competition to the existing lounges of other banks. In September 2017, MTB opened its first Air Lounge at Hazrat Shahjalal International Airport. MTB established its second Air Lounge at Shah Amanat International Airport in November 2018. In June 2019, MTB opened its third Air Lounge at Osmani International Airport.

The 2,000 sq ft MTB Air Lounge at Hazrat Shahjalal International Airport (HSIA) offers modern architecture, posh interiors, world class catering and massage & relaxation chair for the comfort of travelers. MTB HSIA Air Lounge provides round the clock services with a shower facility which allows guests to freshen up before their flights. Guests can sit back, relax and enjoy the delicious buffet assorted with finely chosen food and beverage.

MTB Shah Amanat International Airport (SAIA) Air Lounge is the largest domestic lounge in the country with 2000 sqft area. MTB SAIA lounge has been catering to the travelers with great enthusiasm to make their time and experience comfortable and enjoyable. The Lounge is open from 06:30 to 22:00 and caters delicious buffet to travelers which is unique in lounge industry.

MTB Air Lounge at Osmani International Airport (OIA) consists of an area of 650 sq ft. The Lounge is open from 11:00 to 21:30 and caters mouthwatering foods to the travelers.

Besides, the travelers have similar recreational facilities at all MTB Air Lounges such as internet services through Wi-Fi, TV, Mobile Charging, Daily News Papers, Shoe Shiners and Library. MTB 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 in all MTB Air Lounges.

### Highlights 2019

- Launched the third state-of-the-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.
- Signed off contracts with "Dinners Club Members"



at MTB Air Lounge and with “DragonPass” at MTB Air Lounge, HSIA, SAIA & OIA which enabled members from various countries to relax in MTB Air Lounge.

## Outlook 2020

- To launch fourth & fifth state-of-the-art Air Lounge at Cox’s Bazar and Saidpur Domestic Airport to enhance the scope of serving customers who travel by air.
- To make agreement with “Priority Pass” at MTB Air Lounge of OIA, “Lounge Me” at MTB Air Lounge of HSIA, SAIA & OIA, and also with other differe corporate houses, to enable priority pass holders of different countries to relax in MTB Air Lounge.

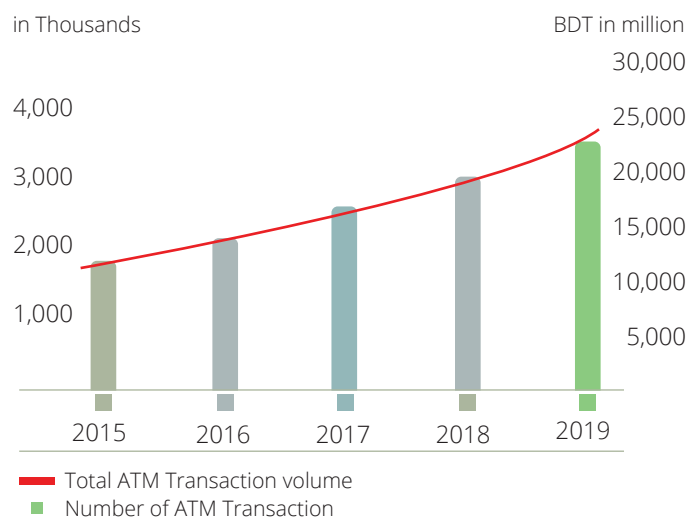
## ALTERNATE DELIVERY CHANNEL

The roots of digital banking can be traced back to the advent of ATMs and cards launched around the 1970s in the West, long before the era of internet started. Worldwide over 60 per cent of consumers now uses smart phones as their preferred method for digital banking. Realizing these facts, MTB Alternate Delivery Channel (ADC) incorporates innovation in information and communication to match world-class trends so that valued customers can have smooth banking experience.

## ATM Services

MTB is one of the major ATM service providers in the country with a network of 302 ATMs located strategically across the country to make cash withdrawal facilities available 24/7 which are not limited to cash withdrawals

only, but also offers other additional facilities like checking balance and changing pin, etc. MTB ATMs offer a secured way of transaction by combining the latest technologies and safety features. 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 one of the highest recognitions of security standards.



## MTB Smart Banking Booth

To extend the Banking service beyond its branch network, MTB has setup 15 (Fifteen) MTB Smart Banking Booths at strategic locations which offers services like cash deposit and withdrawal through CDMs and ATMs respectively, internet banking services, account opening, loan application (retail & cards), etc.

## POS (Point of Sales) Business

MTB also offers service through its POS network covering a wide range of merchants across the country. Commencing in 2011, the bank till the end of 2019, installed around 3,101 POS terminals at major merchant points spread over 60 districts facilitating cashless transactions at different merchant points, accepting EMV Chip-based VISA, MasterCard and UnionPay including NPSB channel support. MTB has also introduced QR based payment system in 2019 along with the latest Contactless POS terminals as the first acquiring Bank to launch such service by offering 'Tap & Go facility' for the contactless cardholders.

## Highlights 2019

### Launching 300<sup>th</sup> ATMs

In November 2019, MTB ADC launched its 300<sup>th</sup> ATM at Hotel Inter Continental, Dhaka.

### Centralized cash Management & Monitoring

In July 2019 successfully commenced centralized cash management & monitoring from MTB ADC for better support to our customers from one touch point. At the end of year 2019 total 157 off site ATMs have been colligated under this umbrella

### Installation and Modernization of ATMs

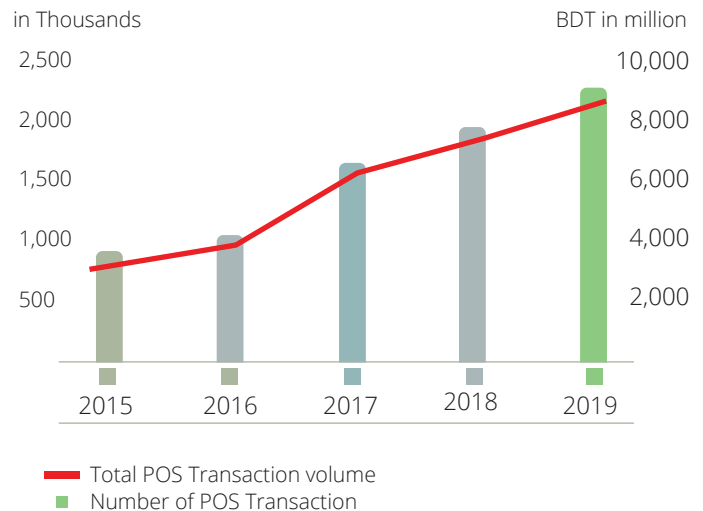
33 new ATM booths were introduced at different locations during 2019 and the total number of ATMs stood at 302 at the end of the year. MTB ATMs complies with PCI DSS standards along with anti-skimming devices and key guarders in all MTB ATMs and are installed as per regulatory instructions.

### Smart Banking Kiosks

MTB launched 7 new Smart Banking Kiosks in 2019. These booths facilitate cash withdrawal and deposit services through ATMs and CDMs respectively.

### Introduced Contactless POS terminals

MTB ADC has introduced Contactless POS terminals first time in Bangladesh to accept contactless cards. So far 1,200 units POS contactless have been installed at merchant point across the country.



MTB POS Transaction

## Introduced UnionPay International (UPI) channel in Bangladesh

MTB ADC was an active participant to introduce UPI acceptance channel in Bangladesh. All MTB ATMs & POS terminals accept UnionPay cards.

## Introduced Quick Response Code (QRC)

MTB ADC introduced Bangla QR payment (Interoperable with MasterCard, UPI & Visa) at merchant location. This type of integrated QRC payment system is first ever in Bangladesh and penetrates the retail merchant points all over the country.

## Outlook 2020

- To install 50 new ATMs (including MTB Branch, Sub Branch premises, Airport and potential offsite location) across the country and to install 50 Cash Deposit Machine (CDM) at our branch locations to facilitate collection of utility bills.
- To deploy 1,000 more units of contactless POS terminals at different potential merchant locations across the country.



## DIGITAL BANKING DIVISION

To enhance customer experience, MTB established its MTB Digital Banking Division with focus on SMS Banking, Internet Banking, Mobile App, QR Code Based Payments, E-commerce, Payment Gateway and many more.

### Internet Banking Website and Mobile App

MTB Internet Banking is a digital banking channel that offers various facilities to encourage financial transactions through the bank's website and mobile app. Apart from the web portal, MTB Smart Banking Mobile App has been redesigned to be more integrated and responsive towards the changing market needs, fostering a comprehensive smart banking ecosystem. The App offers access to internet banking services using smart phones based on both Android & iOS. The services offered through MTB Internet Banking are also accessible through the Mobile App.

To keep internet banking safe, secure and convenient, we update & improve the system in line with the technological advancement and market trends. Two-factor authentication system has been implemented to secure online transactions as per international standards and to mitigate the risks of cyber threats.

MTB Internet Banking is currently offering services like fund transfer to other MTB account or to other bank's account, mobile top-up, bills payment, transaction summary, account statement etc.

### QR Code Based Payment Solution

QR Code based payment solution is one of the latest technologies for digital banking. MTB has become the pioneer in adopting and launching the first ever National Interoperable Bangla QR. MTB Cardholders can make QR Code based payments through MPay on MTB Smart Banking App.

### SMS Banking Services

MTB SMS Banking Service enables our customers to get transaction notifications, mini statements, and account balances from anywhere within the country. MTB customers receive instant transaction alerts with transaction details. They can also check summary of their last 5 transactions using SMS service.

### Outlook 2020

- Adoption of more ICT based services in order to continue to have competitive edge and to serve our

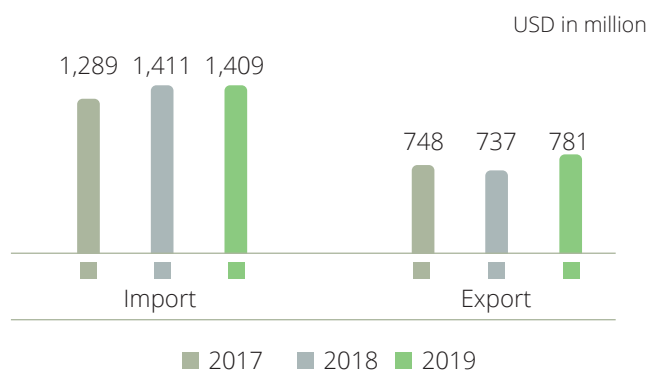
customers even better.

- To improve our customer experience on digital platforms by expanding our network through collaboration with partner organizations.

## INTERNATIONAL TRADE

### MTB International Trade Services

Global trade horizon is expanding day by day along with increased free movement of goods and services as a result of escalated interconnectedness amongst the countries around the world and improvements in technologies. The shifts in international trade pattern could unlock many opportunities for individuals, entrepreneurs and businesses around the world.



MTB International Trade Business

MTB is committed to being the partner of choice for internal and external customers by providing proactive trade solutions. Some far-reaching initiatives have been planned to include more business customers through MTB International Trade Services Division in future. Variety of services is currently offered to the customers from the division to cater to trade solutions.

MTB's import volume was USD 1,408.91 million in the year 2019. The bank's import business facilitation consists of items like capital machinery, industrial raw materials, food grains, consumer goods, etc.

MTB's export volume was USD 780.75 million in 2019, an increase of 5.97% from USD 736.59 million of the year 2018. The bank's export business facilitation consists of items like ready-made garments, frozen foods, jute products, leather and leather products, etc.

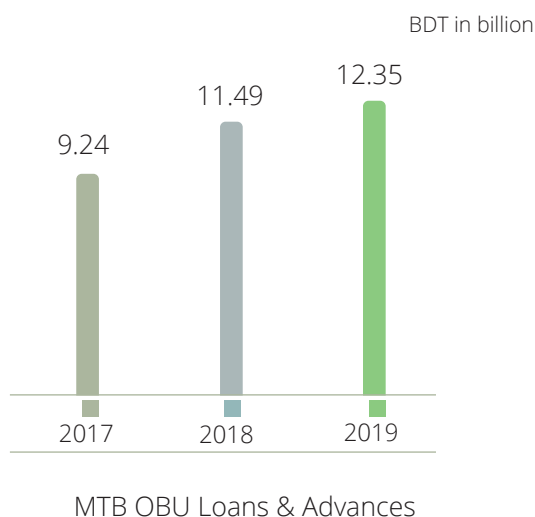
MTB plans to provide innovative trade finance solutions to customers, tailored to local needs and regulations, to support the upward trend in the export-import business of our country in future. Therefore, MTB's international trade business is expected to grow further in the year 2020.

## Offshore Banking

BRPD Circular No. 02 dated February 25, 2019 on the subject of "Policy for Offshore Banking Operation of the Banks in Bangladesh" followed by subsequent BRPD Circular Letter No. 09 dated May 27, 2019 has made profound impact on overall Offshore Banking Business in Bangladesh. All banks were constrained to revisit their existing business models to redefine their own strategies in terms of new cost imposition (CLR & SLR cost) and maximum cap of borrowing from Domestic Banking Unit (DBU) imposed by the new policy.

Offshore banking businesses are forced to re-assess the minimum baseline (cost of fund plus expected profit margin) before offering the interest rate for discounting of bills both for import and export activities of their own ADs. Under this backdrop, there exist two challenges for the banks: in one hand, the banks will have no option but to shift a portion of their offshore banking business portfolios to foreign correspondent banks' book, which ultimately decayed over banks' efficiency to effectively manage overall confirmation and discounting business and on the other side, it may reduce offshore banking asset size, which will rationally generate less than expected profit.

MTB Offshore Banking Unit (OBU) was able to address those two challenges and lessened the impact to a minimum level. Consequently, MTB OBU has been able to register its own loan and advances in increasing trend from previous year.



The total loans and advances of offshore banking business reached USD 145.43 million, equivalent to BDT 12.35 billion, as on December 31, 2019 compared to USD 137 million, equivalent to BDT 11.49 billion, as on December 31, 2018 showing an impressive growth of 7.48%.

## Outlook 2020

- Reduce borrowing cost while borrowing funds from different sources along with the inclusion of new borrowing avenues from abroad.
- Maintain an expected level of borrowing from Domestic Business Units (DBUs)
- Diversify the borrowing sources to avoid concentration risk

## MNC Banking Unit

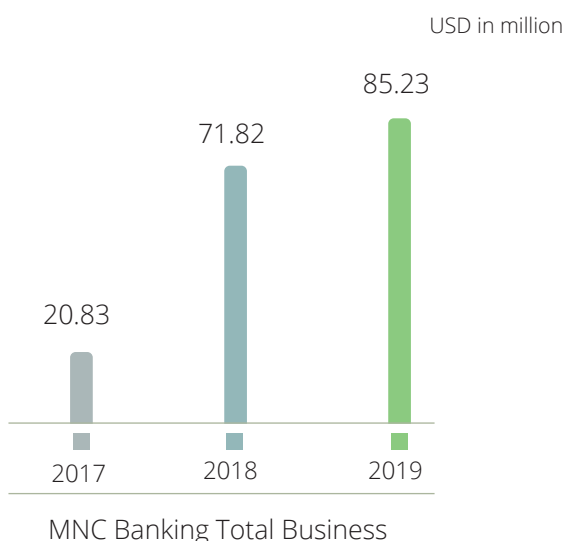
MTB MNC (Multi-National Companies) Banking Unit started its operation in 2016 as a separate and dedicated unit as part of MTB's enhanced focus to widen its international business. The main objectives and functions of this unit are to assist MNC clients by opening accounts, understanding their business 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 China Desk has a dedicated staff, having proficiency in Chinese language, to have seamless communication with the Chinese companies in Bangladesh and abroad.

The Unit has been generating profit for the bank through facilitation of different types of Bank Guarantees (BG) against counter guarantees of foreign correspondent banks and their MNC customers.

In 2019, MTB MNC Banking Unit facilitated a total amount of BG USD 85.23 million, equivalent to BDT 7.16 billion and experienced significant growth of 18.67 % increase over the year of 2018. Through these trade facilitations, MTB MNC Banking Unit booked a sizable commission earning of USD 0.46 million, which is equivalent to BDT 39.01 million, for the bank with a growth of 43.75% as compared to the previous year.

The Unit has also played a pivotal role to open corporate accounts of 19 (Nineteen) MNCs and payroll accounts of 3 (Three) MNCs during this period.



## Outlook 2020

- Design 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.

## Correspondent Banking

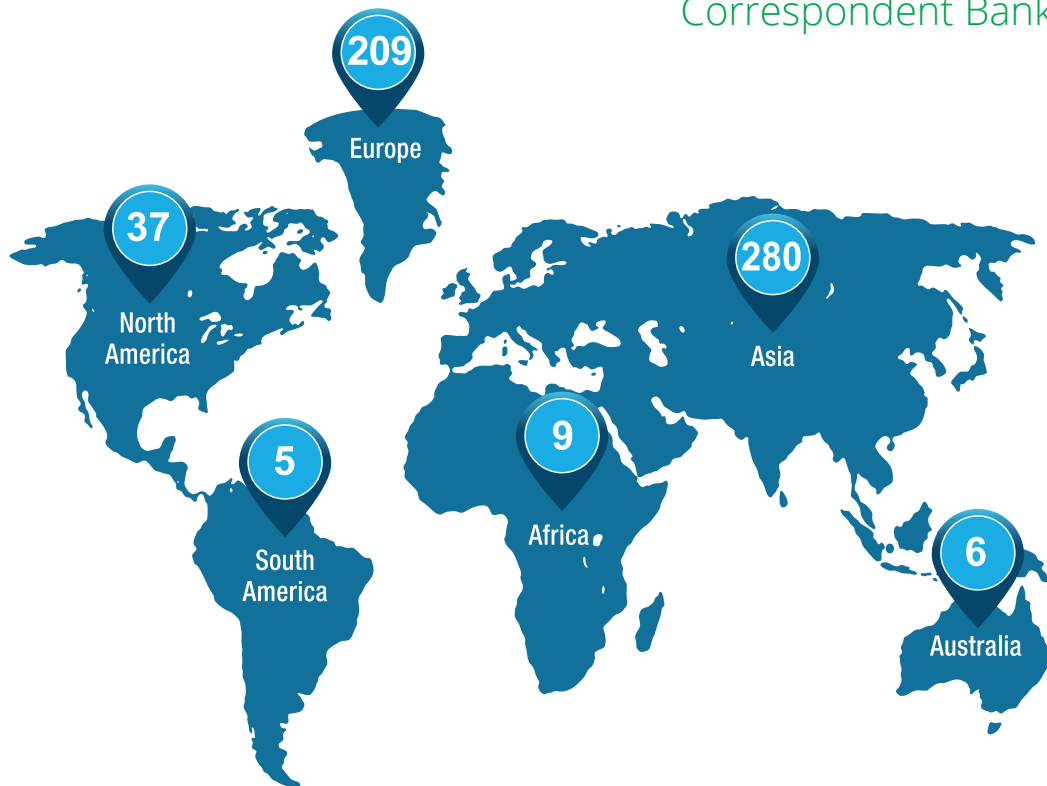
Correspondent banking outlook for the year 2019 was a combination of opportunities and challenges. Most of the correspondent banks across the globe reposed confidence in accelerated economic growth of the country and shown keen interest to capture more transactions as compared to previous year. Throughout the year, we have observed numbers of new regional and local banks were paying visit to commercial banks in Bangladesh with a view to overseeing correspondent banking business opportunities. Consequently, we have seen inclusion of few new banks in the correspondent banking business for the country, which aptly reduced the trade finance gap and enhanced core competency for the local trade finance savvy banks like MTB. Moreover, few global banks which had

contracted or withdrawn correspondent banking relationships on the plea of de-risking back in 2011-2014, have now remodeled their business strategy to recuperate their pie from the correspondent banking business in Bangladesh. However, there is still existence of few dark spots mainly in supportive roles of trade finance activities included but not limited to LC advising, negotiation, collection of Export Bills and transferring of LCs etc. Few banks are still restrictive to offer the supportive functions without having RMA (Relationship Management Application) establishment between the banks. There was also much on-going discussion round the year regarding the use of RMB (Renminbi) as Standard Settlement Instruction (SSI) for cross border payments. Besides, the country has experienced introduction of new technology based correspondent banking platforms covering almost all existing products and services. Although those solutions are in the budding stage of their life cycle, the new technology will, beyond doubt, disrupt the existing prosaic correspondent banking modalities in near future.

MTB, in order to grab the prevailing opportunities, has devised its own strategy and successfully on-boarded few new banks in its correspondent banking list. However, there are still few banks awaiting to be enlisted in near future. In addition to that, few global banks have started their due diligence to rebuild the relationships with MTB. We have kept our eyes open on the technological development at the correspondent banking segments and signed with all available technological companies in the country. Besides, we are also in the process of development of our own correspondent banking modules in order to keep pace with the upcoming technologies.

MTB, in order to turn the challenges into the opportunities, has continued its initiative taken in the year 2019 to set up RMA relationships with different renowned local, regional and global banks across the globe. With this continuous focus, currently, our SWIFT RMA networks have been increased to total number of 600 banks, out of which 54 are local and 546 are foreign. We also maintain 39 nostro accounts with different correspondent banks abroad in US Dollar (USD), British Pound (GBP), Euro (eur), Japanese Yen (JPY), Swiss Franc(CHF), Singapore Dollar (SGD), United Arab Emirates Dirham (AED) and Asian Clearing Union (ACU) Dollar and Euro.

## Correspondent Banking Network



**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 | Netherlands | 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

## NRB BANKING DIVISION

### Remittance Overview

Remittance is one of the most important economic variables in Bangladesh since it helps increase foreign exchange reserves, enhance national savings, maintain equilibrium in balance of payments and increase velocity of money. According to World Bank, Bangladesh ranked 3rd among South Asian countries and 11th globally in 2018. For about two decades, remittance has been contributing around 35% of export earnings. Moreover, it helps lessen dependence on foreign aid. Remittance is the second largest sector of foreign exchange earnings. Remittance positively affects almost all the macro-economic indicators of Bangladesh.

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. To ensure smooth inflow of remittance in the legal channel, MTB NRB Division is providing services to the remitters and their beneficiaries as per their banking needs.

Inspired by the sacrifice and courage of the NRBs, MTB NRB division started its operation back in 29 July 2009. We are here to help the millions of NRBs around the world

who make the huge sacrifice of leaving their families behind to live and work in another country. These unsung heroes deliver their promises to take care of those they love. NRB Division is working hard to help their hard-earned money stretch further to their loved one safely. Over the years, NRB division has emerged as one of the major contributors in MTB's business growth.

MTB has also been recognized as one of the best banks in Bangladesh to provide remittance services to the NRBs. With a view to contributing to the national growth achievements by facilitating smooth remittance flow, we are serving expatriate Bangladeshis by offering various types of products & services:

### NRB Product

- NRB Savings
- NRB Deposit Pension Scheme
- NRB Fixed Deposit

### NRB Remittance Services

- Disbursement of inward Foreign Remittance Received Through Globally Reputed Money Transfer Companies and MTBs Fully-owned Subsidiary MTB Exchange (UK) Ltd.

### NRB Other Services

- Banking Service to NRBs Through MTB overseas Representative
- Foreign Currency Exchange Facility through MTB Foreign Currency Exchange Booths at Hazrat Shahjalal International Airport, Dhaka

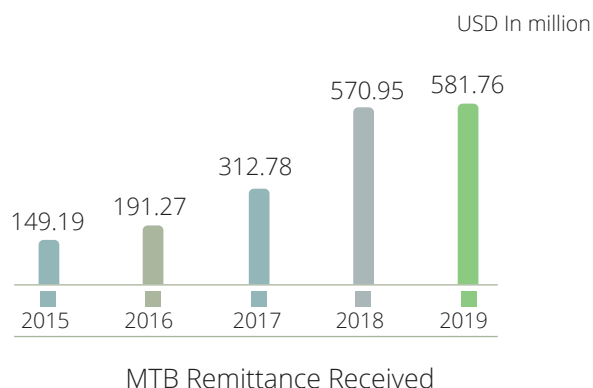
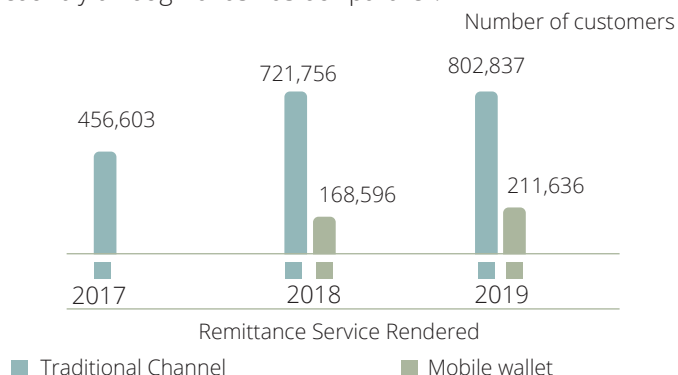
## Highlights 2019

At present, MTB has remittance drawing arrangements with 36 exchange companies and 4 banks for acquiring foreign remittances. We have on boarded 8 money transfer companies and 2 banks in 2019. Moreover, MTB Exchange (UK), a subsidiary of the bank, also facilitates sending money of the Bangladeshi expatriates back home.

In addition, MTB has booths at Hazrat Shahjalal International Airport to offer the customers convenience of purchasing and selling foreign currency. MTB NRB is also disbursing Govt. Cash Incentive on wage earners remittance prudently as per Central Banks guideline and co-branding the same with our valued remittance partners worldwide. MTB NRB is the pioneer in mobile wallet remittance disbursement in the country through bKash as our partner.

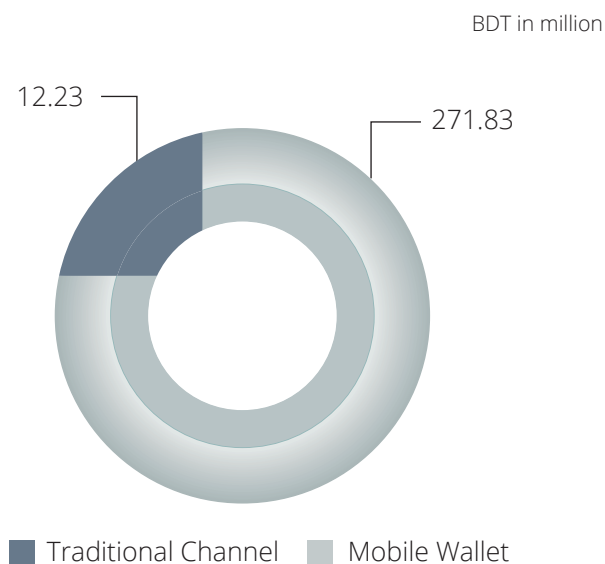
Unrelenting exertions and exemplary services to the NRBs have brought us 21,442 number of accounts, amounting BDT 2.02 billion up to year 2019. MTB received remittance of USD 581.76 million through our esteemed remittance partners around the world in 2019. NRB division served 1.01 million beneficiaries with utmost care through different modes of remittance settlement. Among which Mobile wallet plays a pivotal role and its growing as the world is going through a technological evolution.

Apart from these services NRB division also served customers by disbursing Govt. cash incentive on any type of wage earners remittance payments. As per the instructions





of Central bank, NRB division has already co-branded with different exchange houses regarding incentive offer to boost MTB's wage earners remittance inflow as well as the countries flow as a whole. In traditional channel total 299,416 no. of customers availed govt. cash incentive amounting 271.83 million BDT from NRB division and we were also able to deliver cash incentive to 77,895 no. of customers amounting 12.23 million BDT through mobile wallet till 2019.



Govt. Cash Incentives Service 2019

## Outlook 2020

- Integrate with Ripple net, the most advanced Block chain technology for global payments, making it easy for MTB NRB to reach a trusted, growing network of 300+ providers across 40+ countries and six continents.
- Introduce a dedicated system for smooth remittance payments regardless the transaction volume
- Revive NRB Home Loan
- Ensure end to end connectivity with all remittance partners for remittance disbursement
- Broaden the pursuit for new and less exchange rate sensitive Exchange companies
- Introduce online remittance platform for MTB
- Integrate with Ripple net, the most advanced Block chain technology for global payments, making it easy for MTB NRB to reach a trusted, growing network of 300+ providers across 40+ countries and six continents.
- Introduce a dedicated system for smooth remittance

payments regardless the transaction volume

- Revive NRB Home Loan
- Ensure end to end connectivity with all remittance partners for remittance disbursement
- Broaden the pursuit for new and less exchange rate sensitive Exchange companies
- Introduce online remittance platform for MTB Exchange (UK) limited
- Ensure better business for MTB by periodically visiting remitting countries to establish and strengthen relationships

MTB NRB is always vigilant about the changing patterns of the remittance industry and maintains a balance between business and compliance. NRB division is constantly at work to achieve MTB 3V. We strive to serve our customers with utmost care and uphold the brand image of MTB at a whole.

## TREASURY

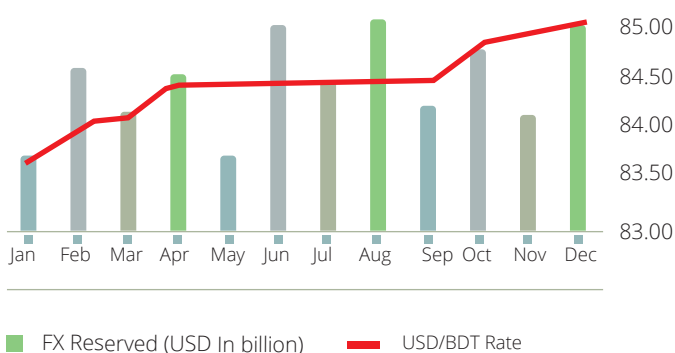
Treasury has become a strategically crucial business unit across the bank due to the dynamism in banking industry which is fueled up mainly by rapid technological changes, regulatory restrictions and compliance. Treasury operation conducts various activities, such as, optimizing liquidity, administering the financial assets and investment decisions. Treasury is responsible for making sound financial investments with the available liquidity while maintaining financial risks. Treasury department directly safeguards against interest rate risk, exchange rate risk and liquidity risk. To discharge its responsibilities, treasury performs a lot of functions including liquidity management, maintenance of CRR, SLR and NOP as a regulatory requirement, investment in government securities, placement of fund in the inter-bank market, settlement of foreign exchange transactions, participation in primary auction, etc.

MTB Group Treasury has shown phenomenal growth over the past few years in spite of the adversaries 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 favorable events and to lessen risk from unfavorable ones. Moreover, the department is performing supreme role in formulating strategies to face the challenges imposed by the vastly discussed issue 'Single digit interest rate

## Foreign Exchange

The global economy continued showing sluggish growth trend in 2019. Though growth has held up in the United States, it has decelerated in many other major economies. The main reason is the diverse range of challenges weighing on global activity, such as, financial turbulence in some large emerging markets, political uncertainty in many European and Latin American countries, China's significant efforts to combat corporate debt vulnerabilities, and ongoing geopolitical tensions. The International Monetary Fund (IMF) forecast global growth at 3.0 percent in 2019, its slowest pace since the global financial crisis.

Like previous year, 2019 started with a gradual depreciation of local currency BDT against USD almost throughout the year. USD BDT exchange rate was 83.90/USD at beginning



FX Reserve and USD/BDT Rate  
Trend in 2019

of the year 2019 and ended up the year with 84.90/USD. Higher import payment obligation along with lower remittance inflow made FX market instable till the middle of 2019. Government initiative to pay incentive on wage-earners remittance inflow has given a visible pace in the remittance earning of the country during the second half of the year. On the other hand, depreciation of BDT against USD played a vital role to maintain the competitive edge of the export oriented sectors of the country.

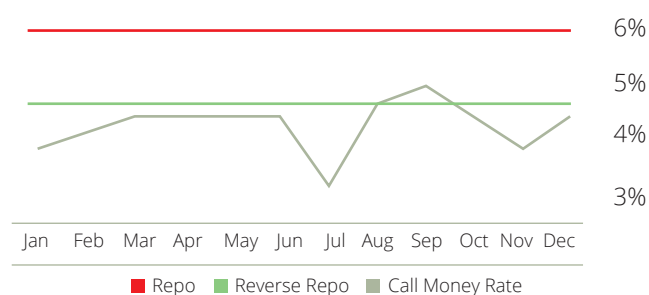
The Foreign Exchange desk of MTB has managed substantial amount of import payment obligations, export proceeds realization and wage earners remittance inflow efficiently throughout the year.

## Money Market Operations

The money market maintained almost a steady path in terms of interest rate throughout the year 2019. To assist to maintain the liquidity requirement, central bank provided repo and Assured Liquidity Support (ALS) facility to the primary dealers (PDs) and non-PD banks against the eligible portion of the total holding of treasury bills and bonds. By means of prudential policies and strategic measures of Bangladesh Bank, the weighted average interest rate in the call money market ranged in between 2.24 and 5.09 percent during the whole year

To stabilize the market, in September 2019 BB allowed all traditional PCBs to maintain ADR at 85% instead of 83.5%. This initiative up surged the market liquidity during the last quarter of the year as the banks had more fund available to do lending. The liquidity condition in the banking system improved as the government's fund collection through the sales of national savings certificates dropped significantly in the fiscal year of 2019-2020. The repo and reverse repo rate remained unchanged to 6.0% and 4.75% respectively in 2019.

MTB was able to analyze and utilize the market situation in an efficient manner. To minimize the liquidity and interest rate risk, MTB treasury put its highest efforts to manage the funds using in different avenues of market opportunities.



Repo, Reverse Repo, Call Money Rate  
Trend in 2019

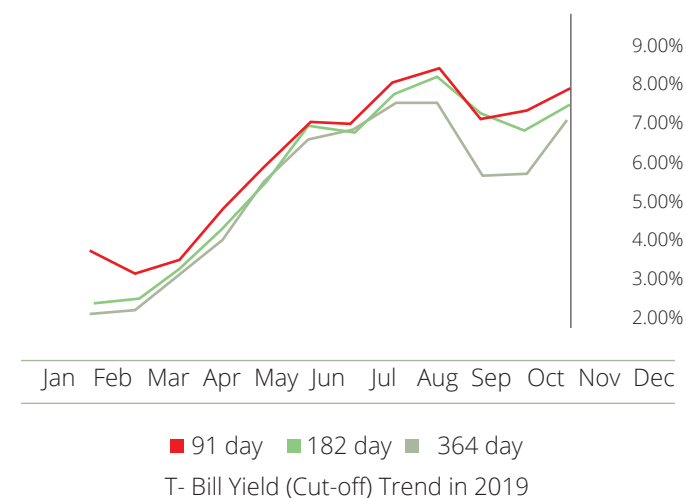
## Government Securities Market Operation

In a well-diversified financial system, fixed income securities have a very important role to play. The available government debt instruments are treasury bills and treasury bonds. Banks and financial institutions are the main participants of treasury bonds. As a regulatory requirement, banks in Bangladesh have to meet SLR of 13 percent of average

demand and time liabilities. And in compliance with the Bangladesh Bank regulation, MTB maintained SLR of 13 percent throughout the year 2019. SLR was maintained in the mode of government securities, i.e. treasury bills and treasury bonds.

During the first half of the year the aggregate amount of government borrowing was comparatively low, resulting in lower rate of return. Since July, 2019 during the first half of the Fiscal Year, the borrowed amount has increased significantly along with the yield.

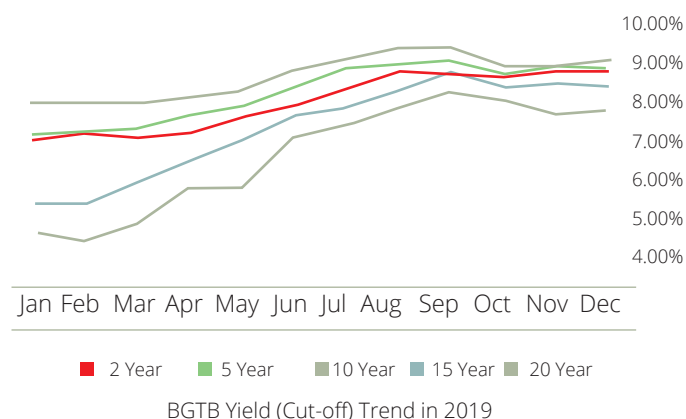
Throughout the year Bangladesh Bank, the central bank of the country, has continuously given support through Repo and liquidity support, which played a significant role in ensuring the market stability.



## Primary Dealership

Members of Primary Dealers Bangladesh Limited (PDBL) are the medium to supplement the public financing requirement of the country as per the national budget by participating mandatorily in the weekly auction of the government securities. Each of the PD banks has their own underwriting obligation. MTB is one of the active members of PDBL.

The bank holds a significant amount of investment in government securities which is generating a healthy yield for the bank. 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. In March, 2019 the government has floated Floating Rate T-Bond (FRTB) in the market.

## Asset Liability Management (ALM)

Asset Liability Management (ALM) is the shield against the risks faced by a bank arising from mismatch between assets and liabilities, fluctuation in interest rates and liquidity crunch. ALM is responsible to recommend most effective approach in terms of interest rate, strengthening balance sheet components and contingency plan for unforeseen changes in market condition and macroeconomic scenario.

ALM also assists to ascertain business strategy and policy formulation. MTB Group Treasury has done exceptionally well in this area by keeping management well-informed of crucial developments in the market and pricing techniques of liabilities and assets. ALM Desk analyses, evaluates and interprets the market scenario on a regular basis to ensure the right balance between product profile, cost and risk exposure. It provides valuable input in MTB Asset Liability Committee (ALCO), which is comprised of senior management of MTB as guided by regulatory framework. The Committee meets at least once in every month to discuss 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.

Special ALCO meeting was also held to take urgent decisions. In 2019, ALCO took some imperative and judicious decisions regarding interest rates, liquidity positions and other various risks associated with the balance sheet components that helped MTB accelerate the pace of growth. The prudent decisions of the committee energized the overall liquidity

situation of the bank in a moderately liquid market condition.

## Outlook 2020

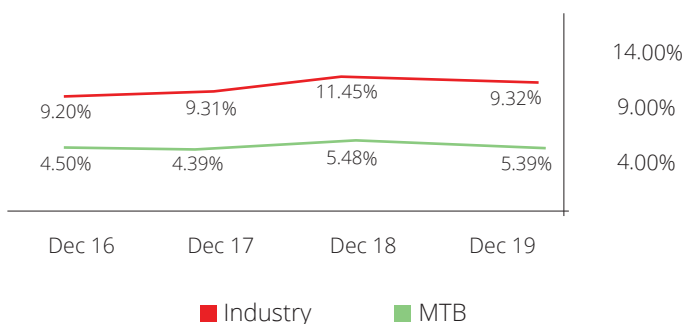
After experiencing a year of high fluctuations and various instability due to economic and political issues, Treasury team is determined to adhere to the following:

- Since the foreign exchange market faced significant volatility in 2019, we need to observe the market very closely and act accordingly in the year 2020.
- Introduction of CBS Treasury Module, which will improve the tasks of analysis and reporting with automation process and enhance the efficiency of the treasury operations.

## SPECIAL ASSET MANAGEMENT

Despite being a robust economy, Bangladesh is witnessing ever-growing trend in Non-performing Loans (NPLs). The chronic deterioration in asset quality is ultimately hitting the banks' profitability due to covering up for high credit cost. Many banks are stumbling at maintaining the target despite their best efforts and their engagement of recourses to reduce the NPL rate to the minimum. MTB has always been trying to make quality investments by means of careful selection of borrowers, consistent monitoring and follow up with the clients to identify and take preventive actions before unfavorable situations can take place. Special Asset Management Division (SAMD) works persistently to keep the loans regular through its performance, which helps to keep the NPL rate way below that of the industry.

The following graph shows a comparison between the trend of classified loans in the banking industry and at MTB:



CL Trend: Industry VS MTB

MTB consistently maintained much lower NPL ratio compared to that of overall banking industry. NPL ratio of MTB was 6.25 percent at the end of June 2019 and rose to 6.73 percent at the end of September 2019 and because of the continuous and cohesive efforts of SAMD to bring down the ratio at the minimum level possible, enabling the NPL ratio of the bank to come down to a 4.61 percent at the end of December 2019. Special asset management team of the Bank has played contributory role to keep that rate with their all-out effort for recovery of NPLs as well as written off loan.

To reduce the risk of revenue obstruction and to keep a healthy portfolio of credit investments so that the profitability does not shrink with extra burden of provisions, SAMD has always been persistent in recovering loans or regularizing borrowers who have defaulted due to any reason. To remain effective in the coming days, MTB has already revamped the work process of SAMD followed by job description driven KPIs and separated the monitoring function.

It has also re-engineered the work process like recovery actions, regularization of loans, initiation of legal actions following proper rules and guidelines.

## Outlook 2020

1. Special focus is given for speedy settlement of large NPL accounts on priority basis.
2. Portfolio analysis is being continued for improving quality of asset portfolio and providing feedback to business underwriting team based on collection efforts and new customized initiatives are taken accordingly to strengthen the recovery process.
3. Sufficient training sessions are arranged to increase the efficiency, productivity and loyalty of the employees.
4. Effective initiatives are taken to hold NPL inflow and improve NPL stock.
5. Automated Loan Management and Collection Module are to be procured.

## MONEY LAUNDERING & TERRORIST FINANCING RISK MANAGEMENT

Money Laundering (ML) and Terrorist Financing (TF) risk management have become a core component of bank's risk management fundamentals. With the passage of time in a rapidly evolving economic landscape, the risks emanating out of Money Laundering and Terrorist Financing are increasing. As the money launders continue to become more aggressive and finding newer techniques to use legitimate channels to indulge in illicit and illegal activities, it is imperative that the Country and its Banks and Financial Institutions continue to build and improve its Money Laundering and Terrorist Financing Risk Management platforms. As a responsible country and a part of global network, Bangladesh has showed its indomitable resilience and commitment by creating a knowledgeable and potent investigative unit 'Bangladesh Financial Intelligence Unit (BFIU)'. BFIU has been providing constant guidance to the Financial Industry of Bangladesh through designing prudent and timely formulated regulations and policy guidelines over the years since its inception. As a responsible Corporate Citizen, MTB Board of Directors treats non-compliance of AML & CFT measures with "Zero Tolerance". MTB has been equipping itself through creating capabilities by deploying robust and extensive policy guidelines, imparting comprehensive training of human resources to build human capital and gradually moving into embracing world class technology tools to protect the bank and make the business more sustainable.

### Highlights 2019

- The Central Compliance Committee (CCC), consisting of 15 members, met 4 times during the year, discussed AML & CFT measures and provided guidance to stakeholders.
- Under the supervision of the Chief Anti Money Laundering Compliance Officer (CAMLCO) and CCC, MTB Anti Money Laundering (AML) and Combating Financing of Terrorism (CFT) Division discharged their responsibilities throughout the year.
- Like every year, the Managing Director & CEO issued his statement of commitment regarding strategy, action plan, compliance and consequence of non-compliance in April.
- Revised the policy guideline in accordance with the international standards, laws of the land, guidelines, circulars and instructions issued by BFIU.
- Arranged 21 workshops/training programs, of which 17 workshops were on ML & TF Risk Management, one on trade based money laundering, two on account opening and one for agents & agent employees. MTB arranged a BAMLCO Conference in April.
- MTB continued sanction screening against United Nations Security Council Resolution (UNSCR), Office of Foreign Assets Control (OFAC), adverse media and domestic sanction lists through automated screening tool.

### Outlook 2020

The fight against money laundering and terrorist financing is an evolving and never-ending process, with new challenges every day. MTB shall continue its Endeavour in such fight in 2020 with a strategy and program to -

- Ensure practical implementation of MTB ML & TF Risk Management Policy Guideline approved by the Board of Directors and revise the policy guideline as appropriate.
- Develop workshop/training modules on e-learning.
- Design, develop and implement functional role driven advanced training
- Arrange BAMLCO Conference and workshop/training programs.
- Initiate project on e-KYC, Customer Due Diligence for existing clients & implementation of Unique Customer Identification Code (UCIC).
- Develop risk based control framework and ensure implementation of the same.
- Launch automated sanction screening and transaction monitoring system to ensure control and facilitate off-site monitoring.
- Strengthen Risk Assurance Framework



# 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

## SDG Relevance

Our energy is directed at creating an environment for responsible and sustainable development. Our Human Capital contributes to the following SDG goals



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.

## Highlights

Sophisticated HR Information System

Introducing e-Learning Modules

292 training sessions were arranged in 2019

BDT 3,276 Million disbursed as Salary and Allowances

## 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.

## How We Manage Our Human Capital

Our approach to employees is based on solid foundations – a set of internal standards and regulations

We support the development of our employees

We want everyone to feel welcome and we offer an attractive and innovative work environment

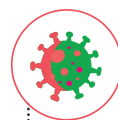
We have a comprehensive approach to remuneration policy

## 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.



### Actions after COVID-19

1. MTB is one of the banks to first initiate WFH- Work From Home during COVID-19 pandemic
2. Wherever possible, human resources are deployed on rotation basis to reduce risk
3. Issued "MTB COVID 19 Risk Management Guidelines" to live and perform during this pandemic situation
4. Continuing online training for the employees on virtual platforms

## MTB GROUP HUMAN RESOURCES

MTB considers human resources as the strategic partner who plays the key role in the success of the organizations. MTB has a clearly set mission, vision and strategies, which can be materialized if the right people with right attitude and skills are acquired and placed accordingly. MTB Group Human Resources (GHR) takes further initiatives to confirm that employees are continuously inspired to work towards achieving the organization's shared goals.

### Inspiring MTBians to Shine

Human resources with right attitudes can build up the most valuable assets for a bank to put the organization on a competitive advantage, which becomes impossible for other players in the industry to duplicate. In the year 2019, MTB took an approach called 'Shining.' GHR has supported this strategy by designing and conducting its activities being aligned with the theme. 'Shining' aiming at setting a shining example of every corner of its financial service excellence required for it to become the brightest star in the night sky like the Sirius.

GHR confirms that the employees are educated about the guidelines to be followed for achieving the goal of Shining. 'Code of Conduct', 'MTB 3V', and 'MTB Winning' booklets are made available for every MTBian. Today's ardent employees are tomorrow's leaders. GHR paid special attention to guide the employees through different approaches to act on the Shining theme.

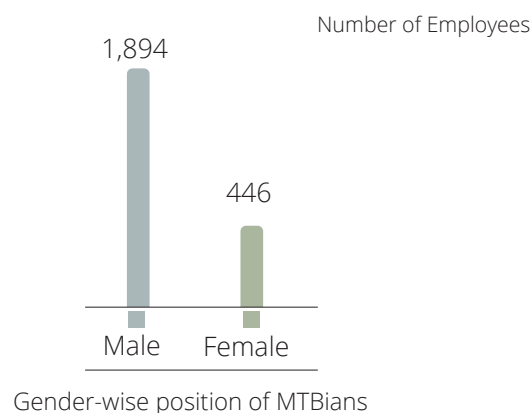
### Achieving Diversity at Workplace

MTB desires to create synergy through employing diverse group of people. Workforce diversity prevents creation of any glass ceiling and gets better output from different views

and opinions. GHR has been vigilant in not being prejudiced and making selection of candidates solely based on talents, who are best fitted for the organization.

Maintaining gender ratio at a reasonable level is another target of MTB GHR. More and more females are joining the workforce in Bangladesh and MTB also encourages female participation in its operations at different levels of management. MTB has taken the initiatives to put females in leadership position to shatter the perceived glass ceiling in the banking industry. GHR gives special attention so that female candidates get proper scope just like the male candidates. Female employees hold diversified ranks ranging from officers to executives.

The workforce of MTB group stood at 2,340 by the end of 2019. Gender-wise position of MTBians as on December 31, 2019 is shown in the chart:



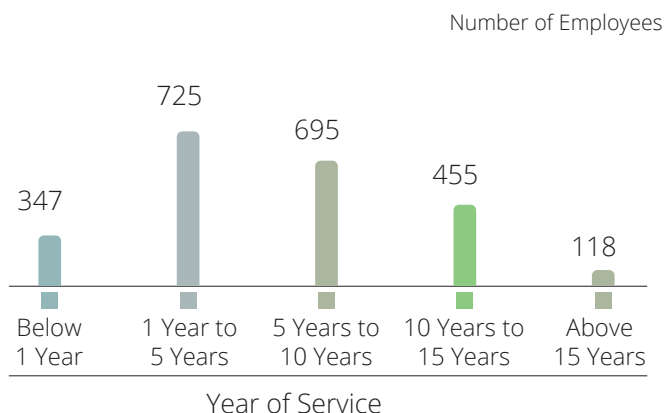
As MTB gained more popularity as the employer of choice, the number of MTBians has also increased during the year 2019. At December 31, 2019, 2,340 employees remained with MTB with 19% female staff. The table below shows rank and gender composition of MTB employees-

Ranks	No. of Male Staff	No. of Female Staff	Total Staff	Percentage of Composition
Executive	304	32	336	14.36%
Mid-Level Officer	420	87	507	21.67%
Junior Level Officer	1,146	325	1,471	62.86%
Non Officers	24	2	26	1.11%
<b>Total</b>	<b>1,894</b>	<b>446</b>	<b>2,340</b>	<b>100%</b>

## Building & Retaining Human Capital

The organization is marching towards growth over time, resulting in increased volume of operations, and becoming a stronger contender in the industry. Adhering to the goals, MTB GHR designs recruitment programs to fill in the human capital requirements where necessary, with the best fit talents. The target is not only to acquire qualified human resources but also to build a loyal team who will make the goal of the bank its own individual goal and work accordingly.

MTB has created an excellent work environment with the help of GHR and this is evident in the employee turnover trend. Employees' length of service is one of the key indicators that they work for the organization with loyalty and willingness to work together to help the bank reach its long term strategic goals. Employees' length of service with MTB as of December 31, 2019 is presented in the chart below:



Employees Length of Services at MTB

## Policy Driven HR Practices

The key to create a catalyst group of employees is to choose and nourish the right talent without being prejudiced. There is an established employee governance policy to standardize every selection, compensation, performance evaluation procedure etc. within the bank. This policy creates a culture of equity among every employee in the bank and reduces various risks related to human resource management.

## Systematic Employee Evaluation

Employees are evaluated continuously through performance management model, supporting professional certification,

self-driven development initiatives, training participations, etc. GHR developed employee performance management model with the purpose of keeping the employees inspired to be always striving for producing the best results. The performance evaluation system creates bridge among internal human capital and the strategic goal achievement for the bank.

Performance evaluation process starts with taking input from the employees, where they themselves declare the expected output to be achieved during the year. There are certain criteria that objectives must possess, which are called SMART (Specific, Measurable, Achievable, Realistic & Time bound).

Performance assessment is taken from both the employees and reporting supervisor. While conducting the appraisal process, a few key elements are considered, which are as follows:

- Ongoing Job Requirements
- System Redesigning
- Operational Efficiency
- Contribution in Projects and Assignments
- Business Development
- People Development
- Cost Reduction
- Self-development

## Holistic Initiatives to Identify, Select and Building Catalyst Human Capital

Building a catalyst arsenal of employees, who will become the game changer in the industry in later times is the ultimate goal of GHR. MTB realizes that if the right quality of people are taken onboard and are nourished over time, they will grow the capability to take the organization to the pinnacle of success.

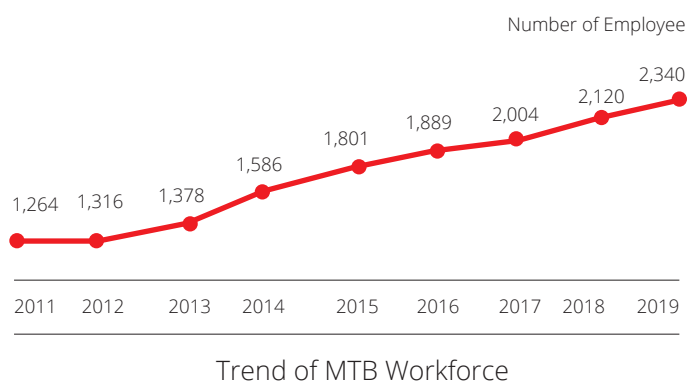
GHR recruits graduates in both entry-level positions and other senior level positions. Entry level positions are filled with freshly graduated people, selected from an integrated recruitment processes consisting of written tests and interviews. In such case their skills and integrity are judged with importance. Later the fresh intakes are shaped and developed with proper training on banking regulations, code of conduct, etc.

## Developing Future Leaders

Senior level positions at MTB are filled up with people possessing the right experiences and skills with the potential to lead the industry in the future. Not only that, to create future leaders for the industry, MTB offers "MTB Management Trainee" (MTB MMT) Program a unique program designed to discover the best talents to work in the bank. MTB MMT is one of the best programs in the industry for making the future leaders concentrating not only on enhancing banking skills but also building expertise to work as front-runner.

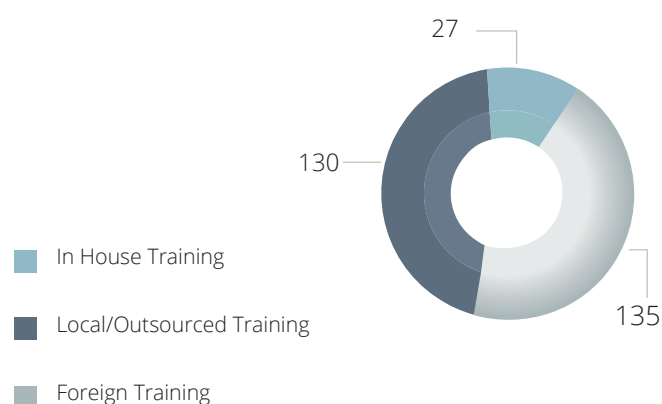
The program is run to attract candidates from across the country, who are later invited to written examination after careful scrutiny of the candidates. From the written examination, candidates with qualifying marks are called for multiple sessions of interviews to strain only the best suited and capable candidates for the program. In the first year, selected candidates attend on-the-job and off-the-job training programs and are given some tasks to be completed within the time frame. After successful completion of training and development along with mentoring and coaching for one year, the management trainees are absorbed as 'JAVP' (Junior Assistant Vice President).

After taking new employees into the system, MTB puts continuous efforts to polish the capabilities of employees and making them better suited for exerting best performances. The employee development processes focus on enabling employees to go further than their current capabilities and further enhancement of their potentials. Every employee is given the opportunity to attend training and development programs. Employees or their line managers can take the initiatives to be considered for training programs based on their capability and need assessment.



## Training and Development Programs for Enhancing Capacity of Human Resources

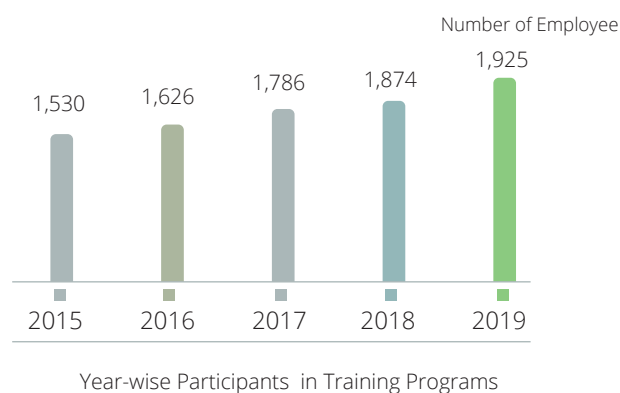
Identifying training requirements and conducting the training on timely basis is another major responsibility of MTB GHR. GHR ensures that every new employee has the basic and in-depth knowledge on the banking operations and an employee has the capability to handle any complex situation related to providing banking services.



Training Programs Held in 2019

Training programs and workshops are conducted so that employees can learn about banking regulations, cyber security, AML & CFT matters, compliance issues to abide by, and banking code of conduct.

GHR prudently schedules training programs to cover all the 116 branches across the country to maintain standard quality at every level of the bank. Trainings are provided at different zones and also at the MTB Training Institute (MTBTI). During 2019, total 292 training programs were conducted and 1,925 MTBians participated in those programs.





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## MTB HR Benefits

MTB believes that quality services will be provided by the employees only when they receive the best packages compared to industry peers. To uphold its truly world class status, MTB GHR designed one of the competitive compensation packages for the employees along with fringe benefits and perquisites. There are structured compensation packages and benefits, which are implemented through policies approved by the Board. Other than that, any changes or updates are communicated through circulars from GHR.

The bank plans to initiate health insurance coverage for the employees and their families to protect them from any unwanted health related liabilities while they are in service and even after that. Employee benefits are developed with an aim to keep the employees motivated and engaged,

Thus they include recognition and rewards for holding professional degrees, such as incentives are provided for passing IBB Diplomas. Acknowledgment of achievements by any MTBian or children of MTBians, reward for good deeds are also other ways of engaging employees to the core of the organization. Established benefits for employees are :

- ✓ Life and Health Insurance for MTB Employees
- ✓ MTB Employee Provident Fund
- ✓ MTB Welfare Fund
- ✓ MTB Medical Assistance Fund
- ✓ Reward for Good Deeds in Terms of Integrity
- ✓ Incentives for IBB Diploma Holders
- ✓ MTB Gratuity Scheme for Employees
- ✓ Mandatory Medical Checkup
- ✓ Recognition of Meritorious Children of MTBians

## Employee Health & Safety

Health and safety of MTBians are given prime importance at MTB. There are around 2,340 employees working at the bank. MTB has many schemes to ensure health status of employees, engage them into lifestyles to enhance mental and physical well beings.

The organization has a medical assistance fund and every employee, temporary and permanent, is entitled to receive benefits of the fund for self and family members. The offices and branches are well equipped with first aid kits for emergency issues. In addition, Group Insurance coverage for the employees and their family is underway.

Other than government holidays, MTB employees are entitled to thirty days Earned Leaves annually, including fifteen days of Mandatory Leave. Other than that, employees can avail ten days of Casual Leave throughout a year. Female employees have the opportunity to get six months of maternity leave to enjoy their motherhood at ease.

To enhance employee engagement and for mental refreshment, MTB arranges programs like cricket carnival, football fiesta, indoor games, celebration of 'Pahela Boishakh,' Women's Day, etc. Also employees can share their personal news on MTB intranet (MNet), for increased networking with fellow colleagues.

Neatness and cleanliness are encouraged and practiced throughout the bank branches and offices for health and hygiene issues. Offices are well designed for tackling hazardous situations such as fire and an earthquake. Regular fire drills are conducted at the head offices to train the employees and test the effectiveness of fire safety measures.

## Human Resource Accounting

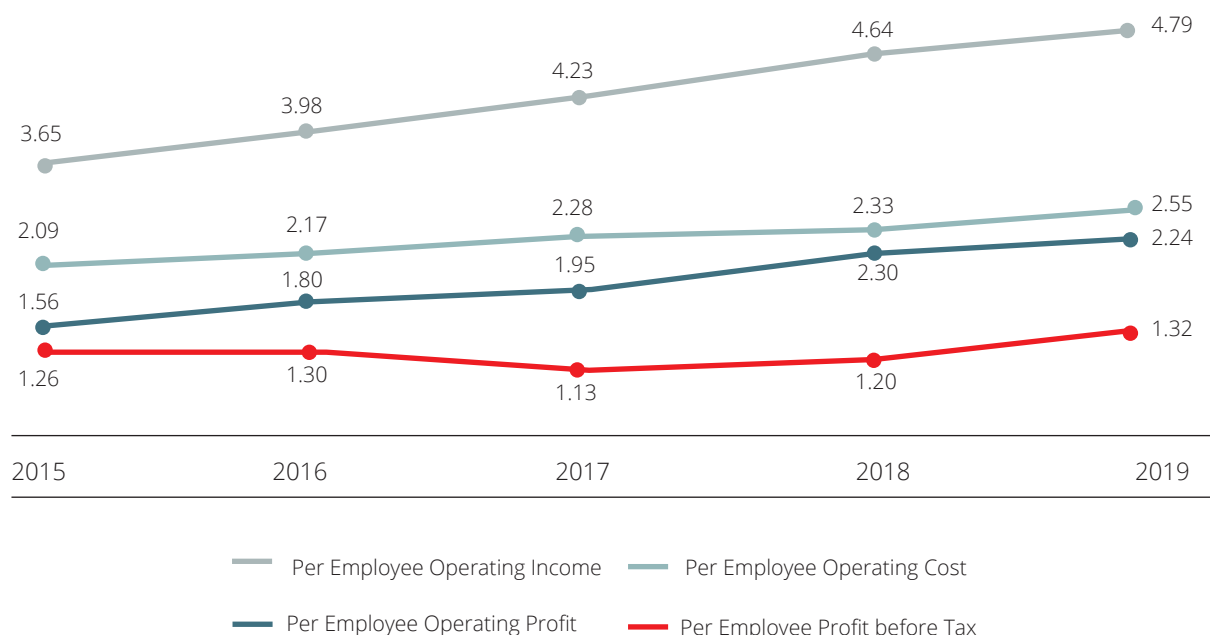
Human Resource Accounting (HRA) can be a powerful tool for analyzing and allocating one of most crucial capitals of an organization, the "Human Resource Capital". To ensure growth and development of any organization, the efficiency of people must be augmented in the right perspective. Fundamentally, HRA involves accounting for the company's workforce as capital that provide future benefits. Our HR policies and procedures are carefully articulated to ensure human resource value gets appreciated over the period of time provided placed, applied and developed in the right direction.

In principal, the following variables are considered for HRA:

1. Total Value of Human Resources
2. Number of Employees
3. Human Resources Policy
4. Employee Categories
5. Management Succession Plan
6. Employee Benefits
7. Performance Recognition
8. Training and Development

The mentioned items have been discussed in this chapter previously. Here we present few analytics for human resources which provide insight on the efficiency of our human assets.

BDT in million



### Human Resource Analytics

With the above metrics, we analyze employees' productivity and all the metrics show upward trend till December 2019. As at December 2019, total number of employees were 2,340, who were working as permanent employees of the bank. In 2019, per employee operating income was BDT 4.79 million, which is 3.23% higher than the previous year. Per employee operating cost rose by 9.44% to BDT 2.55 million and per employee operating profit was BDT 2.24 million, a decrease of 2.6% than previous year, whereas per employee profit before tax marked at 1.32 million, which increased by 10%.

### Towards Powering Future

The policies and practices of GHR have been designed to gear up the MTBians to face the future challenges and empower them in achieving the desired objectives. GHR is putting its maximum efforts to develop the existing workforce to the optimum level of their competency and acquire the best talents from the industry, who will move the bank forward keeping the bank's vision at the core of heart. Contributions made by the GHR in shaping its human resources to its finest form in the year 2019 was phenomenal.

# 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.

### SDG Relevance

Our energy is directed at creating an environment for responsible and sustainable development. Our human Capital contributes to the following SDG goals



## Highlights

Received PCI DSS and SWIFT Customer Security Programme (CSP) Certification

Introduction of app based Internet Banking- MTB Smart Banking

Enhanced CBS to automate more services to improve the efficiency

New IT based products launched-QR Payment, bKash Wallet etc.

## 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 the total data base as well. This century, having a very effective and fast IT system will simply increase the output of the organizations as a better system will lead to better service standards and maintenance of such standards with consistency.

## How We Manage Our Manufacturing Capital

We invest a lot 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 look ahead to 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

## INFORMATION TECHNOLOGY

The Bank continued to pursue its strategy to build a future-ready world-class banking institution through introduction of technology driven innovative products and also through process transformations. In 2019, the bank was heavily involved to upgrade its Core Banking System (CBS). The bank has also given equal emphasis on ensuring the data security by deploying world-class Security appliances and monitoring tools. The Bank also emphasized on centralization and digitization of operations to ensure that employees become more focused on customer facing roles.

### Transformation of Core Banking Solution (CBS)-TCS CBS Implementation

As a part of strategic decision and in pursuit of acquiring a modern CBS, MTB purchased TCS BaNCS, a product of Tata Consultancy Services (TCS), which had a number of big installations in reputed banks like Bank of China, State Bank of India, etc. As per schedule, TCS completed Product Solution Analysis (PSA) in January 2019 and delivered an initial version of CBS in April 2019.

The bank started System Integration Testing (SIT) on and completed on August 2019. During this period MTB had developed and enhanced number of interfaces with TCS. Data migration and trial run started in July 2019 and MTB started User Acceptance Testing (UAT) from July 2019. The probable Go-Live will be Q2 2020. All the hardware and networking system are in place for Go-Live. ITS Division completed end to end infrastructure readiness for the TCS CBS Go-Live.

### Up gradation of Florabank Core Banking System (CBS)

In 2019, the bank also upgraded its existing Core Banking System to ensure the smooth banking service to its valued customers as well as to meet the regulatory

## 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

requirements. The upgraded web version of Florabank CBS incorporated a number of new features along with existing functionalities. Some salient features of Florabank web version were unique Account Opening Form recommended by BFIU, capturing walk-in customer's information, to tag multiple Customer Information File (CIF) in one account, to write account holder's name in Bangla, enhancement of loan limit module to increase / decrease the customer's limit, to tag collateral security with customer, to update TP/ KYC upon confirmation by the checker, to accommodate Export Development Fund (EDF) loan processing, uninterrupted services of MTB ATM/ POS/ IB during EOD/ EOM/ EOY processes, to ensure 100% bank's charge realization and government's duty realization etc. Apart from these, the system has also added number of facilities like vault management, locker management, Sanchaypatra management, role based user management etc.

### Automation of MTB Centralized Operations

To ensure the quality of customer services as well as to minimize turnaround times in operational activities, MTB has moved into centralized operational architecture and accordingly a Document Management System (DMS) solution has been procured and is being implemented. The DMS solution will help the bank to convert all the paper based account opening forms, collateral and others papers into digital formats and archive. DMS will also help to find any document across the bank within a moment.

### Up gradation of Bangladesh Automated Clearing House (BACH)

Bangladesh Bank (BB) has updated its BACH system to facilitate business activities and meet the customer's present need across the country. The upgraded clearing system has been launched with a view to speeding up risk-free transaction within the country.

To comply the regulator's requirement, MTB has upgraded

its existing clearing system to facilitate the overall business activities. Using this upgraded solution, MTB's customers can avail the existing automated cheque clearing facility. Apart from that, the system will allow multi-currency cheque clearing facility. On the other hand, the new Bangladesh Electronic Funds Transfer Network (BEFTN) added an extra session. Payments is now being settled within a day.

### Fund Transfer to bKash Wallet through MTB Internet Banking

MTB updated its Internet Banking to accommodate fund transfer facility to bKash wallet through MTB Internet Banking. Using this services, MTB's Internet Banking users can transfer fund from their own accounts to his/her own or beneficiaries' bKash Wallet on real time basis.

### Introducing QR based Payment through UnionPay and Mastercard

For the first time in Bangladesh, the Mastercard QR based payment was introduced by MTB in 2019. QR code payment is a contactless payment method which is performed by 2/3 easy steps. Any MTB MasterCard Debit/ Credit cardholder can pay to any merchant by scanning the merchant's QR code with the help of MTB Smart Banking Apps. This is an alternative to doing electronic funds transfer at the Point of Sale. It also facilitates faster and hassle free transaction. MTB has also successfully launched Mastercard ATM acquiring services. Now Mastercard cardholders, either local or international can withdraw money from MTB ATMs. MTB has also brought the similar QR based payment through MTB UnionPay debit cardholders.

### Bill Collection Solutions

In a bid to broaden its spectrum of avenues of Utility Bill Payment services, a number of developments have been made in-house to enable the customers to pay their bills comfortably. MTB bill collection services included Marie Stopes Bangladesh and Marie Stopes Clinic Society, Gas bill of Karnaphuli Gas Distribution Company Limited (KGDCL). Developments were also made in the branch collection module to receive fees of Independent University, Bangladesh (IUB).

### Incorporation of New Exchange Houses in NRB Remittance Channel

As part of its continual effort towards expanding arms of remittance disbursement channels, MTB NRB Division has

recently tied up with LuluBahrain, GulfExchange, Transfast, ezremitLive, trustexchange, BracSajan, NBLMalaysia, NBLSingapore and these exchange houses will be connected with MTB Remittance Channel using API driven automated transactions. Overseas Customers are now availing this facilities to remit their money.

### Incorporation of Software Defined Network (SDN)

Over the time, the customers, the users and the services are increasing continuously. To meet-up the ever increasing demand, recently MTB has migrated its Data Center from legacy network to SDN. The new technology will not only enhance the capacity but also enhance the security and reduce the administration overhead. The SDN technology will help the bank to maintain a smooth network as well as help to optimize the performance. Besides, it will assist the administrator to monitor the device health on real-time basis as well as it will facilitate the application level visibility.

### Up gradation of Email Security Appliance (ESA) and Web Security Appliance (WSA)

Recently MTB has upgraded its ESA and WSA appliances. The upgraded ESA will help the bank fast, comprehensive email protection along with the spam blocking facility. The upgraded ESA has also the mechanism of Advanced Malware Protection (AMP) i.e, file reputation scoring and blocking, static and dynamic file analysis, and file retrospection for the continuous analysis of threats. On the other hand, the upgraded WSA has the fast and comprehensive web protection backed by the largest threat detection network. In addition, it has the URL filtering mechanism along with dynamic content analysis. Besides, it has the facility Advanced Malware Protection (AMP) as well as has the Application Visibility and Control (AVC) which will help MTB to control the use of Web applications.

### Data Migration for TCS BaNCS CBS

As a part of CBS Transformation, ITS Division has completed the data migration script writing in 2019 which was one of most complex and challenging areas of the project. During migration required cleansing process have been done to standardize & improve the legacy data quality. Total 11 trial run have been completed where Customer Data, Account Master Information, Trade Finance Data, Transaction History have successfully migrated to TCS BaNCS. From January 2020, Reconciliation and Data Verification is also going on.



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## Upgrading of Agent Banking System

MTB started its Agent Banking operation in 2016 and now has 140 Centres in 35 districts with more than 58 thousand accounts and crossed 2.25 billion deposit. BDT 1.75 billion remittance was disbursed using Agent Banking System by the Agent Banking outlets. In a bid to broaden its spectrum of avenues of Agent Banking System, a number of patches has been deployed for ensuring the smooth service.

## Visa, Mastercard and UnionPay Contactless POS Acquiring

MTB has successfully launched VISA, Mastercard and UnionPay contactless POS acquiring services. A contactless card is a chip-based card that has a near-field communication (NFC) antenna which enables close-range payments without dip or swipe the card into the POS machine. Contactless transactions is more.

## Deployment of Mastercard 3D Secure Service

MTB has successfully implemented Mastercard 3D secure services on 2019. 3D Secure is a technical standard to further secure CNP (Card-holder Not Present) transactions over the Internet. Using this service, MTB's Mastercard customers are enjoying Two-Factor Authentication (2FA) based secured e-commerce transactions. It helps them to protect against fraudulent use of their MTB Mastercard debit/credit card by unauthorized individuals.

## UnionPay ATM & POS Acquiring and Credit Card Issuance

MTB is the first bank who has brought the renowned payment brand UnionPay (UP) in Bangladesh. In 2019, MTB successfully launched UnionPay POS & ATM acquiring services as well as launched credit card issuing services. Now, any UnionPay cardholders, either local or international, can withdraw money from MTB ATMs and similarly able to perform merchant payment at MTB POS terminals. On the other hand, as an issuer bank, MTB is issuing UnionPay credit card to our valued customers. Here it is mentionable that on 2018, MTB has successfully launched the UnionPay debit card as well as UnionPay virtual cards.

## Data Center Enhancement

To accommodate the technological transformation, Data Centre (DC) enhancement became the foremost essential on the growing need to place server and network racks. The capacity of MTB DC has been enhanced and we are planning

to increase the capacity of space, power and cooling of the Near DC in coming year.

## Hardware and Network Infrastructure deployment for TCS BaNCS CBS

Preparing the Hardware, Network and Database Infrastructure for TCS BaNCS CBS was a huge task for the IT team. It was critical for all stakeholders to understand the size and complexity of the core banking solution project in order for it to be successful. MTB ITS team prepared SIT, UAT Continuous, UAT Jumping, Migration, Pre-Production and Production environment, where total 335 servers were deployed for the said environments.

## Training and Awareness Programs

To develop skill and awareness on the latest technology trends, the core IT officials were introduced to various local and overseas training programs and conferences throughout the year. Apart from grooming up its own experts, computer related training was also imparted to the general users on an ongoing basis to empower them to handle the technology platforms. Trainings like Privileged Access Management (PAM), Payment Card Industry Data Security Standard (PCI DSS) Implementation, End User BACH/ RTGS Operations, End User training on TCS BaNCS, ODOO GL, Jasper, Qlik Operations, Information & Cyber Security are the few examples of such training programs that helped the bank users become aware of the risks of using digital technology and the new technology initiatives in the office.

## INTELLECTUAL INFORMATION AND CYBER SECURITY

Financial institutions have to abide by privacy, customer trust, information security laws and regulations. The global environment in which financial institutions now operate, brings with it a whole new set of challenges, especially because of cyber threats to digital banking services. In addition, the risk of financial loss and security breaches are something that are on the rise, thus, careful measures are required to address these critical issues plaguing the banking industry in particular. MTB IT Security Department (MITSD) is devoted to prevent, detect and respond to the ever-increasing and sophisticated cyber attack threats by incorporating more IT systems under security scope and increasing, rigorous security assessment and length of security monitoring time frame.

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## Awareness on Cyber Security

To achieve an organizational efficiency, the three key components people, process and technology, must have a healthy interlink relationships among them. People are the weakest link among the three key components, because performance of the people will directly affect the performance of the other two. To increase the skill in cyber security area, regular training has been arranged by MITSD for its employees to ensure best practices for protection of the organization from cyber-attack. In addition, to sharpen the technical skills, a number of IT Security officials were trained at various local and overseas training programs throughout the year. Besides, MITSD circulated security tips, circulars, quizzes, bulletins etc. through the Bank's intranet portal (MNet) or email. Apart from these, MTB valued customers also have been informed through flyers, recorded voice etc.

## Compliance and Information and Communication Technology (ICT) Security Policy

An ICT Security Policy govern the practices used by organizations with regard to protecting the information system assets. MITSD reviewed and updated the ICT Security Policy for the Bank's secured use of technology. The policy was further enriched by adopting Bangladesh Bank (BB), Payment Card Industry Data Security Standard (PCI DSS) and SWIFT Customer Security Programme (CSP) guidelines.

## Certification Award to Achieve Payment Card Industry Data Security Standard (PCI DSS) For MTB Cards

MTB became the fourth Bank in Bangladesh to receive the certificate for complying with the PCI DSS. This is a prestigious certificate in the financial arena, provided by Payment Card Industry Security Standards Council (PCI SSC) to an organization who ensures that its Cardholder Data Environment is safe and secured.

SWIFT Customer Security Programme (CSP) is designed to prevent and detect fraudulent activities through a set of mandatory security controls, community-wide information sharing initiatives and enhanced security features on their products. This is an annual assessment which a bank has to comply with in order to be SWIFT CSP compliant. MTB complied with newly introduced SWIFT CSP programme in 2019.

## Access Management

Traditional security and no security is almost similar now-a-days. To stop unauthorized attempt and to provide an extra layer of authenticity, MTB has conceived two major security solutions for non-console administrative access, which are Privileged Access Monitoring (PAM) and Two-Factor Authentication (2FA). PAM is a solution that helps organizations to restrict privileged access within its ICT environment. There are numerous advantages of PAM solution, not limited to prevent the sharing/theft of credentials, record the activities of privileged users, restrict privileged user activities to only those required for their jobs, and provide temporary access to systems or a tool that allows for the instant revocation of permissions etc. MFA solution adds an additional layer of security by confirming user's claimed identity by using a combination of two different factors: 1) something they know 2) something they have or 3) someone they are, which makes it more difficult for a hacker to gain access to a system which is MFA enabled.

## Vulnerability Assessment and Penetration Testing (VAPT)

A vulnerability assessment (VA) provides an organization with information on the security weaknesses in its environment and provides direction on how to assess the risks associated with those weaknesses and evolving threats. VA discovers which vulnerabilities are present, but they do not differentiate between flaws that can be exploited to cause damage and those that cannot. Penetration testing (PT) attempts to exploit the vulnerabilities in a system to determine whether unauthorized access or other malicious activity is possible and identify which flaws pose a threat. MITSD performs VAPT both manually and through security tools, for assessing security risk as per yearly plan and also prior to commissioning of any new acquisition, development or any significant changes on existing systems and processes. MITSD also engaged third party for performing security assessment.

## Security Monitoring

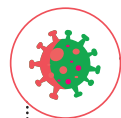
Continuous security monitoring solutions give organizations the visibility they need to identify vulnerabilities and attacks. Given the ubiquitous, unavoidable nature of security risks, security monitoring provides real-time views to respond proactively and quickly to suspected threats. MITSD expanded its security monitoring length which includes holidays, thus has greater visibility of security threats on MTB

Information Technology (IT) Infrastructure and also working to integrate more IT systems into the security monitoring tools like Security information and Event Management (SIEM), to have clear picture of threat landscape within organization perimeter.

### ICT Risk Assessment

An ICT Risk Assessment is a comprehensive review of the ICT security posture of an organization, with the objective of identifying existing flaws that could be exploited to threaten the security of the network and data. It serves as the basis for deciding what countermeasures, if any, to take in reducing risk to an acceptable level, based on the value of the information resource to the organization. MITSD conducted risk assessment on all services based on the approved risk framework for addressing identified risks and mitigation efforts with taking into account Management Action Triggers (MAT) criteria.

MTB has been always enthusiastic on strengthening the Information Security posture of the Bank and is continuously investing resource and time for increasing its security appetite. At the same time, the Bank is also keen to be compliant of international standards. Overall, MITSD is dedicated to safeguard the information assets and compliance of the Bank for which customers consider MTB as one of the most secured financial institutes in the country.



### Actions after COVID-19

1. Ensuring no downtime in internet banking so that customers can get seamless service.
2. Updated MTB Smart Banking App, adding new features
3. Providing employees VPN connected PCs so that they can perform WFH without compromising daily operations

### Outlook 2020

- Modernization of Core Banking Systems
- Modernization of MTB Core Infrastructure
  - ✓ Up-gradation of MTB Network Infrastructure
  - ✓ Up-gradation of MTB Server Infrastructure
- Modernization of MTB Banking Services
  - ✓ Adding new automated banking services by developing & implementing below software
- Modernization of MTB Cards Services by bringing latest technology in MTB's card business
- Ensuring Security on MTB Information Technology

# SUSTAINABILITY ANALYSIS



The only wind turbine power plants currently in operation - at Kutubdia and Feni - have a combined generating capacity of just 2 megawatts (MW)

Bangladesh can ease its energy crisis through renewable sources after an external report recorded wind speeds high enough to power turbines in nine areas of the country.

The only wind turbine power plants currently in operation - at Kutubdia and Feni - have a combined generating capacity of just 2 megawatts (MW), reports Bangla Tribune.

# ABOUT SUSTAINABILITY ANALYSIS

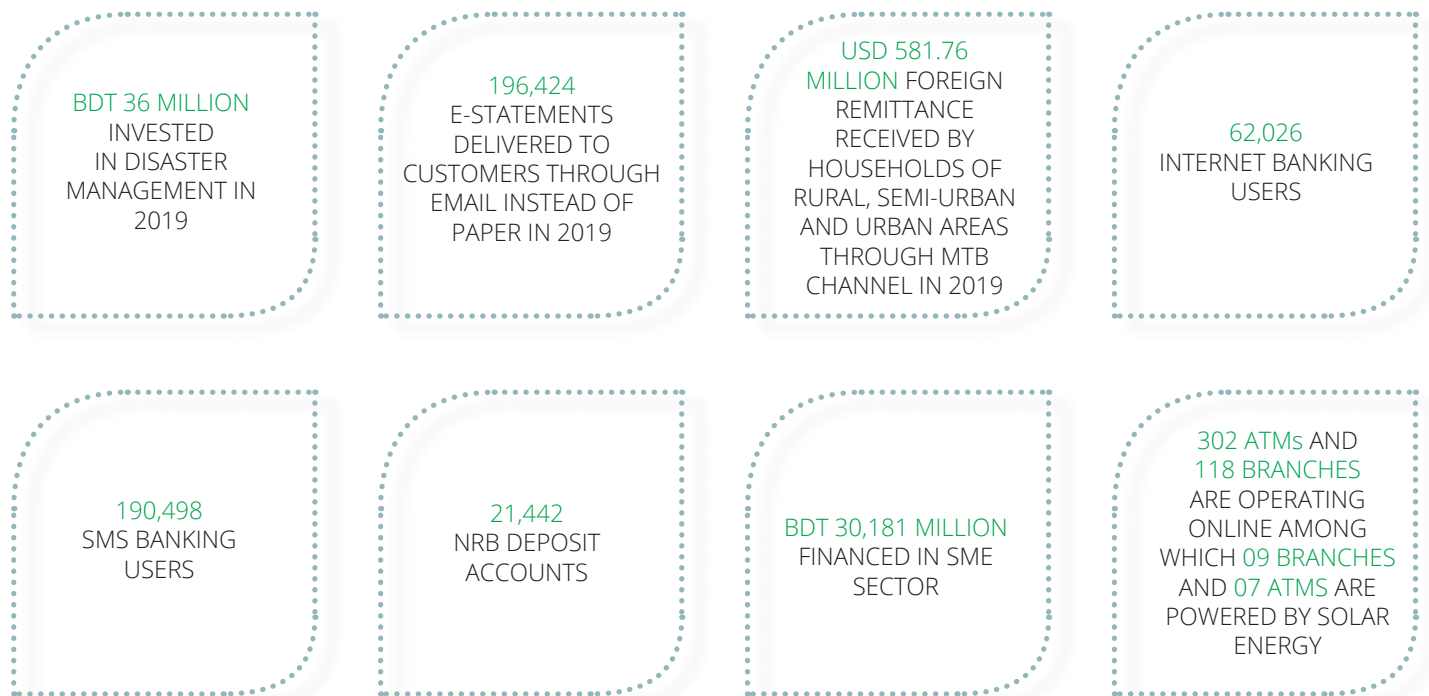


## REPORT PROFILE

Reporting Period	January 1, 2019 to December 31, 2019
Date of the most recent previous report	Sustainability Report 2018 Date: October 15, 2019
Reporting Cycle	Annual
Contact point regarding the report	We welcome any feedback on this sustainability report. For further information and comments, please contact Sustainability Reporting Team of the Bank through following address: e-mail: <a href="mailto:sustainability@mutualtrustbank.com">sustainability@mutualtrustbank.com</a>
Disclosure	GRI Standards: Core Option
External Assurance	External assurance is under consideration by management
Endorser logo ("We Support the Global Compact")Endorser	<div>  UN GLOBAL COMPACT WE SUSTAIN </div> Approval received on February 23, 2016



## KEY HIGHLIGHTS



Social capital is based on relationships with the environment, adherence to common norms and confidence inspired this way. Careful attention devoted to relationships bolsters people's confidence in financial institutions. This, in turn, increases the mutual willingness to cooperate, the effectiveness of such cooperation and the resulting openness of clients to new products and services. Social capital, therefore, tough intangible in its

nature, produces specific positive financial consequences for MTB.

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.

## 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.

# SOCIAL AND RELATIONSHIP CAPITAL

## HIGHLIGHTS

10% Dividend  
declared

MTB family  
comprises of 2,340  
employees

Operates from 123  
touch points

10,000+  
beneficiaries  
reached thorough  
CSR activities

## CREATING VALUE

We are aware that nowadays the quality of relationships, social confidence in a brand and its strong link to positive emotions translate directly into financial results. This is one of the reasons why we exercise special care when it comes to social capital. It is clearly visible in our mission and value statement which puts the client in the center of attention. We treat our clients as the individuals they are and see them through their individual needs, emotions and expectations. With our clients we create relationships that best suit their needs. To us social capital means confidence, which is a currency equally

important as money. We know that it is the confidence that encourages our clients, not only to individuals who entrust their money to us and use our lending services but also to large corporations or public sector entities including local governments. Social capital, therefore, forms a basis for new business and social ventures, investments and infrastructure facilities used by the society as a whole. They contribute to economic growth of the country, which is beneficial to households' budgets and the general comfort of living.

## HOW WE MANAGE OUR SOCIAL AND RELATIONSHIP CAPITAL

We label our products  
responsibly

We survey client  
satisfaction

We select a group of  
ambassadors of the  
empathy strategy

We audit marketing  
materials

We respond to  
the needs of the  
disabled

Our Foundation  
support  
mathematical  
education

We raise the  
economic awareness  
of clients

---

## CHALLENGES

- ✓ Evolving with the needs and demands of the customers.
- ✓ Addressing 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 to meet our potential growth.

## CREATING VALUE FOR OUR STAKEHOLDERS

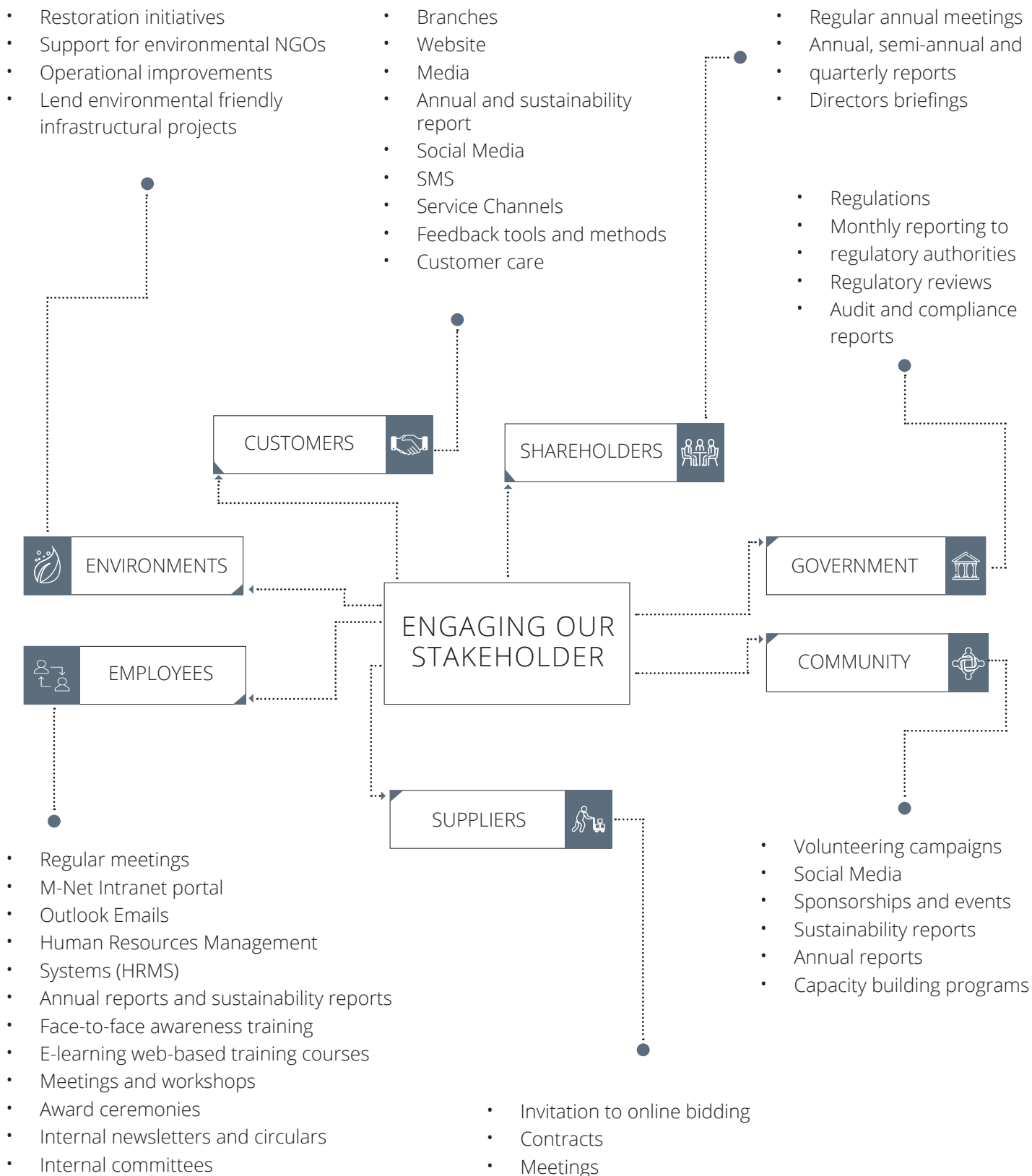
### Stakeholder Identification, Expectation & Impact

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.

	STAKEHOLDERS (Who are our stakeholders?)	EXPECTATIONS (What do stakeholders expect of us?)	IMPACT (Where we create value)
Shareholders	<ul style="list-style-type: none"> <li>Individual</li> <li>Institution</li> <li>Bondholders</li> </ul>	<ul style="list-style-type: none"> <li>A sustainable growth</li> <li>Attractive returns based on moderate risk profile while maintaining sound governance system</li> </ul>	<p>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.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>EPS-BDT 2.03</li> <li>NAV Per Share-BDT 23.16</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Retail &amp; SME customers</li> <li>Wholesale &amp; corporate customers</li> <li>Private banking customers</li> <li>Public sector clients</li> <li>Intermediaries and distributors</li> </ul>	<ul style="list-style-type: none"> <li>A bank that excels and goes beyond traditional banking and delivers valuable services, any time, any place while securing customer interests first.</li> <li>Access to loans, financing and quality advice</li> <li>Positive, seamless customer experience</li> </ul>	<p>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.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>Total number of customer accounts- 995,602</li> <li>118 Branches, 140 Agent Banking Centers, 302 ATMs, 3,101 POS</li> </ul>
Employees	<ul style="list-style-type: none"> <li>All full-time employees</li> <li>Contract employees</li> </ul>	<ul style="list-style-type: none"> <li>An employer that empowers and offers opportunities to make the most of people's potential for career growth and excel.</li> <li>Fair salaries and benefits</li> <li>Award for good performance</li> <li>Training, development and career opportunities</li> <li>Co-operative working environment</li> </ul>	<p>Employees benefit from salaries, training and leadership development and also from a work environment that fosters involvement and brings in new talents.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>292 training programs for 1,925 participants</li> </ul>
Government	<ul style="list-style-type: none"> <li>Central Bank of Bangladesh (Bangladesh Bank)</li> <li>Other regulatory government bodies/ organizations</li> </ul>	<ul style="list-style-type: none"> <li>Proper and appropriate compliance of applicable rules and regulations</li> </ul>	<p>Government obtains value when MTB proactively adopt and apply latest laws and regulations and also 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</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>No penalty incurred due to non-compliance since its inception.</li> </ul>

	STAKEHOLDERS (Who are our stakeholders?)	EXPECTATIONS (What do stakeholders expect of us?)	IMPACT (Where we create value)
Suppliers	<ul style="list-style-type: none"> <li>External suppliers</li> <li>External Consultants</li> </ul>	<ul style="list-style-type: none"> <li>An organization that has transparent procurement system which provides equal scope for every participant and has the ability to repay on timely basis.</li> </ul>	<p>MTB suppliers extract value when MTB adheres to the well-defined procurement regulations while maintaining strong business relationships with suppliers.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>MTB Procurement Manual</li> <li>Pool of reliable enlisted suppliers</li> </ul>
Environment	<ul style="list-style-type: none"> <li>Surrounding environment</li> </ul>	<ul style="list-style-type: none"> <li>Conduct business in harmony with the environment</li> <li>Propagate a culture in which MTB stakeholders, especially employees, are deeply aware of the importance of environmental preservation and sustainable banking practices</li> </ul>	<p>MTB always invests and lends to support clean energy and manages own power consumption and carbon footprints for providing a sustainable and green environment.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>Green Banking Initiatives</li> <li>In-House Environmental Management System</li> </ul>
Community	<ul style="list-style-type: none"> <li>Local communities</li> <li>Non-government organizations</li> </ul>	<ul style="list-style-type: none"> <li>An engaged financial institutions that invests in the future sustainably and responsibly.</li> </ul>	<p>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.</p> <p>Outcome 2019:</p> <ul style="list-style-type: none"> <li>More than BDT 53 million contribution in CSR in 2019 only</li> </ul>



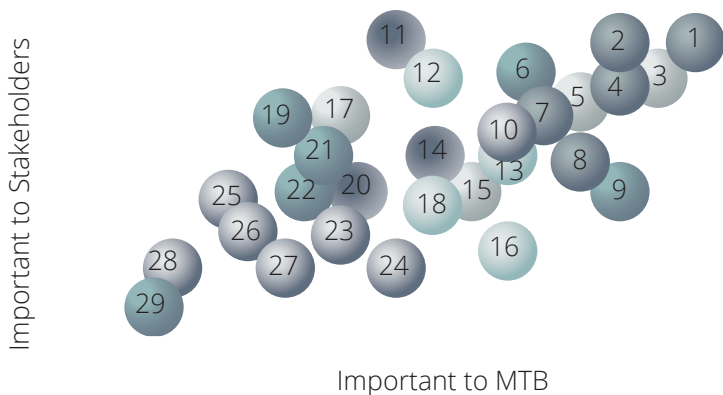


## Focusing On What Matters

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 on 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.



Graph: Material Matrix

The numbers representing 29 material sustainability issues are as presented below:

### Material Issues

TRANSPARENT REPORTING

SUPPORTING OUR CUSTOMERS  
IN ACHIEVING THEIR AMBITIONS

### Material Sustainability Issues

- 1. Legal and Regulatory Compliance
- 2. Governance and Accountability
- 4. Transparent Disclosure of Performance
- 7. Anti-corruption Processes
- 8. Responsible and Ethical Behavior
- 3. Information Security and Data Privacy
- 5. Customer Experience and Satisfaction
- 15. Accessibility to Products and Services
- 17. Communicate Transparently with Customers

## Material Issues



## Material Aspects and Impacts Boundaries

Material Aspects	Impact Location	
	Inside	Outside
Economic performance	Economic	
	✓	
	Social	
Employment	✓	
Training and education	✓	
Diversity and equal opportunity	✓	
Non-discrimination	✓	
Marketing and labelling	✓	✓
Customer privacy	✓	✓
Socioeconomic compliance	✓	✓
	Business-specific Topics	
Product responsibility	✓	✓
Code of ethics	✓	✓
Transparency	✓	✓

## SERVICE QUALITY

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 leading banks concentrate in order to excel in offering banking services. However, these attempts will never be fruitful if delivery of service does not meet the customer expectations.

As the number of banks is increasing in the economy, customers nowadays are more aware than ever about the services they get from their banks and they will not hesitate to switch banks if they are not comfortable with the services. Customers prefer to stay with a bank mostly because of the excellent service standards of the organization.

There are a few dimensions which are needed 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 to the valued clients.

With a view to reducing service quality gaps and maintaining the desired standard, SQD has established an integrated process consisting of various activities focusing all the five dimensions. The team is working passionately to establish policies and standards to facilitate rendering quality service.

### Service Quality Dimensions



Reliability



Assurance



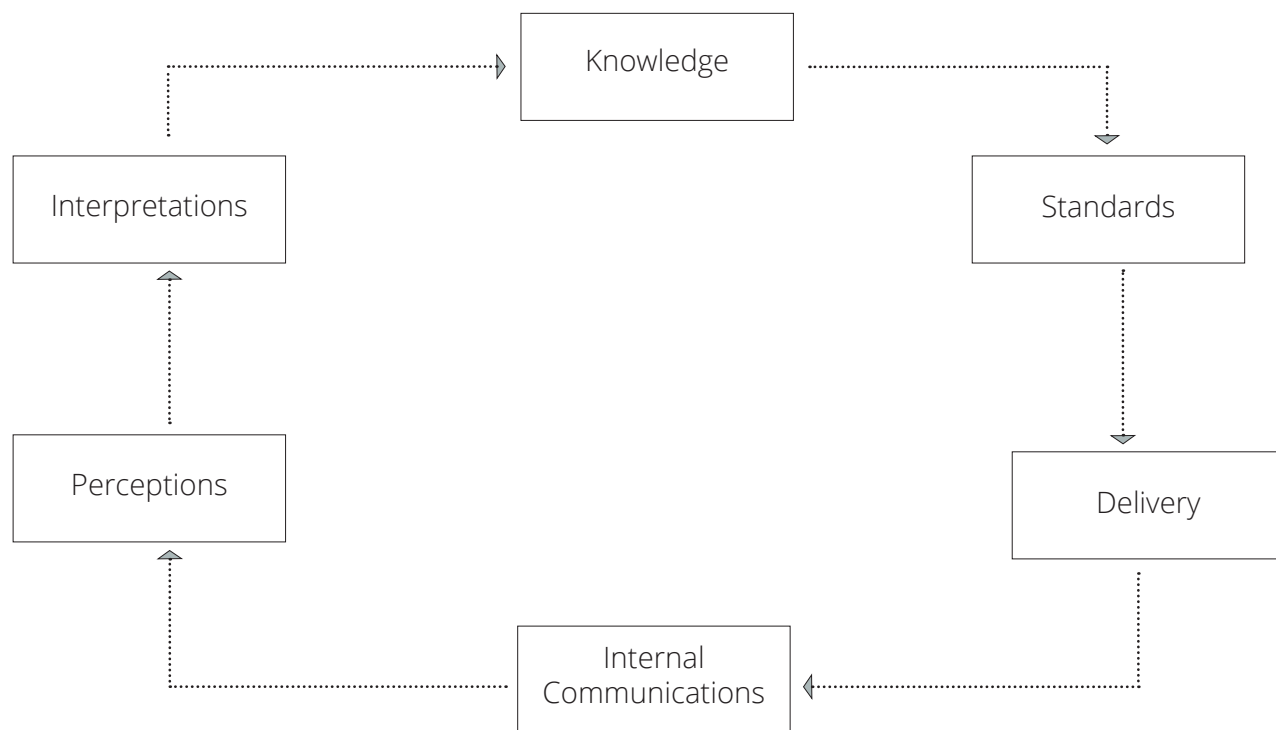
Tangibles



Empathy



Responsiveness



Process for Closing Service Quality Gaps

## Mystery Survey On Branches And Contact Center

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. The entire service quality in a Contact Center should be uniformed and consistent. Therefore, SQD has started to conduct Contact Center call audit in order to ensure consistent standard result

## 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 has started to conduct Customer Satisfaction Survey (CSAT) from 2019.

## Launching Of Pilot Project MTB Service Ambassadors

MTB SQD came up with a fresh concept of 'service ambassador' with a view to increasing customer satisfaction and getting customer feedback from the branches. In 2018, SQD initiated a pilot project to place service ambassadors at ten different branches of the bank. The service ambassadors meet and greet customers visiting the branch and ensure they get



MTB SQD came up with a fresh concept of 'service ambassador' with a view to increasing customer satisfaction and getting customer feedback from the branches. In 2018, SQD initiated a pilot project to place service ambassadors at ten different branches of the bank. The service ambassadors meet and greet customers visiting the branch and ensure they get appropriate service. Based on the positive feedbacks from the customers, branches and various sources, six more branches have been added in year 2019 and more branches may be brought under this project if the honorable Board or Management seems to be necessary in the days to come.

## Training On Product Knowledge And Service Excellence

This is a comprehensive learning and development framework to build an appropriate and long-term mindset about delivering superior service excellence.

The department has been conducting workshops for MTBians so that they follow the prescribed service standard mentioned in the MTB Winning, an in-house guideline for etiquette and service excellence.

This training program intends to instill the right mindset and help build the competency of the front line employees who serve the customers face-to-face to ensure superior customer experience through their day to day activities. Our goal is to make our customer interactions consistently professional, efficient and productive. MTB is committed to invest in every employee in order to help them to develop the skills they need and hone those skills so that they can consistently deliver the best-in-class service.

Quiz contests, conducted on a regular basis, assist the employees in staying informed about the products as well as maintaining desired etiquettes. 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 front line employees.

## Customer Experience Matrix

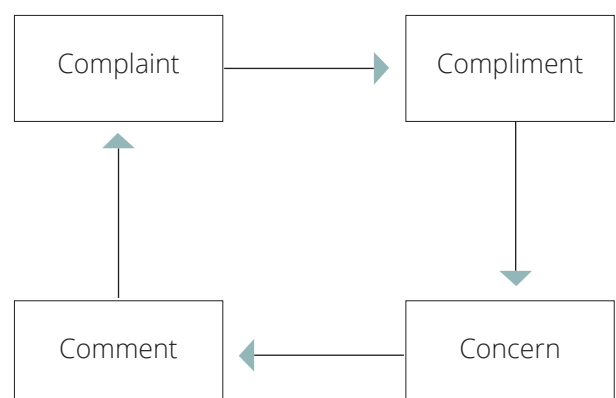
MTB SQD has implemented Customer Experience Matrix (CEM) software, which is an automated system where feedback from customers can be received and it is a crucial system for addressing situations where customer experience are not meeting expectation level so that measures can be taken for mitigating the gaps. CEM facilitates a number of activities such as complaint lodgment, recording and resolution, and root cause analysis for necessary policy formulation.

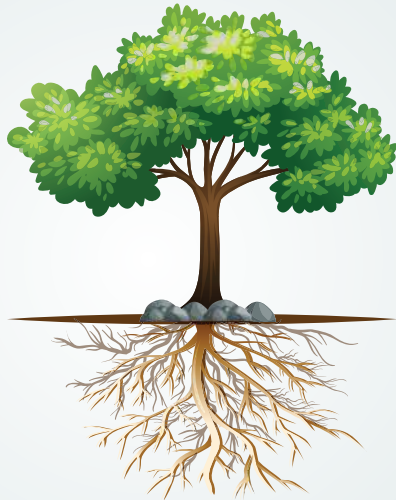
## Root-Cause Analysis

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.

## Complaint Management

Having a structured complaint management system is of paramount importance for addressing complaints with specific emphasis on resolving such complaints fairly and expeditiously. The complaint management is a series of activities such as facilitating complaint lodgment, developing complaint recording system, complaint resolution process, root cause analysis of the complaints raised and necessary policy formulation. MTB SQD has a separate wing to handle and manage all types of complaints received through different channels.





Above the surface you see  
the Symptoms  
of the problem

Dig deeper to find the  
Root Cause  
of the problem

The complaint management team follows a systematic procedure to settle the complaints against any product or service of the Bank. MTB SQD is constantly working on identifying the loopholes through in-depth root cause analysis from the complaints' data mining and places those findings to the management for taking remedial actions. Future turns positive when effort is

given to create it. We put our best efforts in 2019 and will continue to do so in the coming years to establish a culture, where people will move ream will be shaped up with the creation of a culture of accountability, and, SQD, with the assistance of other departments and guidance from the senior management, will put all sincere efforts to build the culture to make our customers as repeat customers with full satisfaction, always.

If you have a grievance, please feel free to contact our Complaint Cell at the following address:

To,  
MTB Central Customer Service & Complaints  
Management Cell (CCS & CMC)  
Mutual Trust Bank Ltd.  
Corporate Head Office, MTB Centre  
26 Gulshan Avenue Gulshan 1, Dhaka 1212

At MTB, we are committed to providing our valued customers with the best possible services. We believe that complaint is the direct voice of customers. Complaints give us opportunities to improve and put things right. We strive to ensure that our customers have easy access to information, products and services, as well as the means to get their grievances, if any, redressed.

Customers can also lodge complaints from the customer complaints page on our website through the following link: <http://www.mutualtrustbank.com/complaints/index.php>  
E-mail: [complaint@mutualtrustbank.com](mailto:complaint@mutualtrustbank.com),  
[info@mutualtrustbank.com](mailto:info@mutualtrustbank.com)  
Hotline: +880 17088 08420; +880 17088 08421  
(these hotlines numbers are available to receive complaints from 10:00 AM to 06:00 PM, except holidays).

Particulars	2019	2018
Number of Complaints received	148	100

Number of Complaints received through different channels	2019	2018
Email	31	33
Website	95	53
Contract Centre	19	11
Social Media	3	0
Letter	0	3
Total	148	100

#### Internal and External Mechanisms for Reporting Concerns on Whistleblowing Mechanisms or Hotlines

A customers can send complaint or feedback to any MTB branch. This feedback is generally processed by respective department/division. The unethical/unlawful matters of MTB employees are managed as per the MTB Code of Conduct. A. Qasem & Co., one of the leading Chartered Accountant (CA) firms of the country, and an independent member firm of Ernst & Young LLP (EY), is the external auditor of MTB and acts as the external whistle blower. Besides, MTB has a full-blown ICC Department (Internal Control and Compliance) which deals with control and compliance issues. ICC acts as the internal whistleblower of the bank. ICC has 05 units, namely, Audit and Inspection, Compliance, Monitoring, ISS Cell & System Audit Units, which are well-equipped with experienced bankers and system auditors

#### MTB Customer Charter

MTB Customer Charter is a general statement of commitments for providing world class banking services and necessary information to customers. The objective of the Customer Charter is to make the customers conscious about their general rights, obligations, grievance approach process and thereby help them take informed decisions.

## Customers' Rights:

1. Know the bank's rates of deposits and advances which are displayed on the notice board of the respective branches and also available on the bank's website [www.mutualtrustbank.com](http://www.mutualtrustbank.com)
2. Know the latest schedule of charges, fees and commission which is displayed on the notice board of the respective branches and is available on the bank's website [www.mutualtrustbank.com](http://www.mutualtrustbank.com)
3. Decide which value added services, such as, Internet banking, SMS banking, ATM services, etc. he/she would like to avail.
4. Know about the buying and selling rates of foreign currencies.
5. Information regarding financial statements, banking hours and holidays

## Customers' Obligations:

1. Customers shall follow the banking norms, practices, functional rules, etc.
2. Customers shall abide by the terms and conditions prescribed for each banking product and service.
3. Customers shall maintain disciplinary arrangement at the customer service points.
4. Customers shall convey their grievance to the bank in proper way or in prescribed form.
5. Customers shall convey the bank any changes in their address, contact numbers and in any other information including Transaction Profile (TP).
6. If the customers have any query, they should ask at prescribed desks, such as Customer Service Desk, Help Desk, Information Desk or Enquir Desk.

For any queries on our products and services, please contact:

### MTB Contact Centre



HOURS



DAYS



DAYS

AT YOUR SERVICE, ALWAYS

Just dial 16219 096040 16219

from overseas +880 96040

16219

## SUPPORTING OUR COMMUNITY

Everyone has a role in helping address community's greatest needs. At Mutual Trust Bank Limited (MTB), we do this through our work with clients and communities to further economic and social progress all around Bangladesh. We do this by focusing on environmental sustainability, driving economic and social progress, and enabling financial health. It is prevalent that the best investment a bank can make is in its community. In our

bank, all MTBians have their finger on the pulse of our region — we feel our community's pains, we know the opportunities, and we're invested in the future. When our communities succeed, we all succeed. MTB aspires after achieving sustainability through its business activities. Therefore, MTB's model for sustainability is based on the 3P approach: People, Planet and Profit

## CORPORATE SOCIAL RESPONSIBILITY (CSR)



A business can only become sustainable when it conducts its operations keeping in mind the preservation of the environment and development of the community in which it operates. CSR is a way towards sustainable business by creating long-term value for the stakeholders, the environment and the community as a whole. 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

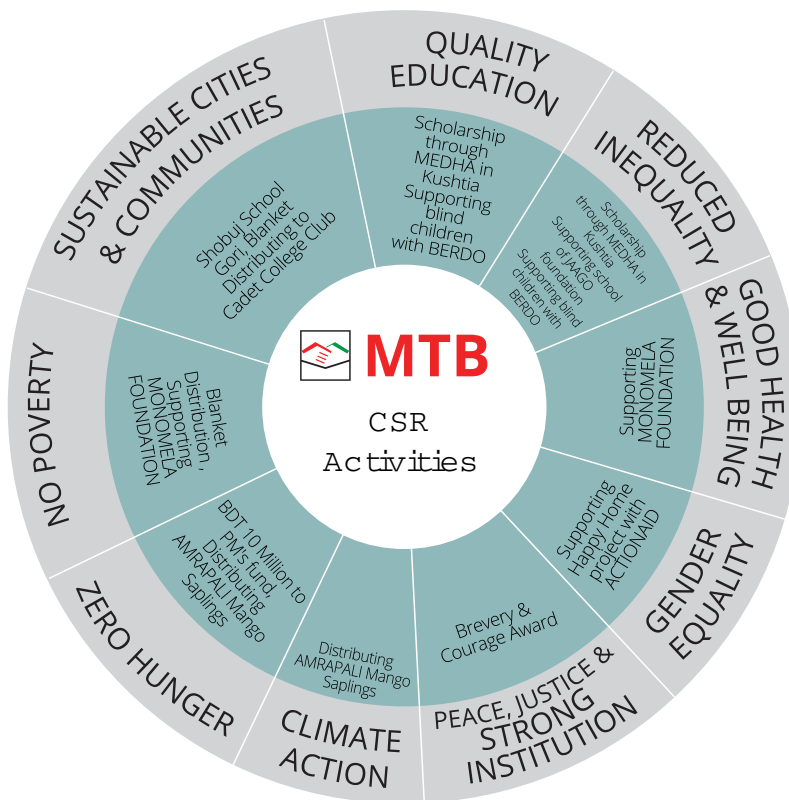
of protecting the environment today will lead to a better and sustainable tomorrow.

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.

## MTB CSR ACTIVITIES & SDG GOALS

	SDG GOALS	INITIATIVES TAKEN IN 2019
	NO POVERTY	Blanket Distribution , Supporting MONOMELA FOUNDATION
	ZERO HUNGER	BDT 10 Million to PM's fund, Distributing AMRAPALI Mango Saplings
	GOOD HEALTH AND WELL-BEING	Supporting MONOMELA FOUNDATION
	QUALITY EDUCATION	Scholarship through MEDHA in Kushtia Supporting blind children with BERDO
	GENDER EQUALITY	Supporting Happy Home project with ACTIONAID
	REDUCED INEQUALITY	Scholarship through MEDHA in Kushtia Supporting school of JAAGO foundation Supporting blind children with BERDO
	PARTNERSHIPS FOR THE GOALS	Happy Home, Safe Home for underprivileged girls, a project of Action Aid International Bangladesh

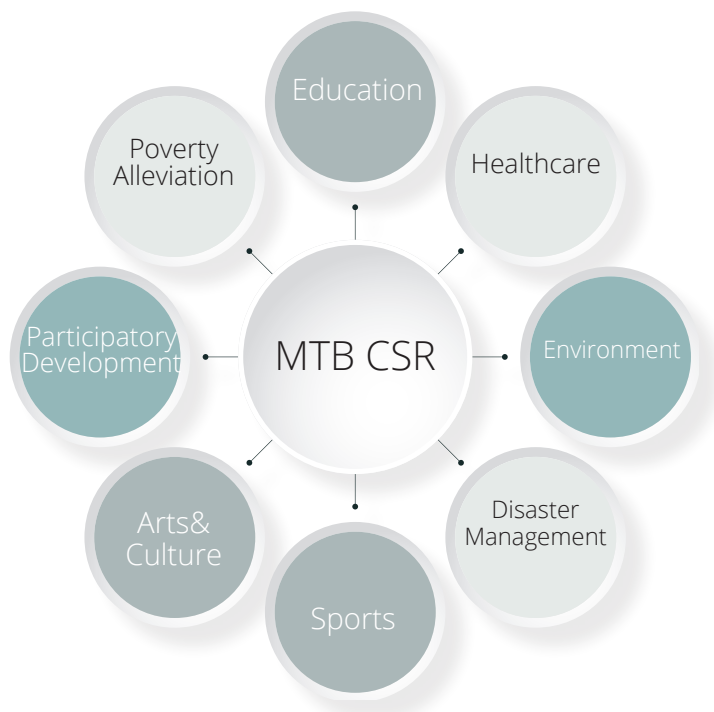




Graph: MTB CSR & SDG Goals

## 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 program. 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 primary education sector in the rural hard-to-reach areas, MTB launched a special campaign titled "Swapno Sarathi" in 2015. The campaign aims at motivating students (mainly female) 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. Till date almost 1,600 bicycles have been distributed in different regions of the country including Panchagar, Bogura, Dhorkora Bazar, Dinajpur, Joypurhat, Kadair Bazar, Ramchandrapur Bazar, Rangpur, Sirajganj, Thakurgaon, Lalmonirhat, Tangail, Cumilla, Ishwardi, Feni and different former enclaves of Bangladesh. This project helps in-

1. increasing retention in schools
2. encouraging students to take up higher studies
3. inculcating sense of confidence among the girl students by promoting mobility and ensuring women empowerment along with participatory development
4. promoting environment-friendly and healthy means of transportation

The objectives are allied with four Sustainable Goals of agenda 2030. These are SDG3: Good Health & Well-being, SDG4: Quality Education, SDG5: Gender Equality and SDG13: Climate actions.

## MTB "Bravery & Courage" Award

Initiated in 2012, MTB "Bravery & Courage" 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. A few courageous and selfless personalities and their families have been awarded over the years. Mutual Trust Bank Limited (MTB) has handed over its 8th MTB "Bravery & Courage" Award to the family of late Sohel Rana, the firefighter 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.



The 8th MTB "Bravery & Courage" Award was presented to the family of firefighter, Late Sohel Rana, who succumbed to his injuries subsequent to the fire rescue operation during Banani's FR Tower fire incident on March, 2019.

## MTB Hands Over Cheque of BDT 10 Million to the Prime Minister's Relief Fund

MTB Managing Director & CEO, Anis A. Khan is seen handing over a cheque of BDT 10 million to the Honorable Prime Minister of Bangladesh, Sheikh Hasina for the Prime Minister's Relief and Welfare Fund as part of the bank's Corporate Social Responsibility (CSR) at a simple ceremony held at Gonobhaban, Dhaka 1207 on April 01, 2019.



## MTB Foundation Supports Monomela Foundation

MTB Foundation has recently handed over BDT 300,000/- to Monomela Foundation to support their endeavors such as free after-school education programmes for the underprivileged children, providing basic medical treatment through free health camps, arranging training programmes on organic agriculture for farmers and many other philanthropic projects. Syed Mahbubur Rahman, Managing Director & CEO of MTB, handed over the cheque to Md. Abdur Rahim, Founder of Monomela Foundation, at a simple ceremony held at the Corporate Head Office of Mutual Trust Bank Limited (MTB).



## MTB Hands Over Blankets to Cadet College Club Limited (CCCL)

Mutual Trust Bank Limited (MTB), as part of its Corporate Social Responsibility (CSR) initiatives, has recently donated blankets for distribution amongst the cold-affected people of different regions of the country through the Cadet College Club authorities.

GpCapt Muhammad Alamgir, acsc (Retd), President, Cadet College Club Limited (CCCL) received a token sample of blankets from Amitav Kaiser, Head of Infrastructure Division, Mutual Trust Bank Limited (MTB) at a simple ceremony, held at Cadet College Club Limited, Gulshan 1, Dhaka. M Musleh Uz Zaman, Vice President and Jashim Mohammad Al-Amin, Secretary General of Cadet College Club Limited (CCCL) and Md Ehethesham Rahman, Head of Structured Finance Unit, and Samia Chowdhury, Deputy Head, Group Communications of MTB along with other senior officials of both the organizations were also present at the occasion.



## Blind Education and Rehabilitation Development Organization (BERDO)

BERDO started working hand in hand for the development of the visual impaired community in Bangladesh. MTB and Blind Education and Rehabilitation Development (BERDO) recently signed a Memorandum of Understanding (MoU) to support the visually impaired children with the later. Md. Saidul Huq, Executive Director, BERDO and Azam Khan, MTB Group Chief Communications Officer signed the MoU on behalf of their respective organizations at a simple ceremony held at the office of BERDO, Mirpur, Dhaka 1216 on July 23, 2019



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## JAAGO Foundation

JAAGO established in 2007, has running school project for underprivileged children with CSR financing from MTB. MTB and Jaago Foundation recently signed a Memorandum of Understanding (MoU) to bear the expenses for education of destitute children studying in the schools run and supervised by Jaago Foundation. Karvi Rakshand, Executive Director, established in 2007, has running school project for underprivileged children with CSR financing from MTB. MTB and Jaago Foundation recently signed a Memorandum of Understanding (MoU) to bear the expenses for education of destitute children studying in the schools run and supervised by Jaago Foundation. Karvi Rakshand, Executive Director, Jaago Foundation and Azam Khan, Group Chief Communications Officer, MTB signed the MoU on behalf of their respective organizations at a simple ceremony held on July 07, 2019 at the office of Jaago Foundation, Banani, Dhaka 1213. The education sector of the country has always been a priority for MTB's initiatives related to Corporate Social Responsibility (CSR). As part of the MoU, MTB will be engaging in participatory development in Bangladesh through quality education.

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## Happy Home, Safe Home for Underprivileged Girls, a Project of Action Aid International Bangladesh

MTB establishes Girls' Rights to Education by Supporting the "Happy Home" Project of Action Aid International Bangladesh. Mutual Trust Bank Limited (MTB) and Action Aid International Bangladesh (AAIB) have recently signed a Memorandum of Understanding (MoU) to bear the expenses for education and vocational training of vulnerable girls residing in the "Happy Home" hostel supervised by AAIB. The education sector of the country has always been a priority for MTB's initiatives related to Corporate Social Responsibility (CSR). As part of the MoU, MTB will be engaging in participatory development and empowerment of women in Bangladesh through quality education.





## MTB launches "Promoting Knowledge: Inauguration of the Eighth Year"

As part of its continued effort to help students excel in English, MTB, in partnership with The Daily Star, provided 1,000 students of Dhaka University with free copies of the newspaper at their dormitories for one year. The students were chosen based on their merit and economic background. The 'Promoting Knowledge' campaign was jointly launched in 2012 by MTB and The Daily Star with a view to improving the students' skills on linguistics and grammar and enhancing their knowledge on contemporary global and national issues.



## MTB provides financial support to PROYASH

MTB provided financial assistance to PROYASH, a specialized organization dedicated to the holistic development of the children with special educational needs, through multidimensional programs. A cheque amounting to BDT 5 Lac was handed over by the bank's Managing Director & CEO, Syed Mahbubur Rahman.

## MTB distributes amrapali mango saplings in different schools of the country

As part of the bank's regular CSR initiatives, MTB distributed amrapali mango saplings among the students of Sonargaon GR Institution Model School & College and Sonmandi Hasan Khan High School at Sonargaon, Narayanganj through Aloghar Nursery, a concern of Development Initiative for Social Advancement (DISA).





## Distributes Scholarships amongst Students in Kushtia

MTB recently distributed scholarships of BDT 200,000/- among the underprivileged meritorious students in Kushtia through MEDHA, as part of the bank's Corporate Social Responsibility (CSR) program. Munshi Md. Moniruzzaman, CEO & Deputy Secretary, Kushtia Zilla Parishad was the Chief Guest at the scholarship distribution ceremony held at a local Convention Centre at Kushtia 7000 on July 29, 2019. MEDHA is a Kushtia based non-profit organization working in improving education in the area. Engineer Khondker Salahuddin, President, MEDHA, Azam Khan, Group Chief Communications Officer, Mohammad Nasir Uddin, Manager, MTB Kushtia branch, teachers, students including their guardians, along with local elite, people from different strata were also present at the occasion. As part of its CSR activities, MTB has been distributing scholarship in Kushtia through MEDHA since 2015.



## Other CSR Activities

MANABIK SHAHAJYA SANGSTHA (MSS) organizes 'Eye Care Project (ECP-MMS)' with the financing of MTB CSR funds.

JEXCA Free Friday Healthcare Centre Khulna (KJFFHC), a project initiated by Ex-Cadets of Jhenidah Cadet College (JEXCA) at Khulna, for providing with free medical services to the people of the local area. They are receiving BDT 100,000.00 per month.

Society For The Welfare Of Autistic Children (SWAC) has initiated to build education and vocational training centers and residential facilities for individuals with autism, named SWAC Village. They have already received an amount of BDT 500,000.00 from the MTB.

A project with Assistance for Blind Children (ABC) has been renewed and disbursed BDT 400,000.00 for their residential girls residing at their hostel.

## CSR Initiatives 2019

INITIATIVES	AMOUNT (BDT)	No. of BENEFICIARIES
Education	7,674,791	5,771
Health	5,149,904	959
Disaster Management	36,722,000	12,100
Environment	60,000	2,000
Art & Culture	100,000	50
Others	3,675,000	5,008
Total	53,381,695	25,888

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## FINANCIAL INCLUSION REPORT

Financial inclusion means that individuals and businesses have access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way. Financial inclusion wants everybody in the society to be involved and participate in financial management judiciously. There are many poor households in Bangladesh that do not have any access to financial services in the country.

Even if they are aware of banks, many of the poor people do not have the access to get services from banks. They may not meet minimum eligibility criteria laid by banks and hence, they will not be able to secure a bank's services. These economically underprivileged people of the society may also not have proper documents to provide to the banks for verification of identity or income. Every bank has certain mandatory documents that need to be furnished during a loan application process or during a bank account creation process. Many of these people do not have knowledge about the importance of these documents. They also do not have access to apply for government-sanctioned documents.

Financial inclusion aims to eliminate these barriers and provide economically priced financial services to the less fortunate sections of the society so that they can be financially independent without depending on charity or other means of getting funds that are actually not sustainable. Financial inclusion also intends to spread awareness about financial services and financial management among people of the society. Moreover, it wants to develop formal and systematic credit avenues for the poor people.

### Initiatives of MTB

- MTB School Banking
- MTB 10 Taka Account
- MTB Agent Banking
- MTB SME Financing For Women Entrepreneurs

### MTB SCHOOL BANKING

MTB, which has designed its school banking products for the students, organizes school banking campaigns in different local schools throughout the year.

During these campaigns, children can open accounts and have a hands-on banking experience. This eventually helps the students to cultivate the habit of savings from an early age. Any school going child can open a School Banking Account with his/her parent and start saving for the future. This account is meant to help our future generation to grow up with a savings habit along with being accustomed with the banking culture.



## School Banking Campaign in 2019

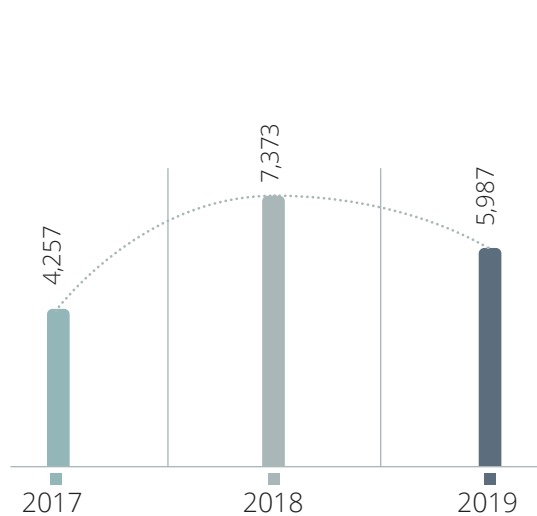
Division	Number of Schools	Boys' Participation	Girls' Participation
Dhaka	27	2,332	2,197
Chattogram	22	1,560	1,425
Other	10	875	750
Total	59	4,767	4,372

MTB School Banking Campaign in 2019

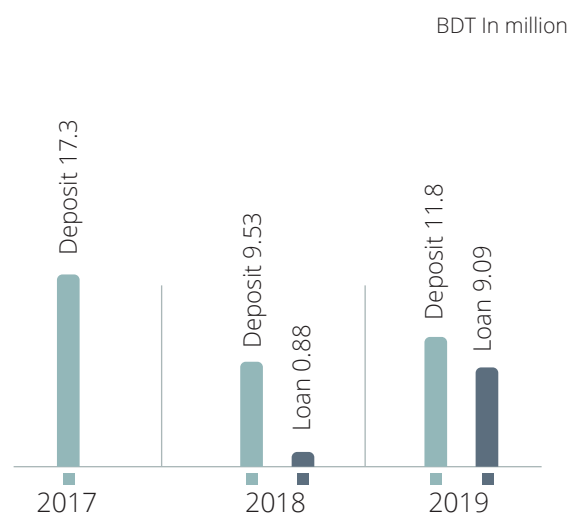
## MTB 10 TAKA ACCOUNT

In September of 2010, Bangladesh Bank instructed public banks to help the ultra-poor open the Tk-10 accounts so that they can get the benefits of the safety net programs. Private commercial banks later followed suit of their state-owned peers. The use of the account has helped underprivileged people engage in various economic activities and change their lives.

The marginal and landless farmers, small shop owners, hawkers and people affected by river erosion now take loans under a Taka 200-crore refinance scheme of the central bank by using the accounts for an interest rate of 9.5 percent. MTB also has initiated MTB 10 Taka account for providing financial assistance to the underprivileged groups of Bangladesh.



Number Of 10 Taka Account Opened



Deposit And Loan Against 10 Taka Account

## MTB AGENT BANKING

Agent banking is a system of providing banking and financial services on a limited scale to the underserved population by way of agents under an agreement rather than a teller.

The central bank decided to promote this complimentary channel to extend a range of banking services to the unbanked and underserved segments of society,

especially in geographically dispersed locations, as well as existing bank customers. The convenience of agent banking outlets and various kinds of products and services such as loans, deposits, bill payments and foreign remittance disbursement etc. encourages more customers to banking under agent banking system.

### MTB AGENT BANKING AT A GLANCE

Particulars	2019	2018
Number of agent banking outlets opened	40	50
Number of account opened	24,272	17,245
Deposited amount (BDT in million)	1,163	566
Disbursed foreign remittance amount (BDT in million)	905	608

## MTB SME FINANCING FOR WOMEN ENTREPRENEURS

Despite many barriers, female entrepreneur class in the small and medium sectors has developed in the country taking challenge to work in a male dominated, competitive and complex economic and business environment. It has been found that at present women entrepreneurs constitute less than 10% of the total business entrepreneurs in Bangladesh, whereas women in advanced market economies own more than 25%

of all businesses. in spite of these, in Bangladesh, not only have the women's entrepreneurship improved their living conditions and earned more respect in the family and the society, but they have also contributed to business and export growth, supplies, employment generation, productivity and skill development. MTB has also designed special products to help thrive the growth of women entrepreneurs. MTB Bhagyobati and MTB Gunabati



the two innovative financial products for women entrepreneurs, have strong presence in the country's credit market for their unique features and easy access to financing. MTB has established Women Entrepreneur



Development Unit (WEDU) to help the women in business and bring them under credit access.

## Financing for Women Entrepreneur

BDT in million

Topic	2019
Outstanding of Women Entrepreneurs	2,136.00
Disbursement of Funds to Women Entrepreneurs	110.80

## SME FINANCING: SECTOR SPECIFIC DISBURSEMENT

BDT in million

SL. No	Sector	2019		2018	
		Disbursement	Outstanding	Disbursement	Outstanding
1	Crops	1,747.91	1,521.38	354.91	186.51
2	Fisheries	318.55	344.51	38.41	35.28
3	Livestock	702.16	612.66	253.67	155.07
4	Irrigation Tools	0.00	0.00	0.00	0.00
5	Agricultural Tools	111.18	86.70	25.91	26.13
6	Crop storage	0.00	1.53	0.00	0.00
7	Poverty Alleviation	148.87	109.78	0.00	0.00
8	Spices & others	0.55	0.55	2.05	2.07
9	Others	160.63	104.00	38.48	17.93
	<b>Total</b>	<b>3,189.85</b>	<b>2,781.11</b>	<b>713.44</b>	<b>423.00</b>



# NATURAL CAPITAL

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.

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 have to regularly replace (computers, printers, and phones). The extensive IT infrastructure must be cooled, which consumes electricity. Our employees travel for business using MTB car pool, 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 also in many ATMs. Apart from this MTB tries to maintain a “Green Office Guide”, an in-house green office mandate for all MTB employees.



## 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.

## HIGHLIGHTS

Solar panels capacity  
44.6 KW

196,424  
E-statements Delivered  
to Customers

Saved paperwork  
equivalent 30,086,717  
sheets using M-Net

## 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

We follow Sustainable & Green Banking in our core business

We emphasize selling products and/or services based on their environmental benefits.

We finance in Green Projects and provide Green loans at lower interest rate

We follow "MTB Green Office Guide" to reduce in-house environmental reduction

## CHALLENGES

- ✓ Ensuring strict environmental due diligence to facilitate newer loans
- ✓ Reducing more amount of carbon footprints
- ✓ Reducing paper consumption in official works to save trees
- ✓ Ensuring green loans not to fall under non-performing loans.

## RESPONSES

- ✓ Invested in green finances by promoting the 52 direct green products in 8 categories 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.

The bank's green (environment friendly) finance products includes, but not limited to, the following:

### Retail Banking/ Consumer Banking:

- Green Residential building loans
- Hybrid car loans

### Wholesale & SME Banking:

- Green project finance
- Green factory/industry/facility loans
- Green products, machinery & equipment loans
- Green commercial building loan

## MTB'S GREEN INITIATIVES

### Sustainable Banking

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

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.



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

Although, MTB through its own operations/ activities and its supply chains does not generate significant pollutants, its financed projects/ facilities, activities, businesses might have large environmental footprints and social impacts. MTB 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. From the beginning of its journey, the unit 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



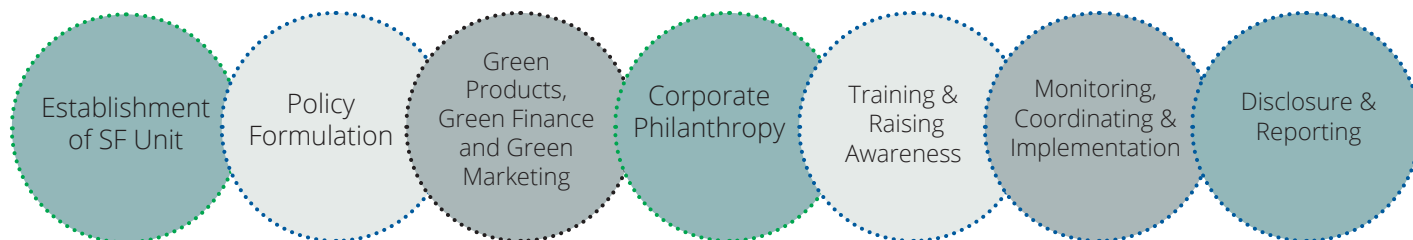
issues in addition to covering latest improvements in environmental risk management. This paper is based on the “Guidelines on Environmental and Social Risk Management (ESRM) for banks and financial institutions in Bangladesh” issued by Bangladesh Bank (BB) vide their SFD Circular No. 02 dated February 08, 2017.

## 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 environmental 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 Sustainable Finance Policy with an aim to inculcate practices that make every effort for environmental 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 foot print, 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 paper work 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 a 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. A number of 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

## 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 GREEN BUILDING

MTB has designed its two corporate office buildings - "MTB Centre" and "MTB Tower" - as 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

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 will organize 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

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.

## OTHER GREEN BANKING INITIATIVES

Automated Banking	2019	2018
Number of ATM	302	268
Number of MTB's POS machines on market	3,101	3,140
Number of branches with online banking	118	114
Number of SMS banking users	190,498	146,252
Number of internet banking users	29,712	24,433
Number of MTB Mobile App users	14,202	9,972
Number of branches powered by solar energy	9	9
Number of ATM booths powered by solar energy	7	7

## Environment



## Energy Consumption

The bank consumed 45 million mega joules of energy in 2019 by using fuels, natural gas and electricity. In banking business, there is no scope as of date to consume energy outside of the organization's premises.

Fuel/Source Type	Total Unit	Megajoules
Electricity (KWH)	9,998,646.57	35,993,633.35
Diesel (LTR)	150,995.76	5,781,673.57
Octane (LTR)	65,559.62	2,201,404.93
Natural Gas (m3)	33,979.03	1,301,471.15
<b>Total</b>	<b>10,249,180.97</b>	<b>45,278,182.99</b>

The car pool of the bank has 39 cars and 07 motor bikes that consumed 72,688 liters of octane for running a total of 466,718 KM in 2019.

Energy Consumption of MTB in 2019

Conversion source:

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator> and  
<http://www.convertworld.com/en/>

## ENERGY INTENSITY

Fuel/Source Type	Total Consumption (Megajoules)		Per Employee Power Consumption (Megajoules)		Per Day Power Consumption (Megajoules)	
	2019	2018	2019	2018	2019	2018
Electricity (KWH)	35,993,633.35	32,795,080.63	15,408.23	15,469.38	98,612.69	89,849.54
Diesel (LTR)	5,781,673.57	6,301,577.92	2,475.03	2,972.44	15,840.20	17,264.60
Octane (LTR)	2,201,404.93	2,363,259.41	942.38	1,114.75	6,031.25	6,474.68
Total	43,976,711.85	41,459,917.96	18,825.6	19,556.6	120,484.14	113,588.82

## MTB'S SOLAR POWER CAPACITY

MTB has installed solar power panels at its Corporate Head Office, branches and ATM booths. By 2019, total capacity installed is 44.6 KW of solar panels that reduce total power consumption by the bank.

Branch	Solar Power Capacity
MTB Centre	5,000 W
MTB Tower	36,000 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	44,600 W

Solar Power Capacity of Branches In 2019

## 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. MTB SMS banking enables 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.

SMS Sent for Information	2019	2018
Number of Balance Check Messages Sent	28,243	27,111
Number of Transaction Alert Messages Sent	5,328,704	4,680,479
Number of Mini Statement Check Messages Sent	4,796	4,576

## INTERNET BANKING FACILITIES



আপনার ব্যাংকিং  
আপনার মোবাইলেই!

ইন্টারনেট ব্যাংকিং মোবাইল অ্যাপ্লিকেশন

সহজেই খুঁজে নিতে ভিজিট করুন

Google play App Store

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.

Internet Banking	2019	2018
Internet Banking Users	29,712	24,433
MTB App Users on Mobile and Tab	14,202	9,972

E-Statement	2019	2018
Number of E-statements Delivered to Customers through Email instead of Using of Papers Traditionally	1,96,424	1,65,173

## 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.

• MTB Circular with Tracker	• E-Attendance
• Bangladesh Bank Circular	• MTB News
• Training Management	• MTB Notice Board
• E-Nomination	• External News (RSS integrated)
• Training Calendar	• Staff News
• Training Attendance	• Event Photo Album
• Training Invitation	• Department Homepage
• Training MIS	• Branch Homepage
• Leave Management	• Dictionary
• Online Requisition	• E-Signature Booklet
• Business Card Requisition	• Forex Rate
• Auxiliary Staff Bill Management	• MTB Trivia (Quiz)
• AML and CFT Screening	• MTB E-Learning
• E-Requests with Documentation	• Branch Reporting with Monitoring
• Core Banking S/W User Management	• iMail with Message Readability Tracking
• Lien Marking	• Employees Salary Statement, Tax Statements PF Statements A/C Statements Engagement statistics etc.
• Interest Rate Change	• Dashboards (Staff Anniversary, Staff on Leave, BACH-EFT Dashboard, EFT Pending etc.)
• Performance Management System (Objectives Setting and Acceptance, Midyear Review, Yearly Review and ACR Management)	• Deposit Contribution Tracker
• Participation: Naming Competition	• Contractual Staff Management
• ATM/POS Register	• Deposit Dash Board
• ATM Low Cash Alert	• UN Sanction Screening
• Open Account Online	• and many more...

Various Facilities Provided by M-Net



M-Net has saved a large number of paperwork equivalent 30,086,717 sheets, 60,173.43 reams of A4 paper, which is equivalent to saving 1,089,139.16 KWH of embodied energy and 679.62 tons of associated CO2 emission.

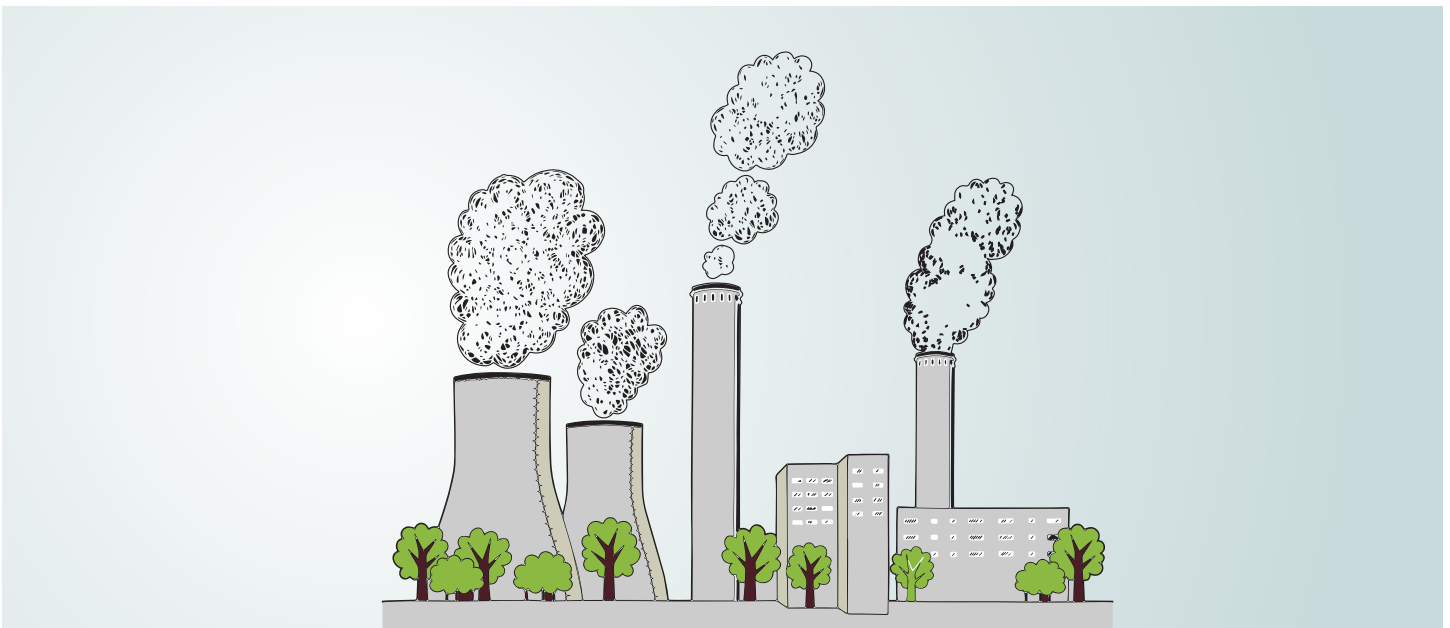
Item	2019	2018	2017	Unit
Automation in Services Saved Paper by	150.43	126.26	57.58	M. Tons
Total Embodied Energy of the Paper Saved	1,089,139.16	914,123.18	416,849.90	KWH
Carbon Dioxide (CO2) Saved in Producing the above Energy	679.62	570.41	260.11	M. Tons of CO2
Total Paper Saved by Automation, Equivalent to	522.00	438.12	199.79	Tons of Woods
Total Paper saved by Automation, Equivalent to	3,654.03	3,066.86	1,398.52	Trees
Total Paper Saved by Automation, Equivalent to	5,821.78	4,886.27	2,228.19	btu energy

Energy Savings by Less Consumption of Paper

Land and Forest Ecological Footprint	2019	2018	2017
Saved Land Equivalency Factor (GHA)	180.78	151.73	69.19
Saved Forest Footprint (GHA)	1,724.87	1,447.70	660.17
Total Ecological Footprint (GHA)	1,905.65	1,599.43	729.36

Ecological Footprint Saved in the Global Hectare

## EMISSIONS



## Direct Greenhouse Gas (GHG) Emissions

Energy	2019
Electricity	7,029.05
Diesel	404.11
Octane	153.91
N Gas	65.45
Total	7,652.53

Metric Tons of CO2 or CO2e (Carbon dioxide Equivalent) Emitted

Conversion Standards:

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

<http://www.convertworld.com/en/>

## Reduction Of Greenhouse Gas (GHG) Emissions

Table: Per Employee GHG Emissions (in Metric Tons of CO2)

Energy Items	2019
Electricity	3.01
Diesel	0.17
Octane	0.07
Natural Gas	0.03
Total	3.28

Table: Greenhouse gas (GHG) Emission Intensity

Category	2019
M Tons of CO2 Emissions/Employee	3.28
M Tons of CO2 Emissions/Day	20.96

# INVESTING IN OUR EMPLOYMENT

## EMPLOYMENT



Total employees	Executive		Non-Executive		Total		Percentage of Total Employees	
	Male	Female	Male	Female	Male	Female	Male	Female
Below 30 years	0	0	211	87	211	87	9.03%	3.72%
30 years to 40 years	39	9	1007	250	1046	259	44.78%	11.09%
40 years to 50 years	181	20	352	75	533	95	22.82%	4.07%
50 years and above	83	3	17	2	100	5	4.28%	0.21%
Total	303	32	1587	414	1890	446	80.91%	19.09%

Total Number of Employees in 2019 by Age, Gender and Managerial Position

Age Group	Male	Female	Total	Percentage
Below 30 years	76	28	104	36.11%
30 years to 40 years	128	26	154	53.47%
40 years to 50 years	25	3	28	09.72%
50 years and above	1	1	2	00.69%
Total	230	58	288	100%

Total New Recruitment in 2019 by Gender and Age Group

## TRAINING AND DEVELOPMENT



Training and development is an important factor for most industries as it helps keep the employees and the organizational goals aligned. Training also serves as a safeguard for the banks in situations, when the sector comes under heightened scrutiny.

Employees within the financial sector must remain compliant with specific regulations imposed by the regulatory authorities. Frequent trainings ensure these employees remain qualified for their jobs and always in compliance, even as the regulations change from time to time.

Effective training is an investment in the human resources of an organization, with both immediate and long-range returns. In recent times, e-learning has become increasingly popular in the financial sector due to the lower cost involved in online delivery as opposed to travel required for off-site, in-person training. The ability to reach a large learning audience at a time is beneficial to the financial sector. To address the fact, MTB emphasizes e-learning for its employees.

The technology along with the method of working in the banking sector is changing rapidly. Not only the machines, but approaches to various schemes, policies and banking facilities are changing with time. The new recruits and the older ones as well, need to undergo necessary trainings to grasp the same from time to time.

MTB Group Human Resources Division

Division makes sure that the people working in the bank are not suffering from any such knowledge and skill deficiency.

The following training methods are followed at MTB:

- Orientation Program
- Foundation Training Program
- Job Specific Training Program
- Need Based Local/Foreign Training
- Peer or Supervisors' Tutoring

In 2019, Human Resources Division arranged in-house, local and foreign training programmes. It covers areas like Basic Foundation Course for the freshers; specialized training courses i.e. Credit Appraisal and Management, Foreign Exchange and Foreign Trade, BASEL Implementation, Corporate Social Responsibility, Retail Banking, SME, Corporate Banking, Sustainable Finance, Information Security etc.

Training Type	Training Programs	Participation
In House (MTBTI)	130	1,610
Local/Outsourced	135	255
Abroad	27	60
Total	292	1,925

### Training Information of MTB in 2019

# SHAREHOLDER'S INFORMATION



## **Agricultural Development**

Bangladesh has made commendable progress over the past 40 years in achieving food security, despite frequent natural disasters and population growth (food grain production, for example, tripled between 1972 and 2014, from 9.8 to 34.4 million tons). With one of the fastest rates of productivity growth in the world since 1995 (averaging 2.7 percent per year, second only to China), Bangladesh's agricultural sector has benefited from a sound and consistent policy framework backed up by substantial public investments in technology, rural infrastructure and human capital.



# 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.

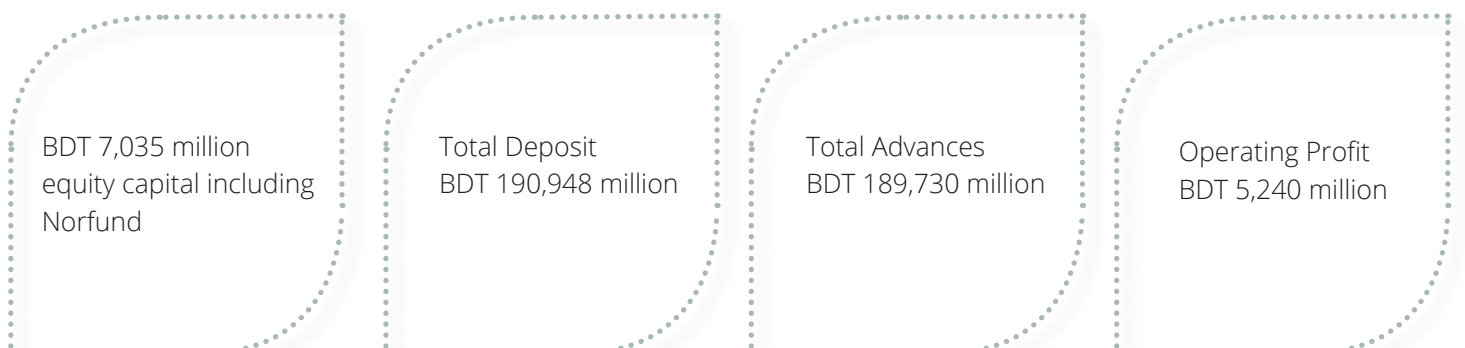
## CREATING VALUE

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-fulfilment.

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.

## HIGHLIGHTS



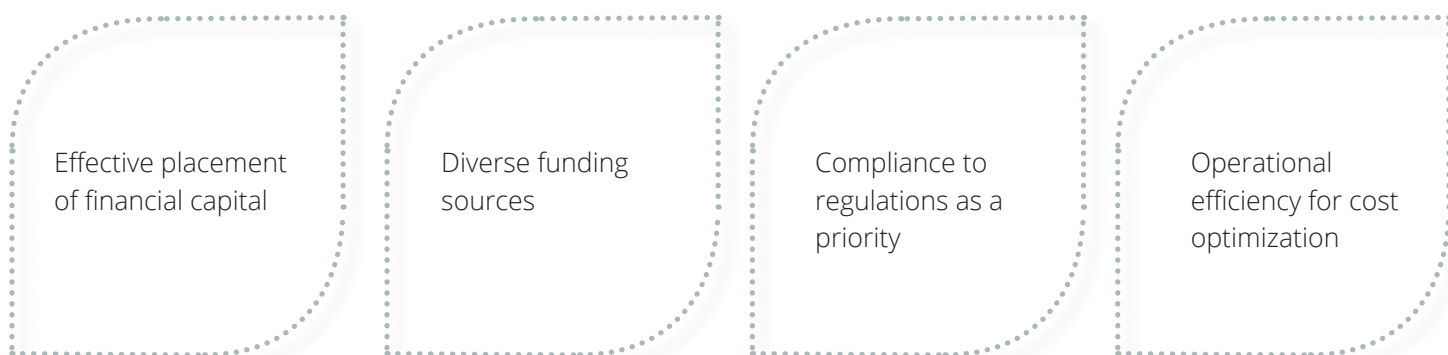
## RECEIPT OF FUNDS FROM STRATEGIC INVESTOR NORFUND

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.

## 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.

## 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

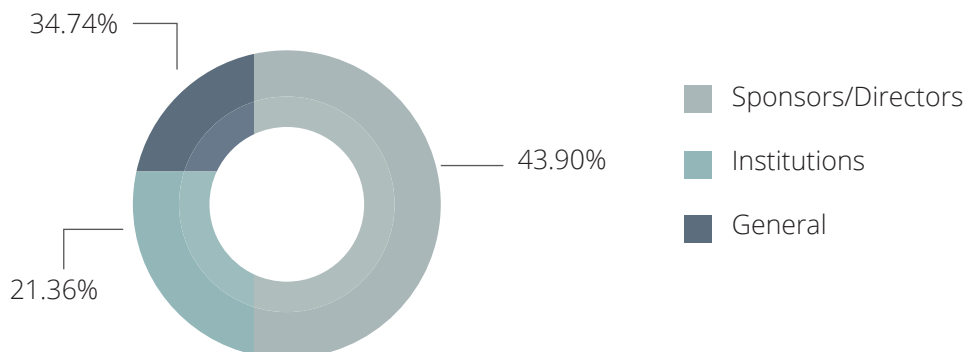
# SHAREHOLDING STRUCTURE

## Name of Directors and their shareholdings as at December 31, 2019

Name of Directors	Status	No. of Shares held	BDT	Holding %
Mr. Md. Hedayetullah	Chairman	14,289,971	142,899,710	2.0314%
Mrs. Khwaja Nargis Hossain	Vice Chairman	14,172,040	141,720,400	2.0146%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	23,468,049	234,680,490	3.3361%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	21,214,386	212,143,860	3.0157%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	31,821,616	318,216,160	4.5256%
Mr. M. A. Rouf, JP	Director	14,172,956	141,729,560	2.0148%
Mr. Md. Abdul Malek	Director	14,132,184	141,321,840	2.0090%
Mr. Md. Wakiluddin	Director	14,183,273	141,832,730	2.0162%
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	15,910,756	159,107,560	2.2618%
Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director	44,376,660	443,766,600	6.3083%
Mr. Herbert Ludwig Jaeger (Representing NORFUND)	Director	67,026,474	670,264,740	9.5281%
Ms. Nasreen Sattar	Independent Director	-	-	-
Mr. M. Mokammel Haque	Independent Director	-	-	-
<b>Total</b>		<b>274,768,365</b>	<b>2,747,683,650</b>	<b>39.0596%</b>

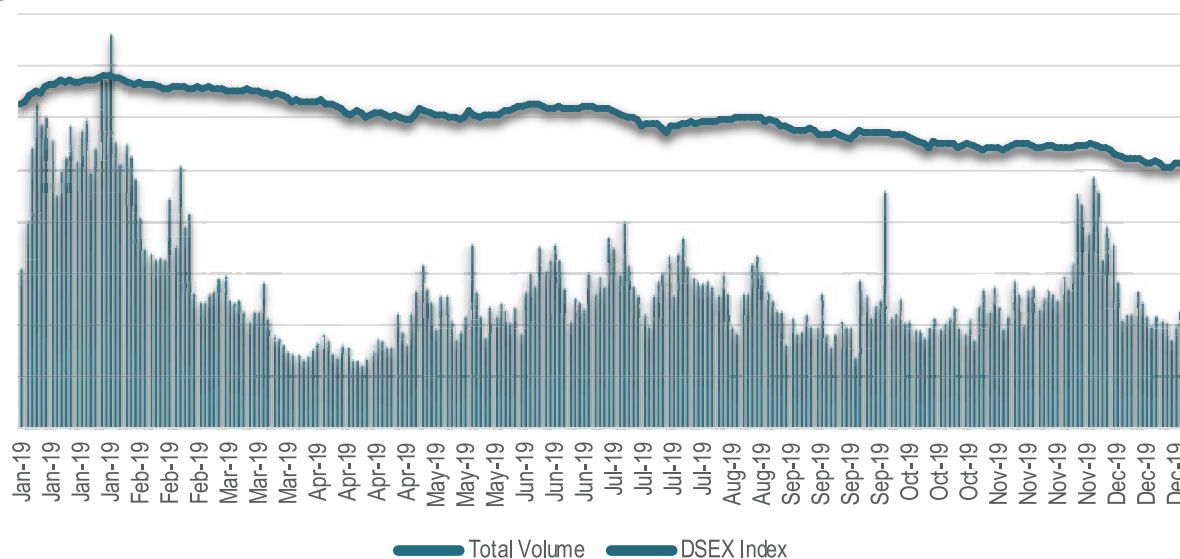
SL. No.	Types of Owner	No. of shares	Value of shares in BDT	% of holding
1	Sponsors / Directors	308,801,443	3,088,014,430	43.90%
2	Institutions	150,256,833	1,502,568,330	21.36%
3	General	244,401,170	2,444,011,700	34.74%
	<b>Total</b>	<b>703,459,446</b>	<b>7,034,594,460</b>	<b>100.00%</b>

## % of shareholding

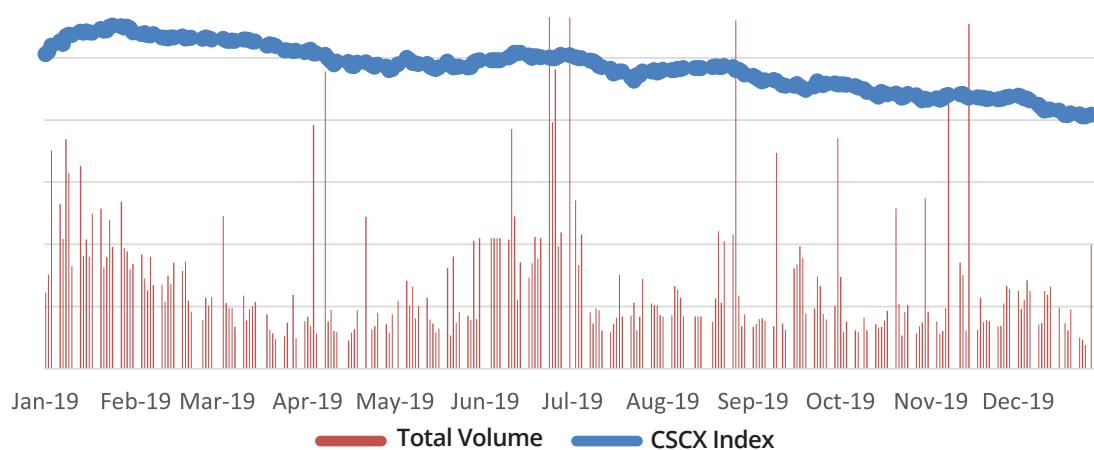


# MARKET SHARE INFORMATION

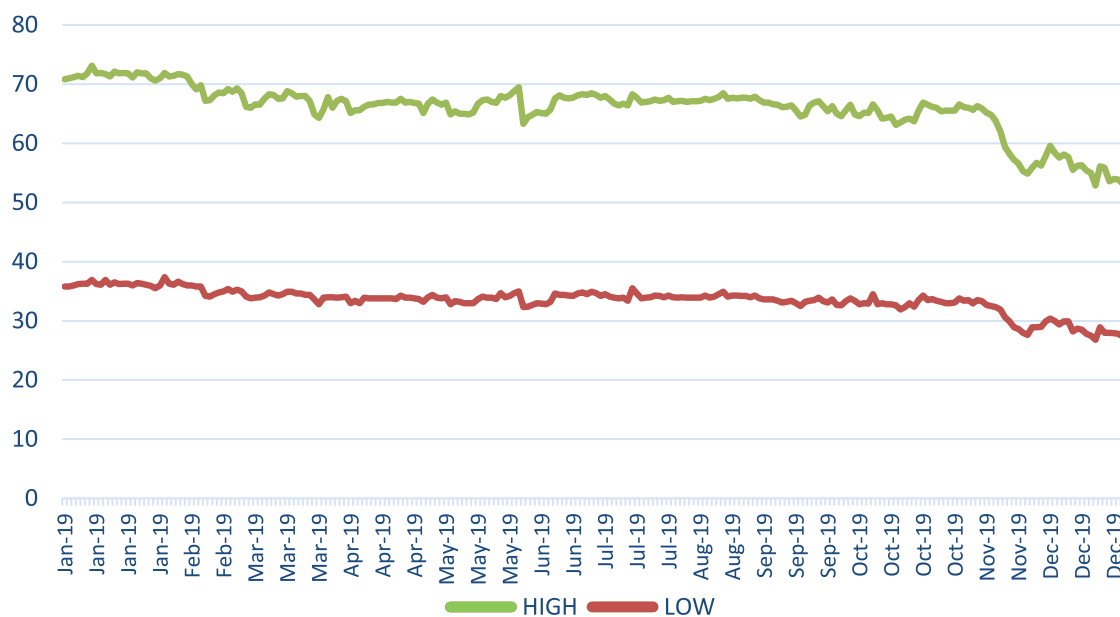
DSEX Trade



CSEX Trade



MTB Share Transaction Trend



# FINANCIAL SUMMARY

## MTB & GROUP

BDT in million

Particulars	MTB		Changes (%)	Group		Changes (%)
	2019	2018		2019	2018	
<b>Performance during the year</b>						
Interest income	18,275.21	15,542.08	17.59%	18,394.01	15,687.28	17.25%
Operating profit	5,028.13	4,608.36	9.11%	5,239.84	4,884.33	7.28%
Provision for loans and assets	2,048.38	2,239.46	-8.53%	2,140.38	2,342.46	-8.63%
Profit after provision before tax	2,979.75	2,368.90	25.79%	3,099.46	2,541.87	21.94%
Tax including deferred tax	1,716.04	786.50	118.19%	1,761.67	807.42	118.19%
Profit after tax	1,263.71	1,582.40	-20.14%	1,337.79	1,734.45	-22.87%
<b>At the year end</b>						
Total shareholders' equity	15,920.97	13,031.15	22.18%	16,289.87	13,326.94	22.23%
Deposits	191,369.29	166,700.99	14.80%	190,947.70	166,160.29	14.92%
Loans and advances	186,768.62	163,281.71	14.38%	189,729.72	166,145.12	14.20%
Investments	33,194.75	26,589.50	24.84%	34,199.54	27,407.65	24.78%
Fixed Assets	4,228.35	3,049.68	38.65%	4,301.13	3,128.18	37.50%
Total asset	256,056.00	221,827.58	15.43%	256,913.17	222,464.15	15.49%
<b>Statutory Ratios (%)</b>						
Cash Reserve Ratio	6.07%	5.59%	0.48%	6.07%	5.59%	0.48%
Statutory Liquidity ratio	17.14%	17.13%	0.01%	17.14%	17.13%	0.01%
Capital to risk weighted assets ratio	12.86%	12.82%	0.04%	12.91%	12.86%	0.05%
Tier-1 Capital to RWA	7.66%	6.98%	0.68%	7.76%	7.08%	0.68%
Tier-2 Capital to RWA	5.20%	5.83%	-0.63%	5.15%	5.78%	-0.63%
<b>Share Information</b>						
Earning per share (Taka)(Restate)	1.92	2.49	-22.74%	2.03	2.73	-25.38%
Dividend (%)	10.00%	11.00%	-1.00%	10.00%	11.00%	-1.00%
Net asset value per share (Taka)	22.63	18.52	22.18%	23.16	18.94	22.23%
Profit available after appropriation (including deferred tax)	1,937.90	1,934.03	0.20%	2,253.89	2,175.94	3.58%
<b>Ratios (%)</b>						
Non performing loans	5.48%	5.48%	0.00%	5.39%	5.39%	0.00%
Return on average shareholders' fund	8.73%	12.81%	-4.08%	9.03%	13.83%	-4.79%
Return on average assets	0.53%	0.75%	-0.22%	0.56%	0.82%	-0.26%
Cost to income/Efficiency ratio	53.53%	50.93%	2.61%	53.25%	50.31%	2.94%



# HORIZONTAL ANALYSIS

## FOR THE LAST FIVE YEARS

### Consolidated Balance Sheet

Particulars	2019	2018	2017	2016	2015
<b>Property and Assets</b>					
<b>Cash</b>	<b>153%</b>	<b>130%</b>	<b>138%</b>	<b>119%</b>	<b>100%</b>
In Hand (Including Foreign Currency)	173%	151%	132%	119%	100%
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	149%	125%	139%	119%	100%
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>108%</b>	<b>101%</b>	<b>89%</b>	<b>259%</b>	<b>100%</b>
In Bangladesh	26%	35%	42%	296%	100%
Outside Bangladesh	405%	342%	262%	127%	100%
<b>Money at Call and Short Notice</b>	<b>21%</b>	<b>160%</b>	<b>474%</b>	<b>100%</b>	<b>-</b>
<b>Investments</b>	<b>130%</b>	<b>104%</b>	<b>96%</b>	<b>84%</b>	<b>100%</b>
Government	132%	104%	96%	83%	100%
Others	116%	110%	89%	86%	100%
<b>Loans and Advances</b>	<b>194%</b>	<b>170%</b>	<b>149%</b>	<b>117%</b>	<b>100%</b>
Loans, Cash Credit, Overdrafts, etc.	197%	172%	151%	118%	100%
Bills Purchased and Discounted	108%	109%	86%	90%	100%
<b>Fixed Asset including Premises, Furniture &amp; Fixture</b>	<b>135%</b>	<b>98%</b>	<b>101%</b>	<b>99%</b>	<b>100%</b>
<b>Other Assets</b>	<b>228%</b>	<b>189%</b>	<b>157%</b>	<b>119%</b>	<b>100%</b>
<b>Non-Banking Asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Property and Asset</b>	<b>176%</b>	<b>152%</b>	<b>138%</b>	<b>113%</b>	<b>100%</b>
<b>Liabilities and Capital</b>					
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>427%</b>	<b>386%</b>	<b>323%</b>	<b>171%</b>	<b>100%</b>
<b>Deposit and Other Accounts</b>	<b>161%</b>	<b>140%</b>	<b>128%</b>	<b>111%</b>	<b>100%</b>
Current Deposits & Other Accounts	171%	147%	153%	128%	100%
Bills Payable	131%	136%	168%	140%	100%
Savings Bank Deposits	167%	158%	153%	132%	100%
Special Notice Deposits	95%	94%	86%	85%	100%
Fixed Deposits	163%	138%	120%	100%	100%
Deposit Products	193%	159%	142%	129%	100%
<b>Other Liabilities</b>	<b>241%</b>	<b>182%</b>	<b>157%</b>	<b>129%</b>	<b>100%</b>
<b>Subordinated Debt</b>	<b>139%</b>	<b>152%</b>	<b>164%</b>	<b>87%</b>	<b>100%</b>
<b>Total Liabilities</b>	<b>175%</b>	<b>153%</b>	<b>139%</b>	<b>113%</b>	<b>100%</b>
<b>Capital/Shareholders' Equity</b>					
Paid up Capital	190%	155%	138%	120%	100%
Statutory Reserve	172%	151%	133%	117%	100%
Share Premium	100%	-	-	-	-
Revaluation Reserve on Investment in Securities	32%	40%	53%	56%	100%
Foreign Currency Translation gain/(loss)	160%	182%	228%	264%	100%
General Reserve	176%	176%	138%	138%	100%
Retained Earnings	299%	289%	229%	112%	100%
<b>Total Shareholders' Equity</b>	<b>182%</b>	<b>149%</b>	<b>132%</b>	<b>110%</b>	<b>100%</b>
<b>Minority Interest</b>	<b>108%</b>	<b>107%</b>	<b>104%</b>	<b>102%</b>	<b>100%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>176%</b>	<b>152%</b>	<b>138%</b>	<b>113%</b>	<b>100%</b>
<b>Off-Balance Sheet Items</b>					
<b>Contingent Liabilities</b>					
Acceptances and endorsements	189%	188%	151%	123%	100%
Letter of Guarantee	405%	258%	155%	124%	100%
Irrevocable Letter of Credit	223%	166%	167%	142%	100%
Bills for Collection	67%	65%	93%	126%	100%
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	<b>236%</b>	<b>187%</b>	<b>152%</b>	<b>129%</b>	<b>100%</b>

#### 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 2015 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.

# HORIZONTAL ANALYSIS

## FOR THE LAST FIVE YEARS

Consolidated Profit & Loss Account

Particulars	2019	2018	2017	2016	2015
Interest Income	170%	145%	113%	105%	100%
Less: Interest Paid on Deposit and Borrowing, etc.	162%	131%	98%	94%	100%
<b>Net Interest Income</b>	<b>193%</b>	<b>187%</b>	<b>153%</b>	<b>138%</b>	<b>100%</b>
Income from Investments	106%	98%	89%	84%	100%
Commission, Exchange and Brokerage	270%	173%	162%	126%	100%
Other Operating Income	153%	138%	118%	99%	100%
<b>Total Operating Income</b>	<b>170%</b>	<b>149%</b>	<b>129%</b>	<b>114%</b>	<b>100%</b>
Less: Operating Expenditure:					
Salary and Allowances	162%	134%	119%	112%	100%
Rent, Tax, Insurance and Electricity etc.	122%	126%	121%	110%	100%
Legal Expenses	138%	99%	104%	99%	100%
Postage, Stamps and Telecommunication etc.	114%	98%	76%	60%	100%
Stationery, Printing and Advertisements etc.	160%	147%	128%	98%	100%
Managing Director's Remuneration	143%	118%	113%	107%	100%
Directors' Fees	121%	135%	139%	123%	100%
Auditors' Fees	173%	129%	125%	181%	100%
Depreciation and Repair of Bank's Properties	174%	128%	118%	107%	100%
Other Expenses	170%	128%	131%	104%	100%
<b>Total Operating Expenses</b>	<b>158%</b>	<b>131%</b>	<b>121%</b>	<b>109%</b>	<b>100%</b>
<b>Profit Before Provision</b>	<b>186%</b>	<b>174%</b>	<b>139%</b>	<b>121%</b>	<b>100%</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>					
Specific Provision for Loans & Advances	79%	981%	196%	318%	100%
General Provision for Loans & Advances	897%	-100%	439%	-75%	100%
Provision for Off Balance Sheet Items	357%	12%	312%	227%	100%
Provision for Margin Loan & Investment in Shares	108%	114%	172%	79%	100%
Provision for Other Asset	349%	133%	133%	146%	100%
<b>Total Provision</b>	<b>398%</b>	<b>436%</b>	<b>308%</b>	<b>176%</b>	<b>100%</b>
<b>Profit Before Tax</b>	<b>136%</b>	<b>112%</b>	<b>99%</b>	<b>108%</b>	<b>100%</b>
<b>Less: Income Tax Expenses</b>	<b>194%</b>	<b>89%</b>	<b>31%</b>	<b>110%</b>	<b>100%</b>
Current Tax Expenses	206%	130%	146%	119%	100%
Deferred Tax Expenses/(Income)	102%	-240%	-899%	37%	100%
<b>Net Profit After Tax</b>	<b>98%</b>	<b>127%</b>	<b>145%</b>	<b>107%</b>	<b>100%</b>

### 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 2015 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 decreased over the year. The Provision for Loans, Investment & Other enhances protection against risk assets of the bank.

# VERTICAL ANALYSIS

## FOR THE LAST FIVE YEARS

Consolidated Balance Sheet

Particulars	2019	2018	2017	2016	2015
<b>Property and Assets</b>					
<b>Cash</b>	<b>5.67%</b>	<b>5.53%</b>	<b>6.48%</b>	<b>6.81%</b>	<b>6.49%</b>
In Hand (Including Foreign Currency)	1.12%	1.13%	1.09%	1.20%	1.14%
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)	4.54%	4.40%	5.40%	5.61%	5.35%
<b>Balance with Other Banks &amp; Financial Institutions</b>	<b>1.32%</b>	<b>1.43%</b>	<b>1.39%</b>	<b>4.93%</b>	<b>2.15%</b>
In Bangladesh	0.25%	0.39%	0.51%	4.41%	1.69%
Outside Bangladesh	1.07%	1.04%	0.88%	0.52%	0.46%
<b>Money at Call and Short Notice</b>	<b>0.08%</b>	<b>0.71%</b>	<b>2.32%</b>	<b>0.60%</b>	<b>1.23%</b>
<b>Investments</b>	<b>13.31%</b>	<b>12.32%</b>	<b>12.44%</b>	<b>13.28%</b>	<b>17.97%</b>
Government	12.09%	10.98%	11.25%	11.87%	16.12%
Others	1.22%	1.34%	1.19%	1.41%	1.85%
<b>Loans and Advances</b>	<b>73.85%</b>	<b>74.68%</b>	<b>72.17%</b>	<b>69.15%</b>	<b>66.81%</b>
Loans, Cash Credit, Overdrafts, etc.	72.78%	73.45%	71.09%	67.77%	65.08%
Bills Purchased and Discounted	1.07%	1.24%	1.08%	1.38%	1.74%
<b>Fixed Asset including Premises, Furniture &amp; Fixture</b>	<b>1.67%</b>	<b>1.41%</b>	<b>1.59%</b>	<b>1.90%</b>	<b>2.18%</b>
<b>Other Assets</b>	<b>4.10%</b>	<b>3.92%</b>	<b>3.60%</b>	<b>3.33%</b>	<b>3.17%</b>
<b>Non-Banking Asset</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Property and Asset</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Liabilities and Capital</b>					
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>8.45%</b>	<b>8.83%</b>	<b>8.14%</b>	<b>5.26%</b>	<b>3.48%</b>
<b>Deposit and Other Accounts</b>	<b>74.32%</b>	<b>74.69%</b>	<b>75.23%</b>	<b>79.38%</b>	<b>81.07%</b>
Current Deposits & Other Accounts	6.36%	6.33%	7.26%	7.44%	6.56%
Bills Payable	0.64%	0.77%	1.04%	1.06%	0.86%
Savings Bank Deposits	11.63%	12.69%	13.62%	14.34%	12.26%
Special Notice Deposits	5.03%	5.78%	5.81%	7.04%	9.37%
Fixed Deposits	35.44%	34.63%	33.27%	33.74%	38.14%
Deposit Products	15.21%	14.48%	14.23%	15.76%	13.88%
<b>Other Liabilities</b>	<b>8.24%</b>	<b>7.16%</b>	<b>6.84%</b>	<b>6.85%</b>	<b>6.00%</b>
<b>Subordinated Debt</b>	<b>2.65%</b>	<b>3.33%</b>	<b>3.97%</b>	<b>2.57%</b>	<b>3.34%</b>
<b>Total Liabilities</b>	<b>93.66%</b>	<b>94.01%</b>	<b>94.17%</b>	<b>94.06%</b>	<b>93.89%</b>
<b>Capital/Shareholders' Equity</b>					
Paid up Capital	2.74%	2.58%	2.53%	2.68%	2.53%
Statutory Reserve	1.83%	1.84%	1.80%	1.93%	1.86%
Share Premium	0.43%	-	-	-	-
Revaluation Reserve on Investment in Securities	0.16%	0.24%	0.35%	0.44%	0.90%
Foreign Currency Translation gain/(loss)	0.00%	0.00%	0.00%	0.01%	0.00%
General Reserve	0.31%	0.35%	0.31%	0.37%	0.31%
Retained Earnings	0.88%	0.98%	0.85%	0.51%	0.52%
<b>Total Shareholders' Equity</b>	<b>6.34%</b>	<b>5.99%</b>	<b>5.83%</b>	<b>5.94%</b>	<b>6.11%</b>
<b>Minority Interest</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Off-Balance Sheet Items</b>					
<b>Contingent Liabilities</b>					
Acceptances and endorsements	34.01%	42.66%	42.24%	40.42%	42.50%
Letter of Guarantee	36.74%	29.40%	21.77%	20.61%	21.37%
Irrevocable Letter of Credit	27.13%	25.33%	31.41%	31.66%	28.65%
Bills for Collection	2.12%	2.61%	4.58%	7.30%	7.48%
<b>Total Off Balance Sheet Items including Contingent Liabilities</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Vertical Analysis (Financial Position)

Vertical Analysis on Balance Sheet, which would be termed as common sizing of balance sheet, refers to the components of balance sheet items as a percentage of total Assets over the periods. In asset side, investment (13.31%) and loans and advances (73.85%) hold major portion. Investment shows increase but loans and advance shows decreasing trend as % of total assets over the years at the backdrop of sluggish investment scenario of the country. In liability side, deposit holds major portion (74.32%) and showing decreasing trend over last five years.

# VERTICAL ANALYSIS

## FOR THE LAST FIVE YEARS

Consolidated Profit & Loss Account

Particulars	2019	2018	2017	2016	2015
Interest Income	76.10%	77.41%	74.42%	75.79%	74.13%
Less: Interest Paid on Deposit and Borrowing, etc.	53.63%	51.50%	48.06%	49.96%	54.81%
<b>Net Interest Income</b>	<b>22.46%</b>	<b>25.91%</b>	<b>26.36%</b>	<b>25.82%</b>	<b>19.32%</b>
Income from Investments	10.49%	11.56%	13.02%	13.39%	16.42%
Commission, Exchange and Brokerage	10.88%	8.30%	9.66%	8.18%	6.70%
Other Operating Income	2.53%	2.72%	2.90%	2.65%	2.75%
	<b>23.90%</b>	<b>22.59%</b>	<b>25.58%</b>	<b>24.21%</b>	<b>25.87%</b>
<b>Total Operating Income</b>	<b>46.37%</b>	<b>48.50%</b>	<b>51.94%</b>	<b>50.04%</b>	<b>45.19%</b>
<b>Less: Operating Expenditure:</b>					
Salary and Allowances	13.55%	13.38%	14.70%	15.02%	13.89%
Rent, Tax, Insurance and Electricity etc.	2.78%	3.44%	4.07%	4.05%	3.79%
Legal Expenses	0.02%	0.02%	0.02%	0.02%	0.02%
Postage, Stamps and Telecommunication etc.	0.07%	0.07%	0.07%	0.06%	0.10%
Stationery, Printing and Advertisements etc.	0.56%	0.62%	0.67%	0.55%	0.58%
Managing Director's Remuneration	0.10%	0.09%	0.11%	0.12%	0.11%
Directors' Fees	0.01%	0.02%	0.02%	0.02%	0.02%
Auditors' Fees	0.01%	0.01%	0.01%	0.02%	0.01%
Depreciation and Repair of Bank's Properties	2.62%	2.29%	2.63%	2.60%	2.50%
Other Expenses	4.97%	4.47%	5.67%	4.88%	4.86%
<b>Total Operating Expenses</b>	<b>24.69%</b>	<b>24.40%</b>	<b>27.98%</b>	<b>27.35%</b>	<b>25.89%</b>
<b>Profit Before Provision</b>	<b>21.68%</b>	<b>24.10%</b>	<b>23.96%</b>	<b>22.69%</b>	<b>19.30%</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>					
Specific Provision for Loans & Advances	0.74%	10.97%	2.72%	4.81%	1.56%
General Provision for Loans & Advances	6.96%	0.00%	5.56%	0.28%	1.16%
Provision for Off Balance Sheet Items	0.65%	0.03%	0.84%	0.67%	0.30%
Provision for Margin Loan & Investment in Shares	0.40%	0.51%	0.95%	0.47%	0.62%
Provision for Other Asset	0.11%	0.05%	0.06%	0.07%	0.05%
<b>Total Provision</b>	<b>8.85%</b>	<b>11.56%</b>	<b>10.14%</b>	<b>6.30%</b>	<b>3.69%</b>
<b>Profit Before Tax</b>	<b>12.82%</b>	<b>12.54%</b>	<b>13.83%</b>	<b>16.39%</b>	<b>15.62%</b>
<b>Less: Income Tax Expenses</b>	<b>7.29%</b>	<b>3.98%</b>	<b>1.71%</b>	<b>6.64%</b>	<b>6.23%</b>
Current Tax Expenses	6.87%	5.17%	7.22%	6.40%	5.54%
Deferred Tax Expenses/(Income)	0.42%	-1.19%	-5.51%	0.24%	0.69%
<b>Net Profit After Tax</b>	<b>5.53%</b>	<b>8.56%</b>	<b>12.12%</b>	<b>9.75%</b>	<b>9.38%</b>

### Vertical Analysis (Comprehensive Income)

Vertical Analysis on Income Statement, which would be termed as common sizing of income statement, refers to the components of income statement items as a percentage of total income over the periods. In income side, Interest Income (76.10%) and Commission, Exchange and Brokerage (10.88%) hold major portion. Interest income shows decreasing trend due to increase of Commission, Exchange and Brokerage income 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.

# SEGMENT ANALYSIS

## Consolidated Balance Sheet

As at 31 December 2019

Particulars	Bank				Subsidiaries				Consolidated
	Main Operation	OBU	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	
<b>Property and Asset</b>									
Cash In Hand (With Bangladesh Bank and its agent Bank )	14,544,242,195	-	-	14,544,242,195	951,375	20,965	11,286,088	-	14,556,500,624
Balance with other Banks & Financial Institutions	3,160,822,174	78,109,935	-	3,238,932,109	558,668,353	8,720,224	318,434,04	421,588,846	3,385,050,274
Money at Call and Short Notice	206,800,000	-	-	206,800,000	-	-	-	-	206,800,000
Investments	33,194,745,597	-	-	33,194,745,597	839,732,429	165,060,175	-	-	34,199,538,201
Loans and Advances	174,421,418,436	12,347,196,638	-	186,768,615,074	2,719,986,781	241,114,007	-	-	189,729,715,862
Fixed Asset including Premises, Furniture & Fixture	4,228,351,649	-	-	4,228,351,649	66,997,489	4,300,077	1,483,482	-	4,301,132,697
Other Assets	14,631,477,926	174,184,451	931,348,780	13,874,313,597	163,858,027	58,708,476	6,623,384	3,569,074,907	10,534,428,577
Non-Banking Assets	-	-	-	-	-	-	-	-	-
<b>Total Property and Assets</b>	<b>244,387,857,979</b>	<b>12,599,491,023</b>	<b>931,348,780</b>	<b>256,056,000,222</b>	<b>4,350,194,454</b>	<b>477,923,923</b>	<b>19,711,389</b>	<b>3,990,663,753</b>	<b>256,913,166,235</b>
<b>Liabilities</b>									
Borrowing from other Banks, Financial Institutions & Agents	10,205,769,129	12,301,958,359	806,550,000	21,701,177,487	-	-	-	-	21,701,177,487
Deposits and Other Accounts	191,346,038,333	23,254,861	-	191,369,293,195	-	-	-	421,588,846	190,947,704,349
Provision & Other Liabilities	20,115,078,246	274,277,803	124,798,780	20,264,557,270	798,544,786	114,075,245	37,789,308	40,679,107	21,174,287,503
Subordinated Debt	6,800,000,000	-	-	6,800,000,000	-	-	-	-	6,800,000,000
<b>Total Liabilities</b>	<b>228,466,885,709</b>	<b>12,599,491,023</b>	<b>931,348,780</b>	<b>240,135,027,952</b>	<b>798,544,786</b>	<b>114,075,245</b>	<b>37,789,308</b>	<b>462,267,953</b>	<b>240,623,169,339</b>
Total Shareholders' Equity	15,920,972,270	-	-	15,920,972,270	3,551,649,667	363,848,678	(18,077,919)	3,528,395,800	16,289,996,896
<b>Total Liabilities and Shareholders' Equity</b>	<b>244,387,857,979</b>	<b>12,599,491,023</b>	<b>931,348,780</b>	<b>256,056,000,222</b>	<b>4,350,194,454</b>	<b>477,923,923</b>	<b>19,711,389</b>	<b>3,990,663,753</b>	<b>256,913,166,235</b>



# SEGMENT ANALYSIS

## Consolidated Profit & Loss Account

For the year ended 31 December 2019

Particulars	Bank				Subsidiaries				Consolidated
	Main Operation	OBU	Elimination	Solo	MTBSL	MTBCL	MTB Exchange (UK)	Elimination	
Interest Income	17,582,302,949	733,554,741	40,647,934	18,275,209,756	111,183,618	33,470,666	-	25,776,744	18,394,087,295
Less: Interest Paid on Deposit and Borrowing, etc.	12,422,338,861	608,386,918	40,647,934	12,990,077,845	73,333	-	-	25,776,744	12,964,374,434
<b>Net Interest Income</b>	<b>5,159,964,089</b>	<b>125,167,822</b>	-	<b>5,285,131,911</b>	<b>11,110,285</b>	<b>33,470,666</b>	-	-	<b>5,429,712,862</b>
Investment Income	2,480,613,492	-	-	2,480,613,492	45,807,527	9,204,906	-	-	2,535,625,925
Commission, Exchange and Brokerage	2,470,652,805	47,566	-	2,470,700,371	132,855,678	538,750	25,688,274	-	2,629,783,073
Other Operating Income	568,099,563	16,388,885	-	584,488,448	11,169,102	16,491,325	3,237,912	3,330,937	612,055,850
<b>Total Operating Income</b>	<b>10,679,329,948</b>	<b>141,604,274</b>	-	<b>0,820,934,222</b>	<b>300,942,592</b>	<b>59,705,647</b>	<b>28,926,186</b>	<b>3,330,937</b>	<b>11,207,177,709</b>
Salary and Allowances	3,177,470,280	-	-	3,177,470,280	81,739,725	11,902,633	5,325,289	-	3,276,437,927
Rent, Tax, Insurance and Electricity	633,255,964	-	-	633,255,964	28,567,163	3,487,392	5,966,739	-	671,277,258
Legal Expense	4,723,622	-	-	4,723,622	-	-	-	-	4,723,622
Postage, Stamps and Telephone	15,857,195	-	-	15,857,195	900,049	111,000	203,702	-	17,071,946
Printing, Stationery and Advertisement	133,856,048	-	-	133,856,048	1,202,701	211,267	441,093	-	135,711,109
Managing Director's Remuneration	23,266,806	-	-	23,266,806	-	-	-	-	23,266,806
Directors' Fee	1,766,400	-	-	1,766,400	554,400	658,833	-	-	2,979,633
Audit Fee	1,943,500	-	-	1,943,500	69,000	68,750	388,549	-	2,469,799
Depreciation on and Repair to Bank's Property	624,703,789	-	-	624,703,789	6,786,348	951,162	477,035	-	632,918,334
Other Expenditure	1,158,013,453	17,946,936	-	1,175,960,389	17,050,852	3,113,182	7,683,537	3,330,937	1,200,477,023
<b>Total Operating Expenses</b>	<b>5,774,857,056</b>	<b>17,946,936</b>	-	<b>5,792,803,992</b>	<b>136,870,238</b>	<b>20,504,219</b>	<b>20,485,945</b>	<b>3,330,937</b>	<b>5,967,333,458</b>
<b>Profit Before Provision</b>	<b>4,904,472,891</b>	<b>123,657,338</b>	-	<b>5,028,130,229</b>	<b>164,072,354</b>	<b>39,201,428</b>	<b>8,440,240</b>	-	<b>5,239,844,252</b>
Specific Provision for Loans & Advances	-	-	-	178,272,083	-	-	-	-	178,272,083
General Provision for Loans & Advances	-	-	-	1,681,603,942	-	-	-	-	1,681,603,942
Provision for Off Balance Sheet Items	-	-	-	157,028,766	-	-	-	-	157,028,766
Provision for Margin Loan & Investment in Shares	-	-	-	5,232,333	70,000,000	22,000,000	-	-	97,232,333
Provision for Other Asset	-	-	-	26,246,000	-	-	-	-	26,246,000
<b>Total Provision</b>	-	-	-	<b>2,048,383,124</b>	<b>70,000,000</b>	<b>22,000,000</b>	-	-	<b>2,140,383,124</b>
<b>Profit Before Tax</b>	-	-	-	<b>2,979,747,105</b>	<b>94,072,354</b>	<b>17,201,428</b>	<b>8,440,240</b>	-	<b>3,099,461,128</b>
Income Tax Expenses	-	-	-	1,716,041,049	32,352,669	13,198,157	80,300	-	1,761,672,176
<b>Net Profit After Tax</b>	-	-	-	<b>1,263,706,056</b>	<b>61,719,685</b>	<b>4,003,271</b>	<b>8,359,940</b>	-	<b>1,337,788,952</b>

# EVALUATION OF THE QUARTERLY FINANCIALS BY THE AUDIT COMMITTEE AND BY THE BOARD

BDT in million

Particulars	As at March 31, 2019	As at June 30, 2019	As at September 30, 2019	Annually, As at December 31, 2019
<b>Property and Assets</b>				
Cash In Hand (With Bangladesh Bank and its Agent Bank )	12,255.93	14,822.94	14,185.20	14,556.50
Balance with other Banks & Financial Institutions	3,515.97	5,141.35	4,471.49	3,385.05
Money at Call and Short Notice	-	310.00	-	206.80
Investments	23,613.66	28,984.30	34,945.98	34,199.54
Loans and Advances	173,231.76	182,215.28	181,581.85	189,729.72
Fixed Asset including Premises, Furniture & Fixture	3,138.75	3,439.68	3,404.18	4,301.13
Other Assets	9,731.59	10,259.23	10,840.53	10,534.43
Non-Banking Assets	-	-	-	-
<b>Total Property and Assets</b>	<b>225,487.65</b>	<b>245,172.78</b>	<b>249,429.22</b>	<b>256,913.17</b>
<b>Liabilities and Capital</b>				
Borrowing from other Banks, Financial Institutions & Agents	21,792.75	22,386.91	23,936.00	21,701.18
Deposits and Other Accounts	165,540.96	182,112.83	183,345.38	190,947.70
Provision & Other Liabilities	17,064.07	18,330.72	19,488.31	21,174.29
Subordinated Debt	7,400.00	7,400.00	7,400.00	6,800.00
<b>Total Liabilities</b>	<b>211,797.78</b>	<b>230,230.46</b>	<b>234,169.70</b>	<b>240,623.17</b>
Total Capital & Shareholders' Equity	13,689.74	14,942.19	15,259.39	16,289.87
Minority Interest	0.13	0.13	0.13	0.13
<b>Total Liabilities and Shareholders' Equity</b>	<b>225,487.65</b>	<b>245,172.78</b>	<b>249,429.22</b>	<b>256,913.17</b>
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>	<b>77,253.15</b>	<b>75,665.38</b>	<b>80,343.60</b>	<b>82,568.56</b>
<b>Profit and Loss Account</b>	<b>For the period ended March 31, 2019</b>	<b>For the period ended June 30, 2019</b>	<b>For the period ended September 30, 2019</b>	<b>For the year ended December 31, 2019</b>
Interest Income	4,116.94	8,790.65	13,590.47	18,394.01
Less: Interest Paid on Deposits and Borrowings, etc.	2,766.50	5,902.38	9,494.77	12,964.30
<b>Net Interest Income</b>	<b>1,350.44</b>	<b>2,888.27</b>	<b>4,095.70</b>	<b>5,429.71</b>
Investment Income	481.32	914.08	1,615.94	2,535.63
Commission, Exchange and Brokerage	552.71	1,283.66	1,972.13	2,629.78
Other Operating Income	104.41	273.55	385.13	612.06
<b>Total Operating Income</b>	<b>2,488.89</b>	<b>5,359.55</b>	<b>8,068.90</b>	<b>11,207.18</b>
Total Operating Expenses	1,264.04	2,623.36	4,097.05	5,967.33
<b>Profit Before Provision</b>	<b>1,224.85</b>	<b>2,736.19</b>	<b>3,971.85</b>	<b>5,239.84</b>
Total Provision for Loans, Investment & Other	519.79	1,236.29	1,977.44	2,140.38
Income Tax Expenses	284.62	599.33	760.13	1,761.67
<b>Net Profit After Tax</b>	<b>420.44</b>	<b>900.58</b>	<b>1,234.28</b>	<b>1,337.79</b>

# VALUE ADDED STATEMENT

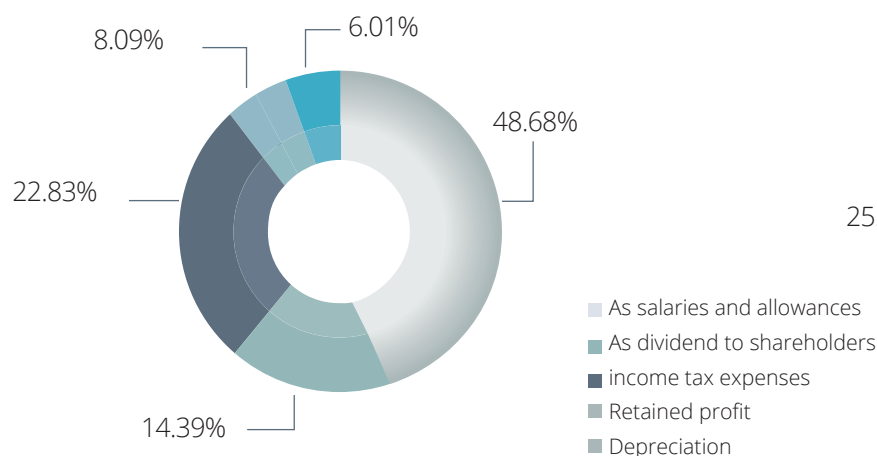
For the year ended 31 December 2019

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.

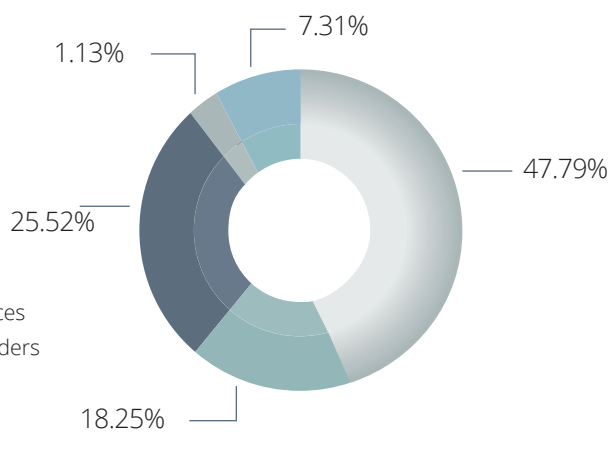
BDT in million

Particulars	2018		2019	
	Amount	%	Amount	%
<b>Value Added</b>				
Interest Income	15,687.28	77.41%	18,394.01	76.10%
Investment Income	2,343.17	11.56%	2,535.63	10.49%
Commission, Exchange and Brokerage	1,682.81	8.30%	2,629.78	10.88%
Other Operating Income	551.93	2.72%	612.06	2.53%
<b>Sub-Total (a)</b>	<b>20,265.18</b>	<b>100.00%</b>	<b>24,171.48</b>	<b>100.00%</b>
<b>Less Cost of service rendered:</b>				
Interest Expenses	10,436.06	71.21%	12,964.30	75.08%
Cost of services & supplies	1,877.09	12.81%	2,162.59	12.52%
Provision for Loans, Investment, Off B/S Items & etc.	2,342.46	15.98%	2,140.38	12.40%
<b>Sub-Total (b)</b>	<b>14,655.61</b>	<b>100.00%</b>	<b>17,267.28</b>	<b>100.00%</b>
<b>Total Value added by banking services (a-b)</b>	<b>5,609.57</b>		<b>6,904.20</b>	
<b>Distribution of value addition</b>				
<b>To Employees</b>				
As salaries and allowances	2,730.76	48.68%	3,299.70	47.79%
<b>To Providers of Capital</b>				
As dividend to Shareholders & Reserve	1,280.85	22.83%	1,259.84	18.25%
<b>To Government</b>				
As Income Tax Expenses	1,047.93	18.68%	1,659.74	24.04%
As Deferred Tax Expenses/(Income)	(240.51)	-4.29%	101.93	1.48%
<b>Income Tax expenses (netting off deferred tax)</b>	<b>807.42</b>	<b>14.39%</b>	<b>1,761.67</b>	<b>25.52%</b>
<b>To Expansion and Business Growth</b>				
Retained profit	453.60	8.09%	77.95	1.13%
Depreciation	336.94	6.01%	505.04	7.31%
<b>Total Distribution</b>	<b>5,609.57</b>	<b>100.00%</b>	<b>6,904.20</b>	<b>100.00%</b>

Total Distribution - 2018



Total Distribution - 2019



# ECONOMIC VALUE ADDED STATEMENT (EVA)

For the year ended 31 December 2019

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 its, 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	2015	2016	2017	2018	2019
Shareholders' Equity at year end	8,929.20	9,818.26	11,761.96	13,326.94	16,289.87
Add: Cumulative Provision for Loans, Investment, Off B/S Items & etc.	2,834.51	3,686.80	5,090.33	5,891.31	7,675.20
<b>Total</b>	<b>11,763.70</b>	<b>13,505.06</b>	<b>16,852.29</b>	<b>19,218.25</b>	<b>23,965.06</b>
Average Shareholders' Equity	7,849.80	9,373.73	10,790.11	12,544.45	14,808.40
Add: Average Cumulative Provision for Loans, Investment, Off B/S Items & etc.	2,611.06	3,260.65	4,388.57	5,490.82	6,783.25
<b>Average Equity of Shareholders</b>	<b>10,460.86</b>	<b>12,634.38</b>	<b>15,178.68</b>	<b>18,035.27</b>	<b>21,591.66</b>
Average cost of Equity	13.53%	9.77%	6.85%	6.41%	7.05%

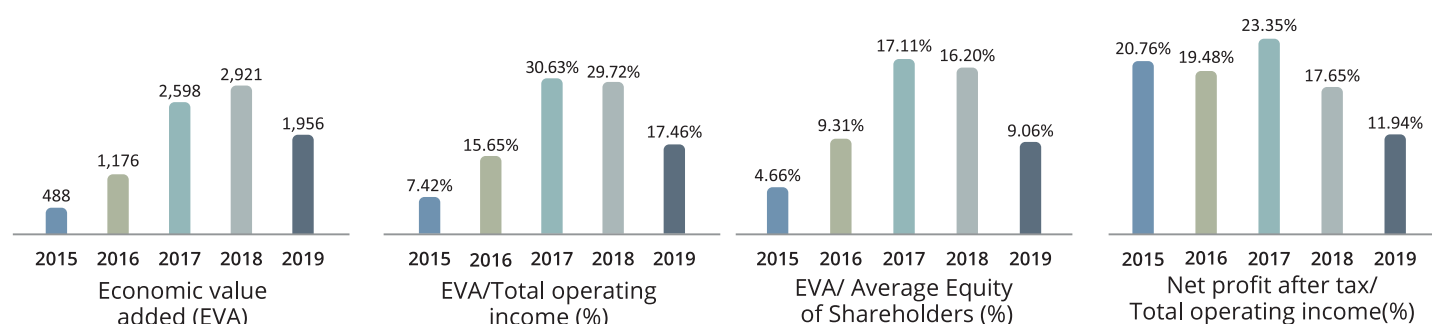
## Earnings:

Net Profit after tax	1,366.20	1,463.59	1,980.34	1,734.45	1,337.79
Add: Provision for Loans, Investment, Off B/S Items & etc.	537.13	946.63	1,656.25	2,342.46	2,140.38
<b>Net Profit after Tax (Before Provision)</b>	<b>1,903.33</b>	<b>2,410.23</b>	<b>3,636.59</b>	<b>4,076.91</b>	<b>3,478.17</b>
Cost of average Equity	1,415.39	1,234.06	1,039.04	1,155.67	1,521.68
<b>Economic value added (EVA)</b>	<b>487.94</b>	<b>1,176.17</b>	<b>2,597.55</b>	<b>2,921.23</b>	<b>1,956.49</b>
Growth over last year	46.29%	141.05%	120.85%	12.46%	-33.03%

Total operating income	6,580.26	7,514.88	8,479.29	9,829.12	11,207.18
Net profit after tax	1,366.20	1,463.59	1,980.34	1,734.45	1,337.79

## Key Ratios:

EVA/Total operating income (%)	7.42%	15.65%	30.63%	29.72%	17.46%
EVA/ Average Equity of Shareholders (%)	4.66%	9.31%	17.11%	16.20%	9.06%
Net profit after tax/Total operating income(%)	20.76%	19.48%	23.35%	17.65%	11.94%



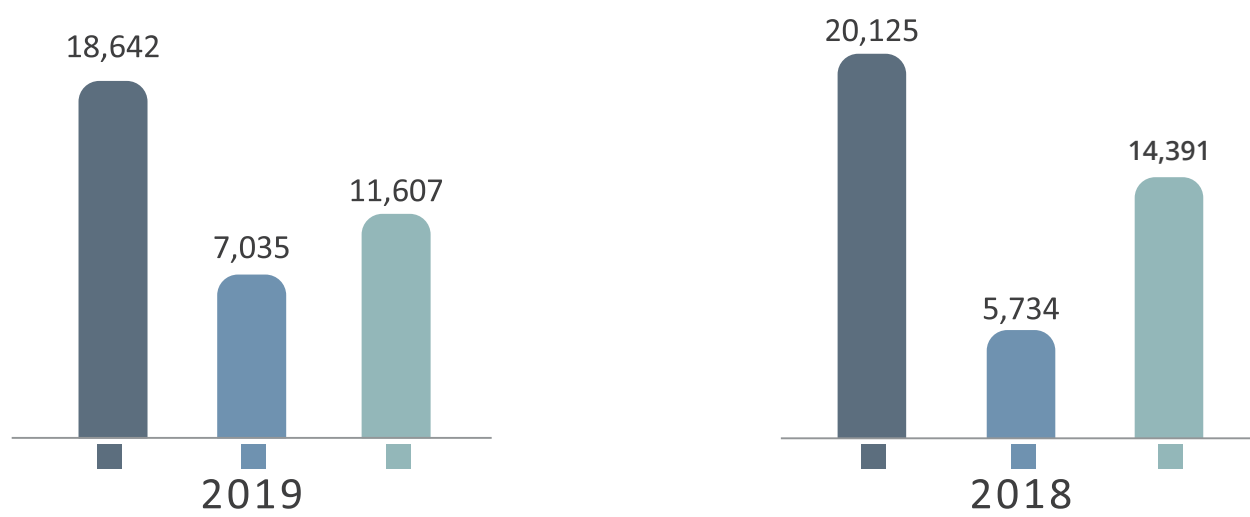
# MARKET VALUE ADDED STATEMENT

For the year ended 31 December 2019

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.

BDT in million

Particulars	Number of Shares	Value per share	Total Value 2019	Total Value 2018
Market Value of shares outstanding	703,459,446	BDT 26.50	18,642	20,125
Book Value of shares outstanding	703,459,446	BDT 10.00	7,035	5,734
<b>Market value added</b>		<b>BDT 16.50</b>	<b>11,607</b>	<b>14,391</b>



- Market Value of shares outstanding
- Book Value of shares outstanding
- Market value added

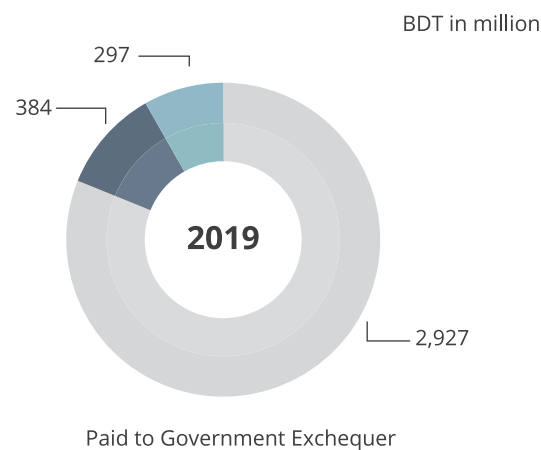
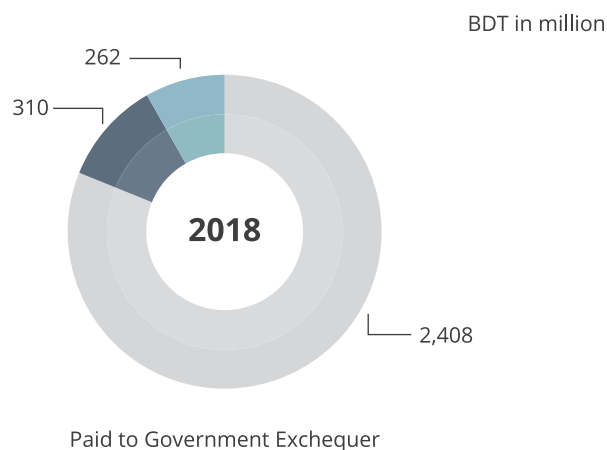


# CONTRIBUTION TO NATIONAL ECONOMY

For the year ended 31 December 2019

Government is considered as one of the most important stakeholders that plays 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 2019, 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.

Amount in BDT		
Particulars	2018	2019
<b>Income Tax</b>		
Salary and Allowances	127,696,385	187,364,118
Interest on Deposit	887,279,407	1,142,425,563
Interest on Bond	36,443,631	37,036,917
Advance Corporate Tax	750,000,000	900,000,000
Payment on Supplier and Parties Bill	65,966,202	147,332,543
Source Tax on Commission	173,877,790	110,706,199
Source Tax on Others	366,784,937	402,180,940
	<b>2,408,048,352</b>	<b>2,927,046,280</b>
<b>VAT</b>		
House Rent	53,574,105	60,237,172
Legal Expenses	439,450	616,125
Directors' Fees	435,743	388,648
LC Commission	30,845,746	29,839,640
Procurement of Goods and Service	25,718,139	42,437,515
VAT at Source	58,206,878	97,095,778
VAT on Banking Service	140,988,736	153,159,025
	<b>310,208,797</b>	<b>383,773,903</b>
<b>Excise Duty</b>	<b>261,644,250</b>	<b>297,332,350</b>
<b>Total paid to Government Exchequer</b>	<b>2,979,901,399</b>	<b>3,608,152,533</b>



Income Tax VAT Excise Duty

# CAPITAL ADEQUACY RATIO

As at 31 December 2019

Financial Institutions (FIs) are required to maintain capital adequacy ratio of 12.50% (with Capital conservation Buffer 2.50%). As per the Bangladesh Bank Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions, At the end of 2019, capital adequacy ratio of the group stood at 12.91%.

BDT in million

Particulars	2019		2018	
	Consolidated	Solo	Consolidated	Solo
<b>Common Equity Tier-1 (Going-Concern Capital):</b>				
Paid-up Capital	7,034.59	7,034.59	5,733.63	5,733.63
Statutory Reserves	4,691.95	4,691.95	4,096.00	4,096.00
Share Premium	1,095.30	1,095.30	-	-
General Reserves	786.78	786.78	786.78	786.78
Minority Interest	0.13	-	0.13	-
Retained Earnings	2,253.89	1,937.90	2,175.94	1,934.03
<b>Total</b>	<b>15,862.65</b>	<b>15,546.53</b>	<b>12,792.48</b>	<b>12,550.44</b>
<b>Regulatory Adjustments:</b>				
Goodwill and all other Intangible Assets	220.27	220.27	80.04	80.04
Deferred Tax Assets (95% of DTA as per BB Guideline)	1,104.13	1,104.13	1,134.08	1,134.08
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities	0.22	0.22	-	-
<b>Total Adjustments</b>	<b>1,324.61</b>	<b>1,324.61</b>	<b>1,214.12</b>	<b>1,214.12</b>
<b>Total Common Equity Tier -1 (Going-Concern Capital)</b>	<b>14,538.04</b>	<b>14,221.91</b>	<b>11,578.36</b>	<b>11,336.32</b>
Additional Tier-1 Capital	-	-	-	-
<b>Total Tier-1 Capital</b>	<b>14,538.04</b>	<b>14,221.91</b>	<b>11,578.36</b>	<b>11,336.32</b>
<b>Tier-2 Capital (Gone-Concern Capital) :</b>				
General Provision including Off Balance Sheet items	4,450.29	4,450.29	2,611.66	2,611.66
Revaluation Reserve on Investment in Securities	260.14	260.14	260.14	260.14
Subordinated Debt	5,200.00	5,200.00	6,800.00	6,800.00
<b>Total</b>	<b>9,910.43</b>	<b>9,910.43</b>	<b>9,671.80</b>	<b>9,671.80</b>
<b>Regulatory Adjustments:</b>				
Revaluation Reserve for Fixed Assets , Securities & Equity Securities	260.14	260.14	208.11	208.11
<b>Total Tier-2 Capital (Gone-Concern Capital)</b>	<b>9,650.29</b>	<b>9,650.29</b>	<b>9,463.69</b>	<b>9,463.69</b>
<b>A. Total Regulatory Capital (Tier-1+Tier-2)</b>	<b>24,188.33</b>	<b>23,872.20</b>	<b>21,042.05</b>	<b>20,800.01</b>
<b>B. Risk Weighted Assets</b>				
<b>Credit Risk on</b>				
Balance Sheet Exposure	148,147.70	148,163.12	124,703.91	125,033.71
Off Balance Sheet Exposure	19,160.41	19,160.41	21,805.52	21,805.52
	<b>167,308.11</b>	<b>167,323.53</b>	<b>146,509.42</b>	<b>146,839.22</b>
Market Risk	6,104.70	4,955.30	5,131.04	4,013.84
Operational Risk	13,944.69	13,333.79	12,003.98	11,443.59
<b>Total Risk Weighted Assets</b>	<b>187,357.50</b>	<b>185,612.62</b>	<b>163,644.43</b>	<b>162,296.65</b>
<b>C. Required Capital on Risk Weighted Assets</b>	<b>18,735.75</b>	<b>18,561.26</b>	<b>16,364.44</b>	<b>16,229.67</b>
<b>D. Capital Surplus/(Shortfall) (A-C)</b>	<b>5,452.58</b>	<b>5,310.94</b>	<b>4,677.60</b>	<b>4,570.34</b>
<b>Capital to Risk-weighted Assets Ratios (CRAR) (%)</b>	<b>12.91%</b>	<b>12.86%</b>	<b>12.86%</b>	<b>12.82%</b>
Tier- 1 Capital	7.76%	7.66%	7.08%	6.98%
Tier- 2 Capital	5.15%	5.20%	5.78%	5.83%

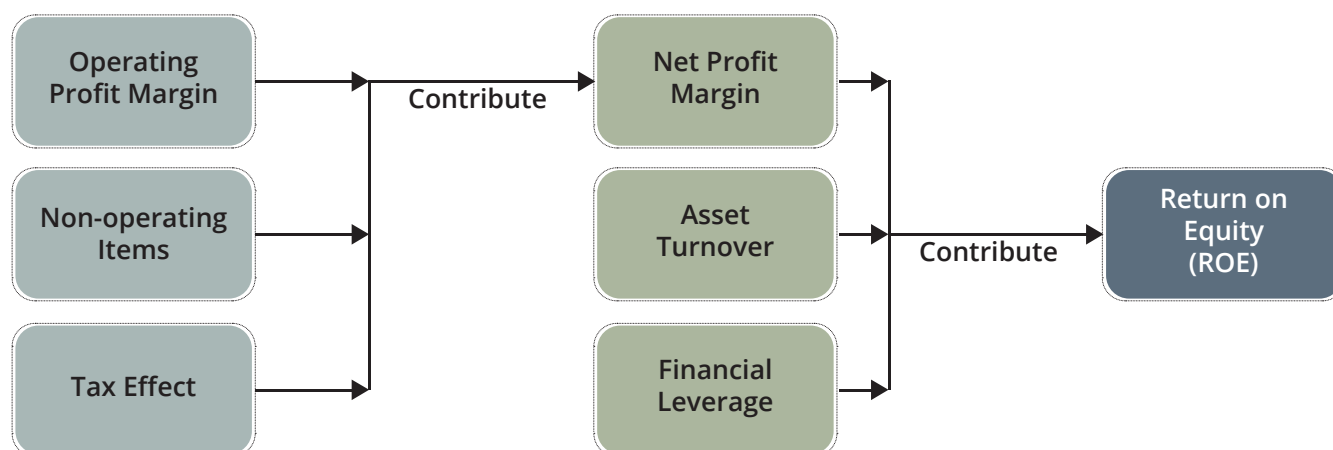
The calculation of CRAR under Basel III has been made as per "Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel III)" issued by Bangladesh Bank vide its BRPD circular # 18, dated 21 December 2014.

# 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	2015	2016	2017	2018	2019
<b>Return on Equity (ROE)</b>	<b>17.40%</b>	<b>15.61%</b>	<b>18.35%</b>	<b>13.83%</b>	<b>9.03%</b>
<b>Net Profit Margin</b>	<b>9.38%</b>	<b>9.75%</b>	<b>12.12%</b>	<b>8.56%</b>	<b>5.53%</b>
<b>Contribution on Net Profit Margin:</b>					
a) Operating Profit Margin	20.76%	19.48%	23.33%	17.65%	11.94%
b) Non-operating Items	3.69%	6.30%	10.14%	11.56%	8.85%
c) Tax Effect	6.23%	6.64%	1.71%	3.98%	7.29%
<b>Asset Turnover (times)</b>	<b>0.11</b>	<b>0.10</b>	<b>0.09</b>	<b>0.10</b>	<b>0.07</b>
<b>Financial Leverage (times)</b>	<b>16.71</b>	<b>16.61</b>	<b>17.01</b>	<b>16.94</b>	<b>16.19</b>

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 decrease of Net Profit Margin to 5.53% in 2019 compared to 8.56% of last year.

The Operating Profit Margin of 2019 decreases to 11.94% compared to that of 17.56% in 2018 for lower growth of net interest income which was only 3.40% over previous year. The effect on Non-operating items include loan loss and other provision which decreased to 8.85% from 11.56% for the decreased of provision by 8.63%. The Tax Effect increase to 7.29% from 3.98% in 2018.

Efficiency of utilization of assets as implied by average total Assets Turnover was lower than previous year that resulted from repricing of loans and advances. The Financial Leverage decreased to 16.19 from 16.94 in last year due to 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 requirement for 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

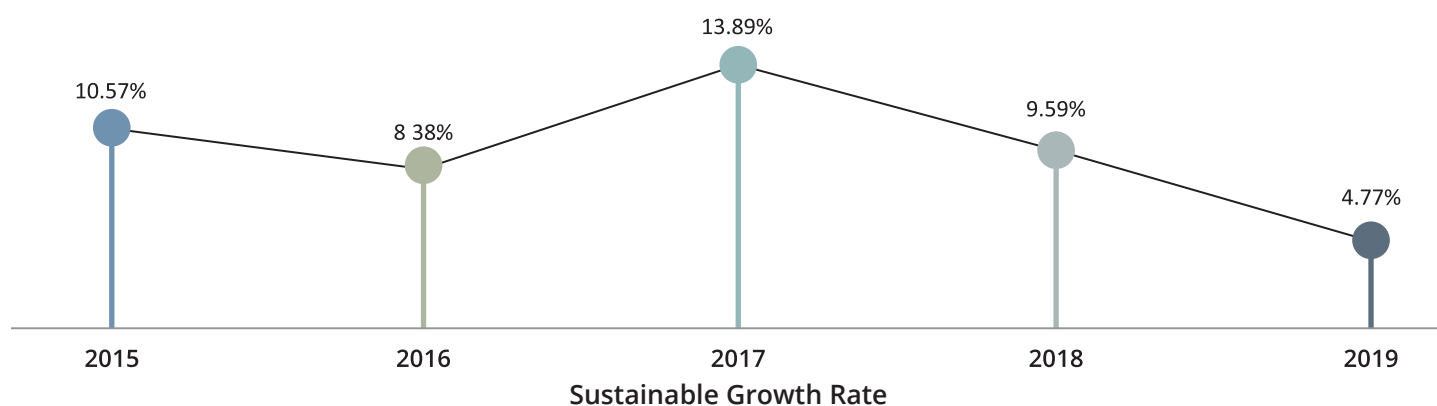
Return on Equity = NPAT / Shareholder's Equity

**Calculation of SGR for Mutual Trust Bank Ltd.:**

BDT in Million

Particulars	2015	2016	2017	2018	2019
Total Operating Income	6,580.26	7,514.88	8,479.29	9,829.12	11,207.18
Net Profit After Tax	1,366.20	1,463.59	1,980.34	1,734.45	1,337.79
Dividend paid	615.53	738.63	664.77	637.07	663.89
Statutory Reserve	445.06	466.62	434.46	473.78	595.95
Adding to retained earnings	305.61	258.34	881.11	623.60	77.95
<b>Total Assets</b>	<b>146,059.30</b>	<b>165,370.69</b>	<b>201,753.93</b>	<b>222,464.15</b>	<b>256,913.17</b>
Total Liabilities	137,129.99	155,552.30	189,991.85	209,137.08	240,623.17
Paid-up Capital	3,693.16	4,431.79	5,096.56	5,733.63	7,034.59
Other Reserves	4,483.25	4,545.35	4,943.18	5,417.50	7,001.38
Retained Earnings	752.90	841.24	1,722.35	2,175.94	2,254.02
<b>Total Financing</b>	<b>146,059.30</b>	<b>165,370.69</b>	<b>201,753.93</b>	<b>222,464.15</b>	<b>256,913.17</b>
Funds needed	-	-	-	-	-
Shareholder's Equity	17.40%	15.61%	18.35%	13.83%	9.03%
<b>Sustainable Growth Rate</b>	<b>10.57%</b>	<b>8.38%</b>	<b>13.89%</b>	<b>9.59%</b>	<b>4.77%</b>

**Recommendation:** The Bank is growing at a sustained average rate of 9.44% per year. Any growth rate beyond that level will not require outside financing.



# MTB CREDIT RATING REAFFIRMED

**VERY STRONG  
CAPACITY &  
VERY 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 2019 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	Previous Rating				Current Rating
	2015	2016	2017	2018	2019
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-2015	31-Dec-2016	31-Dec-2017	31-Dec-2018	31-Dec-2019
Date of Rating	17-May-2016	17-May-2017	30-Apr-2018	13-May-2019	15-Jul-2020
Validity Date	16-May-2017	16-May-2018	29-Apr-2019	15-Jul-2020	14-Jul-2021
Outlook	Stable	Stable	Stable	Stable	Developing

## Definitions used by CRISL for entity (MTB) credit rating

<b>AA (Double A)</b>	<b>High Safety</b> 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.
<b>ST-2</b>	<b>High Grade</b> High certainty of timely payment. Liquidity factors are strong and supported by good fundamental protection factors. Risk factors are very small.



# FIVE YEARS AT A GLANCE

BDT in million

	PARTICULARS	2015	2016	2017	2018	2019
<b>A.</b>	<b>BALANCE SHEET MATRIX</b>					
1	Authorized Capital	10,000	10,000	10,000	10,000	10,000
2	Paid-up Capital	3,693	4,432	5,097	5,734	7,035
3	Total Shareholder's Equity	8,929	9,818	11,762	13,327	16,290
4	Total Reserve Fund & Surplus	5,236	5,386	6,665	7,593	9,255
5	Total Deposits	118,405	131,272	151,776	166,160	190,948
6	Total Loans and Advances	97,589	114,356	145,607	166,145	189,730
7	Total Borrowing	5,082	8,706	16,418	19,641	21,701
8	Total Investments	26,247	21,942	25,106	27,408	34,200
9	Total Fixed Assets	3,182	3,141	3,211	3,128	4,301
10	Total Assets	146,059	165,371	201,754	222,464	256,913
11	Earning Assets	126,053	139,590	170,163	187,041	214,555
12	Non-Interest Earning Assets	20,006	25,780	31,591	35,423	42,358
13	Liquid Assets	15,291	20,403	20,567	17,059	18,150
14	Total Liabilities	137,130	155,552	189,992	209,137	240,623
15	Total Off-Balance Sheet Items	35,029	45,134	60,805	65,632	82,569
16	a) Net Asset Value (NAV) per share (original)	24.18	22.15	23.08	23.24	23.16
	b) Net Asset Value (NAV) per share (previous years re-stated)	12.69	13.96	16.72	18.94	23.16
<b>B.</b>	<b>INCOME STATEMENT MATRIX</b>					
1	Interest Income	10,793	11,381	12,161	15,687	18,394
2	Interest Expenses	7,980	7,503	7,853	10,436	12,964
3	Net Interest Income (NIM)	2,813	3,878	4,308	5,251	5,430
4	Investment Income	2,391	2,011	2,127	2,343	2,536
5	Non-Interest Income	1,376	1,626	2,044	2,235	3,242
6	Total Operating Income	6,580	7,515	8,479	9,829	11,207
7	Non-Interest Expenses	3,769	4,107	4,564	4,945	5,967
8	Total Income	14,560	15,018	16,332	20,265	24,171
9	Total Expenditure	11,750	11,610	12,416	15,381	18,932
10	Profit Before Provision and Tax	2,811	3,408	3,916	4,884	5,240
11	Provision for Loans, Investment and Other Assets	537	947	1,656	2,342	2,140
12	Profit Before Tax	2,274	2,461	2,259	2,542	3,099
13	Provision for Deferred and Current Tax	907	998	279	807	1,762
14	Net Profit After Tax	1,366	1,464	1,980	1,734	1,338
15	a) Earnings Average Per Share (EPS) (original)	3.70	3.30	3.89	3.03	2.03
	b) Earnings Average Per Share (EPS) (previous years re-stated)	2.08	2.22	3.01	2.73	2.03
<b>C.</b>	<b>FOREIGN EXCHANGE BUSINESS</b>					
1	Import Business	63,988	78,420	105,030	117,918	119,002
2	Exports Business	45,940	49,935	59,075	60,062	64,318
3	Foreign Remittance (USD in Million)	149	191	313	571	582
4	Guarantee Business	-	1,390	1,673	6,002	7,157
<b>D.</b>	<b>CAPITAL MEASURES</b>					
1	Total Risk Weighted Assets under Basel III	103,267	121,556	138,224	163,644	187,358
2	Common Equity Tier-I Capital (Going-Concern Capital)	7,565	9,009	10,067	11,578	14,538
3	Tier-I Capital (Going-Concern Capital)	7,565	9,009	10,067	11,578	14,538
4	Tier-II Capital (Gone-Concern Capital)	4,847	4,716	8,949	9,464	9,650
5	Total Regulatory Capital (Going+Gone Concern)	12,413	13,725	19,016	21,042	24,188
6	Minimum Capital Requirement (MCR)	10,327	12,156	13,822	16,364	18,736
7	Capital Surplus/(Deficit)	2,086	1,570	5,194	4,678	5,453

# FIVE YEARS AT A GLANCE

BDT in million

	PARTICULARS	2015	2016	2017	2018	2019
8	Capital to Risk Weighted Assets Ratio (CRAR)	12.02%	11.29%	13.76%	12.86%	12.91%
9	Tier-I Capital Ratio	7.33%	7.41%	7.28%	7.08%	7.76%
10	Tier-II Capital Ratio	4.69%	3.88%	6.47%	5.78%	5.15%
11	Leverage Ratio (As per BB Basel III guideline)	4.62%	4.80%	4.24%	4.41%	4.79%
12	Internal Capital Generation Ratio	9.59%	8.97%	15.96%	17.35%	15.22%
13	Risk Weighted Assets to Total Assets	70.70%	73.50%	68.51%	73.56%	72.93%
	<b>E. CREDIT QUALITY</b>					
1	Classified Loans and Advances	2,034	4,983	6,268	8,951	10,227
2	Provision for Classified Loans	1,182	2,051	2,398	3,183	3,099
3	Provision for Un-Classified Loans	1,065	1,108	2,016	2,017	3,699
4	Provision for Off-Balance Sheet Items	352	589	589	595	752
5	Provision for Investment	580	480	378	481	578
6	Provision for Other Asset	10	21	31	41	65
7	Total Provision Maintained	3,189	4,249	5,413	6,317	8,193
8	Percentage of NPLs to Total Loans and Advances	2.08%	4.36%	4.30%	5.39%	5.39%
9	Gross NPL Coverage	58.10%	41.16%	38.26%	35.56%	30.30%
	<b>F. SHARES INFORMATION MATRIX</b>					
1	Number of Shareholders	11,846	10,016	7,361	6,533	6,084
2	Number of Shares Outstanding	369	443	510	573	703
3	Market Value per Share	19.50	23.10	35.00	35.10	26.50
4	Market Value addition	9.50	13.10	25.00	25.10	16.50
5	Operating Profit per Share	7.61	7.69	7.68	7.43	7.97
6	Total Dividend:	20.00%	15.00%	12.50%	11.00%	10.00%
	a) Cash	-	-	-	-	5.00%
	b) Stock	20.00%	15.00%	12.50%	11.00%	5.00%
7	Dividend Payout Ratio	54.06%	45.42%	32.17%	36.36%	52.58%
8	Market Capitalization (At close of the year)	7,202	10,237	17,838	20,125	18,642
9	Effective Book Value per Share	26.38	24.17	24.69	24.61	25.52
10	Market Value Book Value Multiple	0.74	0.96	1.42	1.43	1.04
11	Price Earning Ratio (PE) (Times)	5.27	6.99	9.01	11.60	13.03
12	Price Equity Ratio	0.81	1.04	1.52	1.51	1.14
13	Dividend Coverage Ratio	1.85	2.20	3.11	2.75	1.90
14	a) Net Operating Cash Flow Per Share (original)	11.58	7.22	0.05	0.28	12.62
	b) Net Operating Cash Flow Per Share (previous years re-stated)	6.08	4.55	0.04	0.23	12.62
	<b>G. OPERATING PERFORMANCE RATIO</b>					
1	Net Interest Margin (NIM) Ratio	2.94%	3.55%	3.09%	3.34%	3.02%
2	Net Interest Margin on earning assets	2.51%	2.92%	2.78%	2.94%	2.70%
3	Cost to income/Efficiency Ratio	57.28%	54.65%	53.82%	50.31%	53.25%
4	Interest Income to Total Income	74.13%	75.79%	74.46%	77.41%	76.10%
5	Non Interest Income to Total Income	25.87%	24.21%	25.54%	22.59%	23.90%
6	Net Interest Income to Net Operating Income	42.75%	51.61%	50.80%	53.43%	48.45%
7	Interest Expenses to Total Expenses	67.92%	64.63%	63.25%	67.85%	68.48%
8	Operating Profit Ratio	19.30%	22.69%	23.98%	24.10%	21.68%
9	Other Operating Expenses to Income ratio	26.31%	24.40%	25.27%	22.53%	23.80%
10	Expense Coverage	80.70%	77.31%	76.02%	75.90%	78.32%
11	Net Profit Margin	20.76%	19.48%	23.35%	17.65%	11.94%
13	Operating Profit as percentage (%) of Earning Assets	2.51%	2.57%	2.53%	2.73%	2.61%

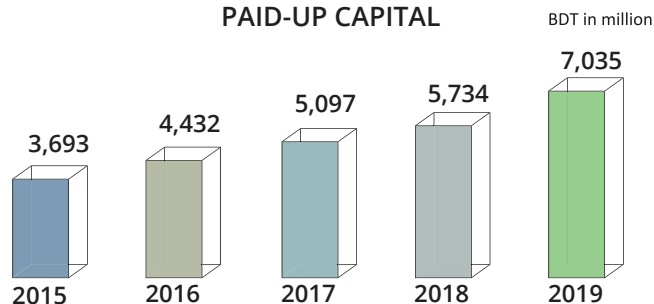
# FIVE YEARS AT A GLANCE

BDT in million

	PARTICULARS	2015	2016	2017	2018	2019
12	Net Profit as percentage (%) of Earning Assets	1.22%	1.10%	1.28%	0.97%	0.67%
14	Lending -Deposit Ratio (As per BB Asset-Liability guideline)	82.42%	77.69%	83.45%	82.83%	83.38%
15	Cost of Deposit	6.84%	5.51%	5.00%	5.96%	6.52%
16	Cost of Deposit & Borrowing	6.82%	5.70%	5.08%	5.96%	6.54%
17	Cost of Administrative	3.46%	3.01%	2.80%	2.67%	3.01%
18	Cost of Fund	10.28%	8.71%	7.88%	8.63%	9.55%
19	Yield on Loans and Advances	12.64%	10.73%	9.50%	10.07%	10.44%
20	Interest Spread	5.80%	5.22%	4.50%	4.12%	3.92%
21	Net Spread	2.37%	2.02%	1.61%	1.45%	0.89%
22	Asset Utilization Ratio	11.10%	9.64%	8.90%	9.55%	10.08%
23	Return on Average Assets (ROAA)	1.04%	0.94%	1.08%	0.82%	0.56%
24	Return on Risk Weighted Assets	1.32%	1.20%	1.43%	1.06%	0.71%
25	Return on Average Equity (ROE)	17.40%	15.61%	18.35%	13.83%	9.03%
26	Return on Investments (ROI)	10.17%	8.34%	9.04%	8.92%	8.23%
27	Cash Reserve Ratio (CRR )	6.54%	6.61%	7.22%	5.68%	5.57%
28	Statutory Liquidity Ratio (SLR)	22.32%	16.41%	18.07%	17.13%	17.33%
29	Debt to Equity Ratio	15.36	15.84	16.15	15.69	14.77
30	Debt to Total Assets Ratio	93.89%	94.06%	94.17%	94.01%	93.66%
31	Assets Turnover Ratio	9.97%	9.08%	8.10%	9.11%	9.41%
32	Burden Coverage	99.93%	88.55%	91.41%	92.58%	96.82%
<b>H. MANAGEMENT EFFICIENCY RATIO</b>						
1	Deposits per Employee	65.74	69.49	75.74	78.38	81.60
2	Loans and Advances per Employee	54.19	60.54	72.66	78.37	81.08
3	Assets per Employee	81.10	87.54	100.68	104.94	109.79
4	Operating Income per Employee	3.65	3.98	4.23	4.64	4.79
5	Operating Expenses per Employee	2.09	2.17	2.28	2.33	2.55
6	Operating Profit per Employee	1.56	1.80	1.95	2.30	2.24
7	Profit Before Tax per Employee	1.26	1.30	1.13	1.20	1.32
8	Net Profit After Tax per Employee	0.76	0.77	0.99	0.82	0.57
9	Operating Profit per Branch	26.52	30.98	35.28	42.84	44.41
10	Human Capital Expenses	54.53%	55.52%	53.11%	55.22%	55.05%
11	Staff Expenses to Income ratio	30.98%	30.25%	28.55%	27.78%	29.44%
12	Average Branch wise Manpower	16	17	18	19	20
<b>I. OTHER INFORMATION</b>						
						Number
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	106	110	111	114	118
	a) Urban	71	73	73	75	77
	b) Rural	21	23	24	25	27
	c) SME & Agriculture	14	14	14	14	14
3	Agent Banking	-	10	50	100	140
4	Number of Employees	1,801	1,889	2,004	2,120	2,340
5	Number of Customer's Accounts	656,377	729,316	786,676	857,127	935,863
	a) Number of Deposit Accounts	633,180	701,543	754,714	821,828	898,129
	b) Number of Loan Accounts	23,197	27,773	31,962	35,299	37,734
6	Number of Point of Sale (POS) Machines	2,150	2,818	2,953	3,140	3,101
7	Number of ATM Network	176	226	246	268	302
8	Number of Credit Card	17,618	21,637	29,689	40,654	55,490
9	Number of Debit Card	168,678	209,393	237,314	266,103	297,875
10	Number of Global Correspondents	519	548	589	602	600

# GRAPHICAL REVIEW

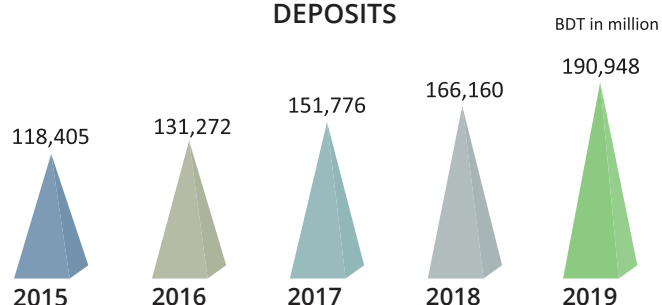
## PAID-UP CAPITAL



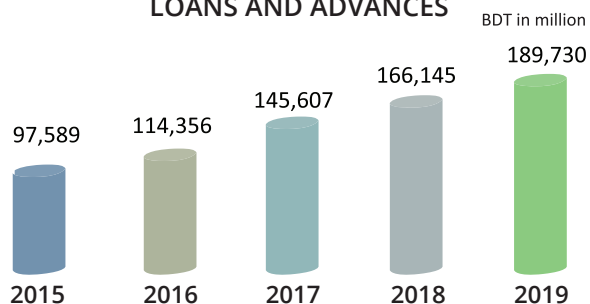
Consistent Paid-up Capital growth in balance sheet at 14% CAGR since 2015

Balance Sheet growth is well supported by deposit growth, which indicates confidence of depositors on the bank

## DEPOSITS

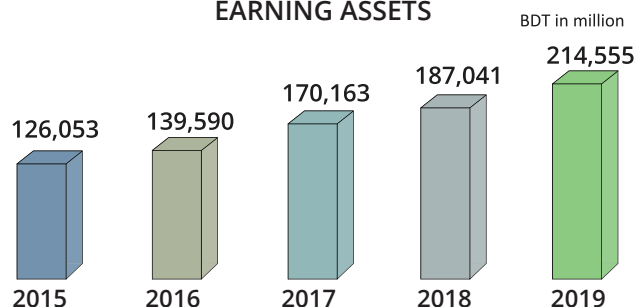


## LOANS AND ADVANCES



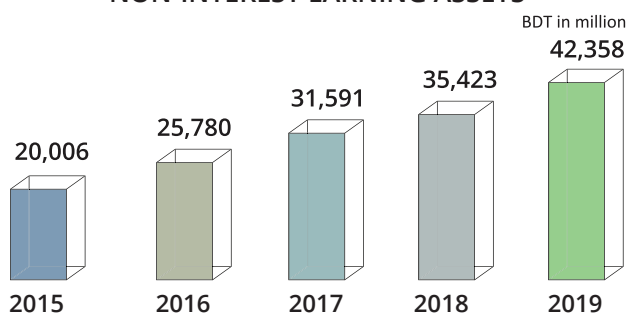
Steady growth in loans and advances depicting balance sheet growth

## EARNING ASSETS



Earning Assets growing with overall growth of balance sheet and these assets keep earnings rolling in for the bank

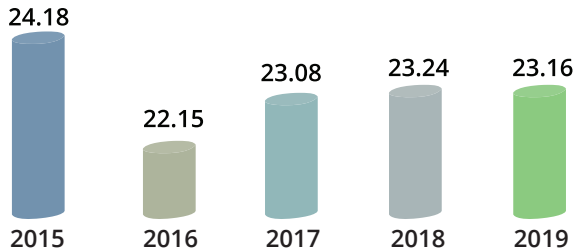
## NON-INTEREST EARNING ASSETS



Non-Interest Earning Assets growing with overall growth of balance sheet

# GRAPHICAL REVIEW

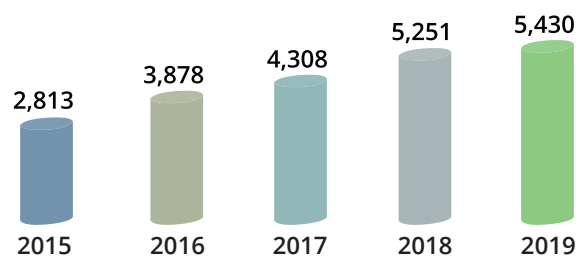
## NET ASSET VALUE (NAV) PER SHARE (ORIGINAL)



The bank has maintained stable Net Asset Value Per Share over the years

## NET INTEREST INCOME (NIM)

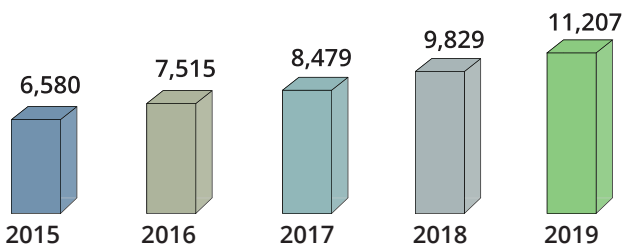
BDT in million



Net Interest Income (NIM) increased as business expanded in lending and deposit, while cost of fund decreased

## TOTAL OPERATING INCOME

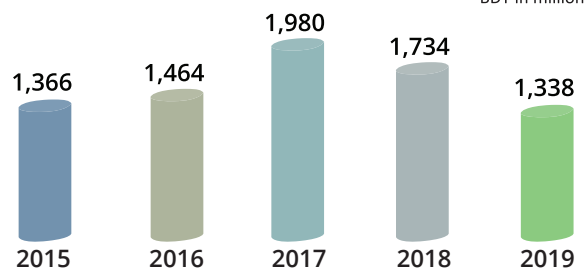
BDT in million



Total Operating Income increased indicating balance between expansion of business and enhancing costs associated with it

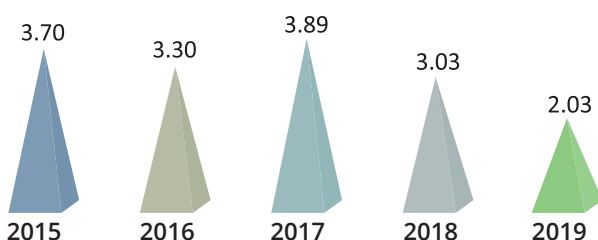
## NET PROFIT AFTER TAX

BDT in million



Net Profit after Tax decreased in 2019 due to increased requirements for provision maintenance

## Earnings Average Per Share (EPS) (Original)



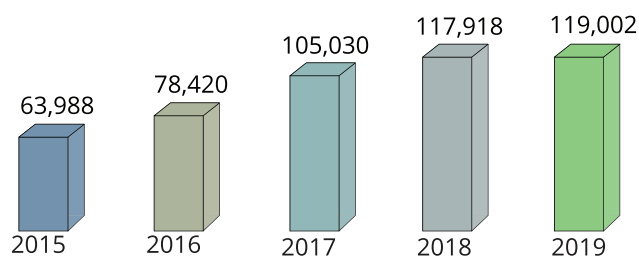
Incremental provisioning creating pressure on EPS to move downward



# GRAPHICAL REVIEW

## IMPORT BUSINESS

BDT in million

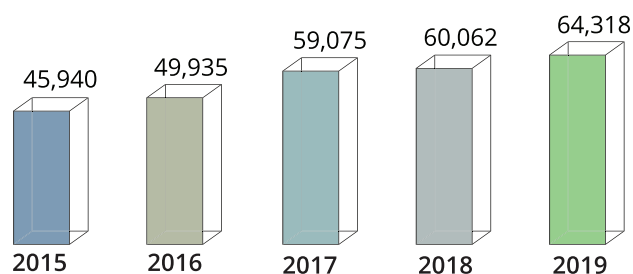


Increase in import business shows good share in trade business

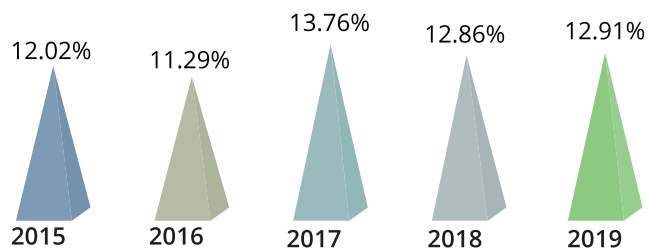
Increase in export business shows good share of business in trade related service

## EXPORT BUSINESS

BDT in million



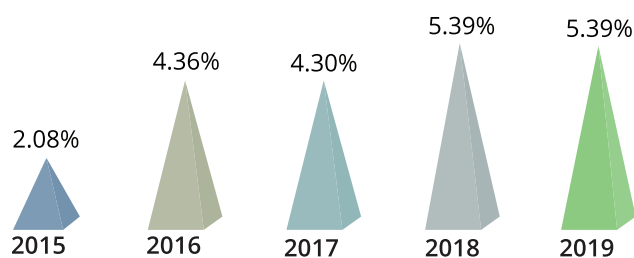
## CAPITAL TO RISK WEIGHTED ASSETS RATIO (CRAR)



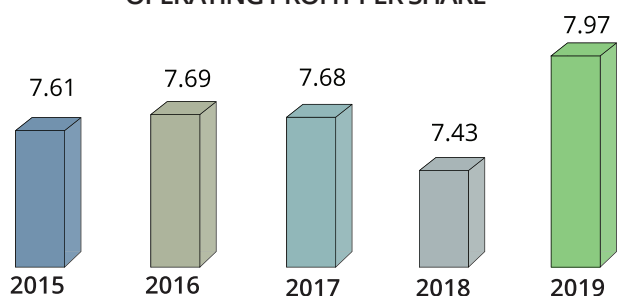
Regulatory compliance for capital requirement met every year, depicting a strong base for the bank

## PERCENTAGE OF NPLS TO TOTAL LOANS AND ADVANCES

NPL ratio at the same level compared to previous year, much lower rate than industry average



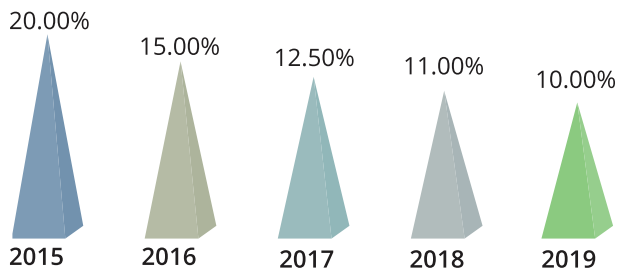
## OPERATING PROFIT PER SHARE



Improvement in operational performance reflected as an increase in Operating Profit per Share

# GRAPHICAL REVIEW

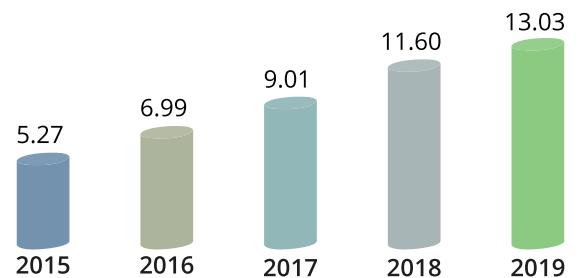
## TOTAL DIVIDEND



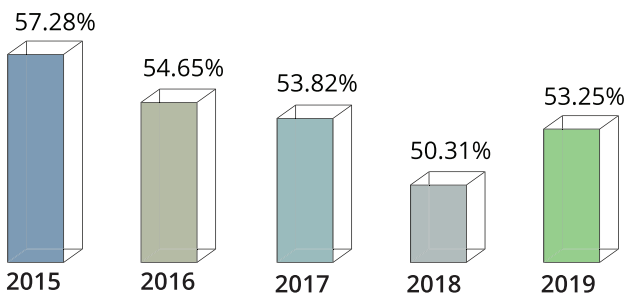
The bank has declared 5% cash dividend and 5% stock dividend, total 10% dividend for the shareholders

## PRICE EARNING RATIO (PE) (TIMES)

Increasing trend in Price Earning (PE) Ratio depicts confidence of investors on the bank



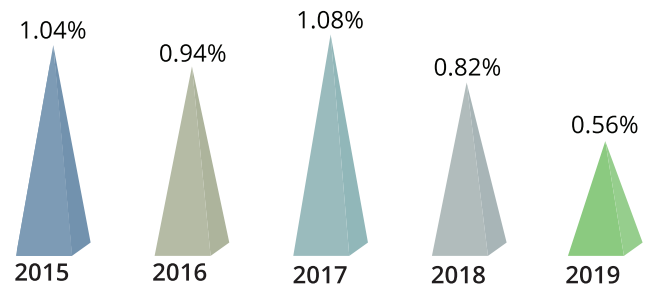
## COST TO INCOME/EFFICIENCY RATIO



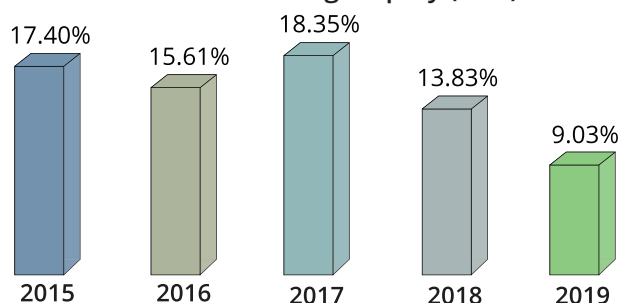
Cost to Income ratio moved upwards in 2019 to support the activities associated with expansion of business

## RETURN ON AVERAGE ASSETS (ROAA)

Business generated 0.56% Return on the Assets available to the bank in the year 2019

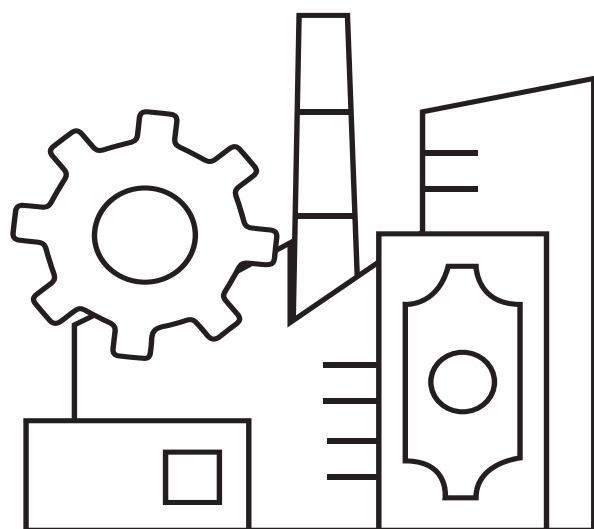


## Return on Average Equity (ROE)



Business generated 9.03% Return on the Equity available to the bank in the year 2019

# REPORT ON GOING CONCERN



## GOING CONCERN

Each Organization requires to evaluate its capacity to proceed as a Going Concern. Management of Mutual trust Bank Ltd. has made yearly evaluation about whether there exists any material uncertainty which may provide reason to ambiguous feeling about the Bank's capacity to proceed as Going Concern. Management'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.

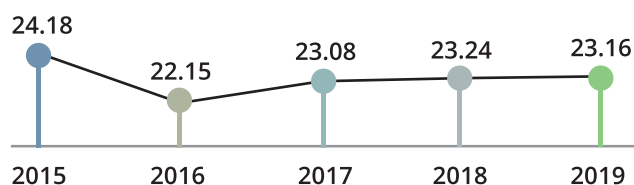
The Management is convinced from the following indication, which give reasonable assurance as to Bank's continuance as a Going Concern for the projected future.

### Financial indications

#### Positive key financial ratios:

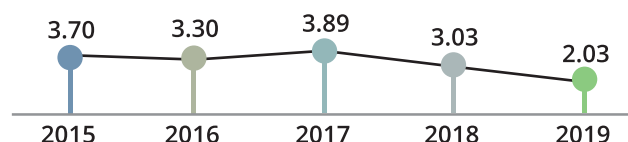
During the year 2019 Mutual Trust Bank's earning asset increased by 14.71 percent, deposits by 14.92 percent, Shareholders' Equity by 22.23 percent and operating profit increased by 7.28 percent. The Bank has an extremely positive financial ratio as evident from financial highlights and

#### Net Asset Value (NAV) per share (original)



graphical presentation of financial position given independently in this Annual Report. Such positive financial ratios indicate Bank's sound financial strength and appropriate predictions. Moreover, considering the operating profit for the year 2019 MTB is one of the stable performers in the banking industry

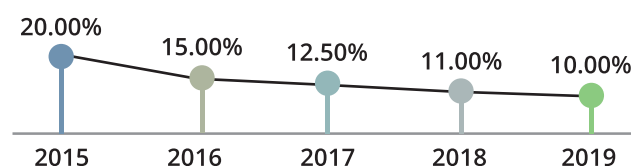
#### Earnings Per Share (EPS) (original)



#### Consistent payment of dividends:

The Bank has been disbursing consistent dividend, even under extreme industrial turmoils, to its shareholders over many years and this reflects company's long-term vision and strong commitment to its owners.

#### Dividen



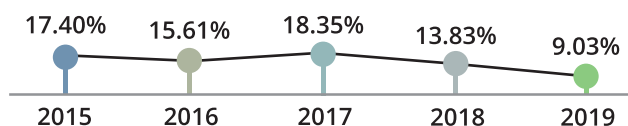
#### Credibility in payment of obligations:

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 222,464 million to BDT 256,913 million indicating a growth of 15.49 percent over last year. Total Operating income has increased by 14.02 percent in 2019. All these indicators Bank's continuance in foreseeable periods.

#### Return on Equity (ROE)

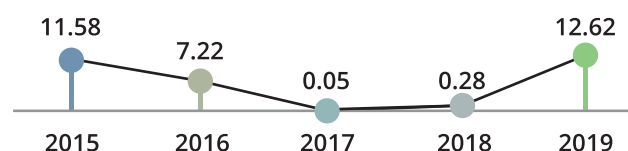


#### Cash Flow Analysis:

Mutual Trust Bank's cash flow analysis represents strength about its ability to repay 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 5,694.98 million as against BDT 5,197.47 million of previous year.

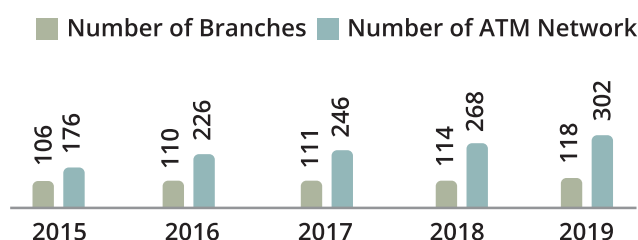
#### Net Operating Cash Flow Per Share (original)



However net operating cash flow after adjustment of increase/decrease in operating assets and liabilities shows net outflow of BDT 8,875.70 million as against net outflow of BDT 158.34 million of previous year. Such outflow indicates to cautious expansion of loans & advances of the bank.

#### Expansion of Business:

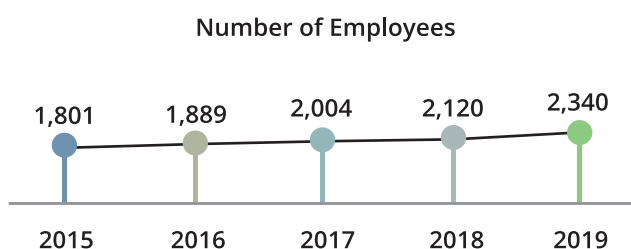
MTB has expended its region geographically by opening new branches in different places considering the financial implication. During last five years MTB opened 14 (fourteen) new branches at different places in Bangladesh, new ATM has also been connected during last five years tenure. Total Number of branches 118 and ATMs 302 as on December 2019 (2018: 114 branches and 268 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 providing 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:

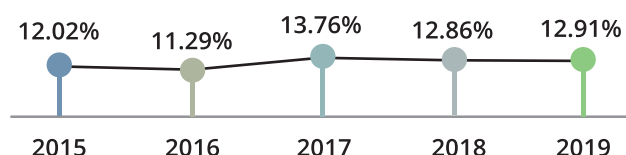
There exists a very good corporate environment in the Bank. MTB is an excellent work place with friendly environment and communication among the employees is very excellent. The Bank encourages to be honest and practices fair treatment to all employees and these ensure good corporate environment. MTB 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 2019, the Bank's total equity stands at BDT 16,289.87 million as against BDT 13,326.94 million on 31 December 2018. On the other hand, as on the date of the reporting the paid up capital of the bank is BDT 7,034.59 million as against Bangladesh Bank requirement of minimum paid up capital BDT 4,000 million.

#### Capital to Risk Weighted Assets Ratio (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 2019 banks CRAR is 12.91% and maintained total regulatory capital BDT 24,188.33 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 2019 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 2019	Long Term	Short Term
MTB Rating	AA (Double A)	ST - 2
Based on Financials	31-Dec-2019	
Date of Rating	15-Jul-2020	
Validity Date	14-Jul-2021	
Outlook	Developing	

#### 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, Bank's Management feel it is 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

<b>Financial Calendar 2019</b>	<b>Date</b>
1st Quarter Results published on	May 14, 2019
Half Yearly Financial Statement published on	July 31, 2019
3rd Quarter Results published on	October 24, 2019
Audited Financial Statements for 2019 signed on	June 30, 2020
21th Annual General Meeting held on	August 27, 2020
5% stock & 5% Cash as Final Dividend for 2019 payable on	August 27, 2020
<b>Proposed Financial Calendar 2020</b>	<b>Date</b>
1st Quarter Results to be published on	July 09, 2020
Half Yearly Financial Statement to be published on	July 29, 2020
3rd Quarter Results to be published on	October, 2020
Audited Financial Statements for 2020 to be signed on	February/March, 2021
22nd Annual General Meeting to be held on	March, 2021



# GLIMPSES OF THE 20TH ANNUAL GENERAL MEETING



20th Annual General Meeting 2019



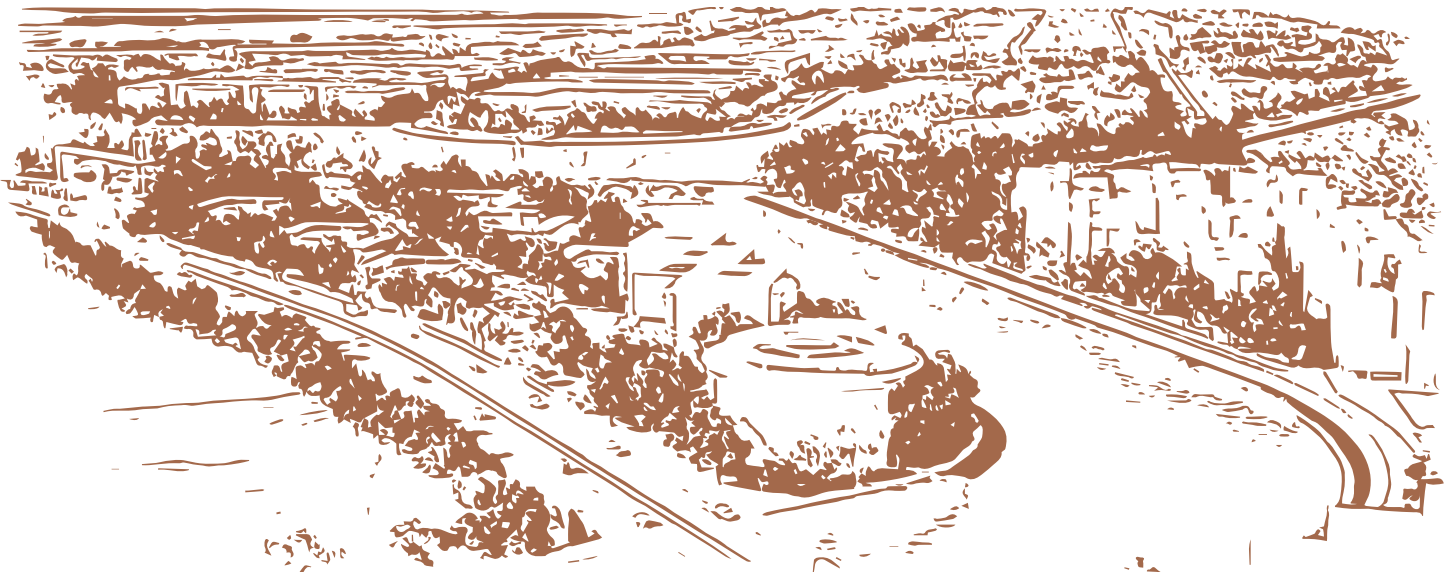
20th Annual General Meeting 2019



20th Annual General Meeting 2019



# FINANCIAL STATEMENTS



## Special Economic Zone

Special Economic Zones (SEZs) play an important role for economic growth. Their primary objective is attracting foreign direct investment (FDIs) hence it helps generating employment, implementing economic reforms and experimenting with new policies. At present, there are a total of 88 economic zones across the country, of which 59 are government-owned and 29 are privately owned. As Bangladesh ramps up its development agenda, SEZs will soar in prominence as the government has announced its plans to establish a total of 100 SEZs by the year 2025.

# REPORT ON THE MD & CEO'S AND CFO'S RESPONSIBILITIES

Date: 30 June 2020

To  
**The Board of Directors**  
Mutual Trust Bank Ltd.

**Subject: Declaration on Financial Statements for the year ended on December 31, 2019**

**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 2018 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 2019 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



**Sayed Abul Hashem FCA, FCMA**  
Chief Financial Officer (CFO)



# INDEPENDENT AUDITOR'S REPORT

## To the shareholders of Mutual Trust Bank Limited

### Report on the audit of the consolidated and separate 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 sheet as at 31 December 2019, and the consolidated and separate profit and loss account, consolidated and separate statement of changes in equity and consolidated and separate cash flow statement 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 financial statements of the Group and separate financial statements of the Bank (the "financial statements") give a true and fair view of the consolidated balance sheet of the Group and the separate balance sheet of the Bank as at 31 December 2019, and of its consolidated and separate profit and loss accounts, consolidated and separate statement of changes in equity and its consolidated and separate cash flow statement for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the rules and regulations issued by the Bangladesh Bank, the rules and regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) 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 auditor's responsibilities for the audit of the consolidated and separate 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), rules & regulations issued by Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. 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 the audit of the financial statements for the financial year 2019. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter described below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for 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 risks of material misstatements of the financial statements. These 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<b>1. Transition to International Financial Reporting Standard 16 Leases (IAS 17)</b>  With reference to Note 8.a, 12.a, 24.a and 35.a to the financial statements, 'IFRS 16 Leases' becomes effective for annual reporting beginning on or after 01 January 2019 which replaces the existing standard 'IAS 17 Leases'.  The Bank applied the modified retrospective approach for the transition accounting. The application of new lease standard resulted in the recognition, for the 31 December 2019 closing balance sheet, right of use assets of BDT 599,085,737 (net value) and an increase in lease liabilities of BDT 503,537,815 to the financial statements of the Group.  The Bank developed a model to implement the IFRS 16 and in this process has applied significant degree of estimates and	<b>16 Leases (IFRS 16) from International Accounting Standard 17</b>  We understood the management's assessment process for the transition to IFRS 16 including the judgement and estimates applied. The audit procedures performed included:  <ul style="list-style-type: none"> <li>Read the accounting policy for compliance with IFRS 16 Leases;</li> <li>Obtained significant contracts from the management and tested the contracts to determine the impact under IFRS 16;</li> <li>Tested the key controls around inputs, assumptions and outputs;</li> </ul>

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p><b>1. Transition to International Financial Reporting Standard 16 Leases (IFRS 16) from International Accounting Standard 17 Leases (IAS 17)</b></p> <p>Judgement including discount rates, lease term to arrive at the right of use asset and lease liability.</p> <p>Based on the materiality of the balances involved, significant management judgement and estimates applied, implementation of IFRS 16 leases is considered as a key audit matter.</p>	<p><b>1. Transition to International Financial Reporting Standard 16 Leases (IFRS 16) from International Accounting Standard 17 Leases (IAS 17)</b></p> <ul style="list-style-type: none"> <li>In respect of testing the right of use assets and lease liabilities recognized by the Group, we have performed the following procedures: <ul style="list-style-type: none"> <li>Tested the appropriateness of key assumptions used in lease calculation model such as the bank's incremental borrowing rate;</li> <li>Tested the completeness of additions and changes to lease population;</li> <li>Performed test of details for sample cases for measurement and valuation of the right of use asset and lease liability.</li> </ul> </li> <li>Assessed the disclosures within the financial statements in accordance with IFRS 16 Leases.</li> </ul>
<p><b>2. Measurement of provision for loans and advances</b></p> <p>With reference to Note 7.a.8, 12.01 and 12.a.1 to the financial statements, the process for calculating the provision for loans and advances portfolio, associated with credit risk, is significant and complex.</p> <p>In accordance with BRPD circular no. 14 dated 23 September 2012 and its subsequent amendments, the bank calculates provision for loans and advances by considering various factors such as rate of provision, loan category, expiry date, outstanding balance, interest suspense amount, value of eligible collateral. The process of calculation on the impaired loans accounts is a manual activity.</p> <p>The loans and advances constitute a significant portion of the bank's property and assets. The quality of these loans and advances are measured in terms of ratio of non-performing loans (NPLs) to the gross loans and advances of the bank. The bank's net loans and advances comprise 72.94% of the total property and assets and the gross NPL is 5.48% to total loans and advances as at 31 December 2019.</p> <p>At year end of 2019 the Group reported total gross loans and advances of BDT 189.73 billion (2018: BDT 166.15 billion) and the Bank reported total gross loans and advances of BDT 186.77 billion (2018: BDT 163.28 billion) whereas at the year end of 2019 the Group reported total provision for loans and advances of BDT 7.14 billion (2018: BDT 5.53 billion) and the Bank reported total provision for loans and advances of BDT 6.80 billion (2018: BDT 5.20 billion).</p> <p>While the overall effect on the Bank's business in the post year relating to the COVID 19 global pandemic still evolving at this point. The Group is regularly monitoring the potential future impact on the Bank's operations.</p> <p>Since the measurement of provisions on loans and advances require significant level of estimation and given its significance to the overall audit, we have identified the measurement of provisioning for loans and advances as a key audit matter.</p>	<p><b>2. Measurement of provision for loans and advances</b></p> <p>The audit procedures performed for the measurement of provision for loans and advances are following:</p> <ul style="list-style-type: none"> <li>Tested the key internal controls on the provisioning process, the management of impaired loans as well as the adequacy of the classification in compliance with the Bangladesh Bank guidelines;</li> <li>Discussed with those charged with governance &amp; management and assessed possible impact of COVID 19 global pandemic outbreaks as events after reporting period on recoverability of loans and advances by analyzing cash flows during the pandemic.</li> <li>Assessed the key methodologies on which the provision amounts based;</li> <li>Tested the adequacy of the Bank's general and specific provisions for loans and advances;</li> <li>Analyzed and inquired quarterly classification ledger of loans and advances (CL);</li> <li>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;</li> <li>Recalculated the provisions and tested the completeness and accuracy of the underlying information for sample cases;</li> <li>Assessed the appropriateness and presentation of disclosures for loans and advances with relevant accounting standards and Bangladesh Bank guidelines.</li> </ul>



## Other information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's 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 financial statements does not cover 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the consolidated and separate financial statements and internal controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 and comply with the Banking Companies Act, 1991 (as amended up to date), the Companies Act, 1994, the Rules and Regulations issued by the Bangladesh Bank, the Rules and Regulations issued by the Bangladesh Securities & Exchange Commission (BSEC) 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. The Banking Companies Act, 1991 (as amended up to date) and the Bangladesh Bank guidelines 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 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 or 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 consolidated and separate 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 ISA 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 ISA, we exercise professional judgement 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.
- 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 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 financial statements, including the disclosures, and whether the 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 and the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's and Bank's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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 Banking Companies Act, 1991 (as amended up to date), and the rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987, 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 purposes 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 financial statements 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 and the Bank 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;
- III. financial statements of Mutual Trust Bank Limited's subsidiaries namely, MTB Securities Limited, MTB Capital Limited have been audited by Khan Wahab and Shafique Rahman and Co., Chartered Accountants and MTB Exchange (UK) Limited has been audited by Jahan and Co, Certified Management Accountants and have been properly reflected in the consolidated financial statements;
- IV. in our opinion, proper books of account 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 consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Bank together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- VI. the expenditures incurred and payments made were for the purpose of the Group's and Bank's business for the year;
- VII. the financial statements have been drawn up in conformity with prevailing rules, regulations and accounting standards as well as related guidance issued by Bangladesh Bank;
- VIII. adequate provisions have been made for advance and other assets which are in our opinion, doubtful of recovery;
- IX. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- 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 1,600 man hours; and
- XII. capital to risk-weighted asset ratio (CRAR) as required by Bangladesh Bank has been maintained adequately during the year.

Dated, Dhaka  
30 June 2020



**A. Qasem & Co.**  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

As at 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Property and Assets</b>			
<b>Cash</b>	3.00	14,556,500,624	12,300,993,770
In Hand (Including Foreign Currency)		2,886,876,110	2,520,514,712
With Bangladesh Bank and its agent Bank(s) (including Foreign Currency)		11,669,624,514	9,780,479,058
<b>Balance with Other Banks &amp; Financial Institutions</b>	4.00	3,385,050,274	3,176,657,573
In Bangladesh		647,783,394	861,661,189
Outside Bangladesh		2,737,266,881	2,314,996,384
<b>Money at Call and Short Notice</b>	5.a	206,800,000	1,580,000,000
<b>Investments</b>	6.00	34,199,538,201	27,407,647,948
Government		31,064,307,864	24,421,226,713
Others		3,135,230,337	2,986,421,235
<b>Loans and Advances</b>	7.00	189,729,715,862	166,145,119,129
Loans, Cash Credits, Overdrafts, etc.		186,991,247,910	163,394,332,234
Bills Purchased and Discounted		2,738,467,951	2,750,786,895
<b>Fixed Assets including Premises, Furniture &amp; Fixtures</b>	8.00	4,301,132,697	3,128,176,262
<b>Other Assets</b>	9.00	10,534,428,577	8,725,556,034
<b>Non-Banking Assets</b>		-	-
<b>Total Property and Assets</b>		<b>256,913,166,235</b>	<b>222,464,150,716</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	10.00	21,701,177,487	19,640,823,048
<b>Deposits and Other Accounts</b>	11.00	190,947,704,349	166,160,290,425
Current Deposits & Other Accounts		16,350,528,300	14,090,900,316
Bills Payable		1,643,542,846	1,703,433,803
Savings Bank Deposits		29,884,510,508	28,239,575,869
Special Notice Deposits		12,933,757,149	12,863,186,737
Fixed Deposits		91,060,961,747	77,043,035,120
Deposit Products		39,074,403,799	32,220,158,580
<b>Other Liabilities</b>	12.00	21,174,287,503	15,935,967,530
<b>Subordinated Debts</b>	13.a	6,800,000,000	7,400,000,000
<b>Total Liabilities</b>		<b>240,623,169,339</b>	<b>209,137,081,003</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	14.a	7,034,594,460	5,733,630,380
Statutory Reserve	15.a	4,691,953,779	4,096,004,358
Share Premium	16.a	1,095,304,778	-
Revaluation Reserve on Investment	17.00	421,956,410	528,441,970
Foreign Currency Translation gain/(loss)		5,392,239	6,143,266
General Reserve	18.a	786,777,324	786,777,324
Retained Earnings	19.00	2,253,888,060	2,175,943,964
<b>Total Shareholders' Equity</b>		<b>16,289,867,051</b>	<b>13,326,941,262</b>
<b>Minority Interest</b>	20.00	129,845	128,451
<b>Total Liabilities and Shareholders' Equity</b>		<b>256,913,166,235</b>	<b>222,464,150,716</b>
<b>Net Asset Value (NAV) per share (2018 Restated)</b>		<b>23.16</b>	<b>18.94</b>

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

As at 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Off-Balance Sheet Items</b>			
<b>Contingent Liabilities</b>	21.a		
Acceptances and endorsements		28,080,703,195	28,001,688,309
Letters of guarantee		30,336,492,151	19,295,388,283
Irrevocable letters of credit		22,398,091,176	16,622,625,028
Bills for collection		1,753,276,921	1,712,416,910
Other contingent liabilities		-	-
<b>Total Off Balance Sheet Items</b>		<b>82,568,563,443</b>	<b>65,632,118,530</b>
<b>Other Commitments</b>			
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		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>82,568,563,443</b>	<b>65,632,118,530</b>

The annexed accounting policies and other notes form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020



A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
Interest Income	23.00	18,394,013,962	15,687,277,155
Less: Interest Paid on Deposits and Borrowings, etc.	24.00	12,964,301,101	10,436,062,969
<b>Net Interest Income</b>		<b>5,429,712,862</b>	<b>5,251,214,186</b>
Investment Income	25.00	2,535,625,925	2,343,167,734
Commission, Exchange and Brokerage	26.00	2,629,783,073	1,682,805,559
Other Operating Income	27.00	612,055,850	551,932,140
		<b>5,777,464,848</b>	<b>4,577,905,433</b>
<b>Total Operating Income</b>		<b>11,207,177,709</b>	<b>9,829,119,619</b>
<b>Less: Operating Expenses:</b>			
Salary and Allowances	28.00	3,276,437,927	2,711,522,726
Rent, Tax, Insurance and Electricity etc.	29.00	671,277,258	696,453,008
Legal Expenses	30.00	4,723,622	3,369,120
Postage, Stamps and Telecommunication etc.	31.00	17,071,946	14,635,616
Stationery, Printing and Advertisements etc.	32.00	135,711,109	124,717,809
Managing Director's Remuneration	28.a.1	23,266,806	19,235,333
Directors' Fees	33.00	2,979,633	3,340,700
Auditors' Fees	34.00	2,469,799	1,838,605
Depreciation and Repair of Bank's Properties	35.00	632,918,334	464,743,611
Other Expenses	36.00	1,200,477,023	904,935,144
<b>Total Operating Expenses</b>		<b>5,967,333,458</b>	<b>4,944,791,672</b>
<b>Profit Before Provision</b>		<b>5,239,844,252</b>	<b>4,884,327,947</b>
<b>Less: Provision for Loans, Investment &amp; Other</b>	37.00		
Specific Provision for Loans & Advances		178,272,083	2,223,526,000
General Provision for Loans & Advances		1,681,603,942	591,000
Provision for Off Balance Sheet Items		157,028,766	5,342,050
Provision for Margin Loan & Investment in Shares		97,232,333	103,000,000
Provision for Other Asset		26,246,000	10,000,000
<b>Total Provision</b>		<b>2,140,383,124</b>	<b>2,342,459,050</b>
<b>Profit Before Tax</b>		<b>3,099,461,128</b>	<b>2,541,868,897</b>
<b>Less: Income Tax Expenses</b>		<b>1,761,672,176</b>	<b>807,419,346</b>
Current Tax Expenses	38.00	1,659,743,356	1,047,932,816
Deferred Tax Expenses/(Income)	38.01	101,928,820	(240,513,470)
<b>Net Profit After Tax</b>		<b>1,337,788,952</b>	<b>1,734,449,551</b>
Shareholders' of the Bank		1,337,787,557	1,734,445,786
Minority Interest		1,395	3,765
		<b>1,337,788,952</b>	<b>1,734,449,551</b>
Retained Surplus Brought Forward		2,175,943,964	1,722,348,545
		<b>3,513,731,521</b>	<b>3,456,794,331</b>
<b>Appropriations:</b>			
Bonus Share Issued during the year		663,894,040	637,070,040
Transferred to Statutory Reserve		595,949,421	473,780,327
Transferred to General Reserve		-	170,000,000
		<b>1,259,843,461</b>	<b>1,280,850,367</b>
<b>Retained Surplus, Carried Forward</b>		<b>2,253,888,060</b>	<b>2,175,943,964</b>
<b>Earnings Per Share (EPS) (2018 Restated)</b>	39.00	<b>2.03</b>	<b>2.73</b>

The annexed accounting policies and other notes form an integral part of these financial statements

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020

  
A. Qasem & Co.  
Chartered Accountants



# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

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
<b>Balance as at 01 January 2019</b>	<b>5,733,630,380</b>	<b>4,096,004,358</b>	<b>-</b>	<b>528,441,970</b>	<b>6,143,266</b>	<b>786,777,324</b>	<b>2,175,943,964</b>	<b>13,326,941,262</b>	<b>128,451</b>	<b>13,327,069,713</b>
New Share Issued to NORFUND during the year	637,070,040	-	1,095,304,778	-	-	-	-	1,732,374,818	-	1,732,374,818
Bonus Share Issued	663,894,040	-	-	-	-	-	(663,894,040)	-	-	-
Currency Translation differences	-	-	-	-	(751,026)	-	-	(751,026)	-	(751,026)
Transferred to Provision	-	-	-	-	-	-	-	-	-	-
Revaluation Reserve transferred during the period	-	-	-	(106,485,560)	-	-	-	(106,485,560)	-	(106,485,560)
Net Profit for the period after Tax	-	-	-	-	-	-	1,337,787,557	1,337,787,557	1,395	1,337,788,952
Appropriation made during the period	-	595,949,421	-	-	-	-	(595,949,421)	-	-	-
<b>Balance as at 31 December 2019</b>	<b>7,034,594,460</b>	<b>4,691,953,779</b>	<b>1,095,304,778</b>	<b>421,956,410</b>	<b>5,392,239</b>	<b>786,777,324</b>	<b>2,253,888,060</b>	<b>16,289,867,051</b>	<b>129,845</b>	<b>16,289,996,896</b>
<b>Balance as at 31 December 2018</b>	<b>5,733,630,380</b>	<b>4,096,004,358</b>	<b>-</b>	<b>528,441,970</b>	<b>6,143,266</b>	<b>786,777,324</b>	<b>2,175,943,964</b>	<b>13,326,941,262</b>	<b>128,451</b>	<b>13,327,069,713</b>

The annexed accounting policies and other notes form an integral part of these financial statements



Chairman



Director



Director



Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020



A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>A) Cash Flows from Operating Activities:</b>			
Interest Received		20,554,495,659	17,846,615,060
Interest Paid on Deposits, Borrowings, etc.		(12,074,187,817)	(9,890,149,671)
Dividend Income		66,713,331	83,522,850
Fees & Commission Income		2,629,783,073	1,682,805,559
Recoveries of Loans previously written off		44,570,800	964,000
Cash Paid to Employees as Salaries and Allowances		(3,299,704,733)	(2,730,758,059)
Cash Paid to Suppliers		(135,711,109)	(124,717,809)
Advance Income Tax Paid		(1,082,227,232)	(1,012,393,682)
Cash Received from Other Operational Income	40.00	986,873,688	1,071,612,505
Cash Paid for Other Operational Expenses	41.00	(1,995,623,190)	(1,730,034,697)
<b>Cash Flows from Operating Activities before Changes in Net Current Assets :</b>		<b>5,694,982,469</b>	<b>5,197,466,057</b>
Loans & Advances		(23,562,878,428)	(20,560,108,373)
Other Assets		(485,750,630)	(512,496,899)
Bank Deposit		(5,399,825,000)	750,050,000
Customers' Deposits		29,288,120,261	13,074,550,980
Borrowing from Other Banks, Financial Institutions & Agents		2,060,354,439	3,223,144,949
Other Liabilities		1,280,699,252	(1,014,268,060)
<b>Net Cash Flows from Operating Activities</b>		<b>3,180,719,895</b>	<b>(5,039,127,402)</b>
<b>B) Cash Flows from Investing Activities:</b>		<b>8,875,702,363</b>	<b>158,338,655</b>
Investments in T. Bills, T. Bonds and other		(7,078,485,436)	(2,219,169,285)
Investments in Shares & Bonds		(148,809,103)	(584,113,634)
Purchase of Premises & Fixed Asset (net)		(1,689,250,861)	(261,192,006)
<b>Net Cash Flows from Investing Activities</b>		<b>(8,916,545,400)</b>	<b>(3,064,474,924)</b>
<b>C) Cash Flows from Financing Activities:</b>			
Issue of new share with premium		1,732,374,818	-
Subordinated debt		(600,000,000)	(600,000,000)
<b>Net Cash Flows from Financing Activities</b>		<b>1,132,374,818</b>	<b>(600,000,000)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>1,091,531,781</b>	<b>(3,506,136,269)</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>(751,026)</b>	<b>(1,523,868)</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>17,059,496,243</b>	<b>20,567,156,381</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>18,150,276,998</b>	<b>17,059,496,243</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		2,886,876,110	2,520,514,712
Balance with Bangladesh Bank and its Agent Bank		11,669,624,514	9,780,479,058
Balance with Other Banks & Financial Institutions		3,385,050,274	3,176,657,573
Money at Call and Short Notice		206,800,000	1,580,000,000
Prize Bond		1,926,100	1,844,900
		<b>18,150,276,998</b>	<b>17,059,496,243</b>
<b>Net Operating Cash Flows Per Share (2018 Restated)</b>		<b>12.62</b>	<b>0.23</b>

The annexed accounting policies and other notes form an integral part of these financial statements

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020

  
A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED LIQUIDITY STATEMENT

As at 31 December 2019

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>						
Cash	3,566,191,624	-	-	-	10,990,309,000	14,556,500,624
Balance with other Banks and Financial Institutions	2,103,987,135	851,662,196	370,533,302	30,635,035	28,232,607	3,385,050,274
Money at Call & Short notice	206,800,000	-	-	-	-	206,800,000
Investments	813,944,573	1,153,569,512	5,478,051,593	11,876,602,009	14,877,370,513	34,199,538,201
Loans and Advances	21,882,503,557	41,719,279,864	71,209,324,558	47,639,817,527	7,278,790,355	189,729,715,862
Premises and Fixed Assets	42,684,140	85,368,280	384,157,260	2,048,838,720	1,740,084,297	4,301,132,697
Other Assets	1,397,797,554	250,804,320	1,367,590,947	7,214,938,552	303,297,204	10,534,428,577
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>30,013,908,582</b>	<b>44,060,684,173</b>	<b>78,809,657,661</b>	<b>68,810,831,843</b>	<b>35,218,083,976</b>	<b>256,913,166,235</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	2,423,771,855	3,793,798,972	10,267,473,565	4,387,363,869	828,769,227	21,701,177,487
Deposit and Other Account	25,449,202,331	37,094,008,073	67,876,028,468	52,918,037,041	7,610,428,436	190,947,704,349
Provision & Other Liabilities	702,543,015	411,687,538	2,751,799,598	9,572,691,787	7,735,565,564	21,174,287,503
Subordinated Debts	-	1,000,000,000	600,000,000	5,200,000,000	-	6,800,000,000
<b>Total Liabilities</b>	<b>28,575,517,200</b>	<b>42,299,494,583</b>	<b>81,495,301,630</b>	<b>72,078,092,697</b>	<b>16,174,763,228</b>	<b>240,623,169,339</b>
<b>Net Liquidity</b>	<b>1,438,391,382</b>	<b>1,761,189,589</b>	<b>(2,685,643,970)</b>	<b>(3,267,260,854)</b>	<b>19,043,320,748</b>	<b>16,289,996,896</b>

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 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Property and Assets</b>			
<b>Cash</b>	<b>3.a</b>	<b>14,544,242,195</b>	<b>12,293,419,939</b>
In Hand (Including Foreign Currency)		2,874,617,681	2,512,940,881
With Bangladesh Bank and its agent Bank (s) (including foreign currency)		11,669,624,514	9,780,479,058
<b>Balance with other Banks &amp; Financial Institutions</b>	<b>4.a</b>	<b>3,238,932,109</b>	<b>2,963,786,778</b>
In Bangladesh		501,983,663	648,882,818
Outside Bangladesh		2,736,948,447	2,314,903,960
<b>Money at Call and Short Notice</b>	<b>5.a</b>	<b>206,800,000</b>	<b>1,580,000,000</b>
<b>Investments</b>	<b>6.a</b>	<b>33,194,745,597</b>	<b>26,589,503,566</b>
Government		31,064,307,864	24,421,226,713
Others		2,130,437,734	2,168,276,853
<b>Loans and Advances</b>	<b>7.a</b>	<b>186,768,615,074</b>	<b>163,281,709,826</b>
Loans, Cash Credits, Overdrafts, etc.		184,030,147,123	160,530,922,931
Bills Purchased and Discounted		2,738,467,951	2,750,786,895
<b>Fixed Asset including Premises, Furniture &amp; Fixtures</b>	<b>8.a</b>	<b>4,228,351,649</b>	<b>3,049,683,712</b>
<b>Other Assets</b>	<b>9.a</b>	<b>13,874,313,597</b>	<b>12,069,478,300</b>
<b>Non-Banking Assets</b>		-	-
<b>Total Property and Assets</b>		<b>256,056,000,222</b>	<b>221,827,582,120</b>
<b>Liabilities and Capital</b>			
<b>Borrowing from other Banks, Financial Institutions &amp; Agents</b>	<b>10.a</b>	<b>21,701,177,487</b>	<b>19,640,823,048</b>
<b>Deposits and Other Accounts</b>	<b>11.a</b>	<b>191,369,293,195</b>	<b>166,700,989,966</b>
Current Deposits & Other Accounts		16,351,289,150	14,092,056,274
Bills Payable		1,643,542,846	1,703,433,803
Savings Bank Deposits		29,884,510,508	28,239,575,869
Special Notice Deposits		13,254,585,144	13,302,730,320
Fixed Deposits		91,160,961,747	77,143,035,120
Deposit Products		39,074,403,799	32,220,158,580
<b>Other Liabilities</b>	<b>12.a</b>	<b>20,264,557,270</b>	<b>15,054,620,612</b>
<b>Subordinated Debts</b>	<b>13.a</b>	<b>6,800,000,000</b>	<b>7,400,000,000</b>
<b>Total Liabilities</b>		<b>240,135,027,952</b>	<b>208,796,433,627</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	<b>14.a</b>	7,034,594,460	5,733,630,380
Statutory Reserve	<b>15.a</b>	4,691,953,779	4,096,004,358
Share Premium	<b>16.a</b>	1,095,304,778	-
Revaluation Reserve on Investment in Securities	<b>17.a</b>	373,843,120	480,328,680
Foreign Currency Translation gain/(loss)		603,742	375,279
General Reserve	<b>18.a</b>	786,777,324	786,777,324
Retained Earnings	<b>19.a</b>	1,937,895,067	1,934,032,472
<b>Total Shareholders' Equity</b>		<b>15,920,972,270</b>	<b>13,031,148,493</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>256,056,000,222</b>	<b>221,827,582,120</b>
<b>Net Asset Value (NAV) per share (2018 Restated)</b>		<b>22.63</b>	<b>18.52</b>

# MUTUAL TRUST BANK LIMITED

## BALANCE SHEET

As at 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Off-Balance Sheet Items</b>	21.a		
<b>Contingent Liabilities</b>			
Acceptances and endorsements		28,080,703,195	28,001,688,309
Letter of guarantee		30,336,492,151	19,295,388,283
Irrevocable letters of credit		22,398,091,176	16,622,625,028
Bills for collection		1,753,276,921	1,712,416,910
Other contingent liabilities		-	-
<b>Total Off- Balance Sheet Items</b>		<b>82,568,563,443</b>	<b>65,632,118,530</b>
<b>Other Commitments</b>			
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		-	-
<b>Other Memorandum Items</b>			
Value of Travelers' Cheque on Hand		-	-
Value of Bangladesh Sanchoy Patra on Hand		-	-
<b>Total Off-Balance Sheet Items including Contingent Liabilities</b>		<b>82,568,563,443</b>	<b>65,632,118,530</b>

The annexed accounting policies and other notes form an integral part of these financial statements



Chairman



Director



Director

Signed as per our annexed report of the same date



Managing Director & CEO

Dated, Dhaka  
30 June 2020



A. Qasem & Co.  
Chartered Accountants



# MUTUAL TRUST BANK LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
Interest Income	23.a	18,275,209,756	15,542,079,435
Less: Interest Paid on Deposits and Borrowings, etc.	24.a	12,990,077,845	10,451,237,159
<b>Net Interest Income</b>		<b>5,285,131,911</b>	<b>5,090,842,276</b>
Investment Income	25.a	2,480,613,492	2,239,089,134
Commission, Exchange and Brokerage	26.a	2,470,700,371	1,548,324,674
Other Operating Income	27.a	584,488,448	512,611,672
		<b>5,535,802,311</b>	<b>4,300,025,480</b>
<b>Total Operating Income</b>		<b>10,820,934,222</b>	<b>9,390,867,756</b>
Less: Operating Expenses:			
Salary and Allowances	28.a	3,177,470,280	2,621,504,314
Rent, Taxes, Insurance and Electricity etc.	29.a	633,255,964	659,362,862
Legal Expenses	30.a	4,723,622	3,369,120
Postage, Stamps and Telecommunication etc.	31.a	15,857,195	13,658,948
Stationery, Printing and Advertisements etc.	32.a	133,856,048	123,118,858
Managing Director's Remuneration	28.a.1	23,266,806	19,235,333
Directors' Fees	33.a	1,766,400	1,996,400
Auditors' Fees	34.a	1,943,500	1,334,000
Depreciation and Repair of Bank's Properties	35.a	624,703,789	455,800,221
Other Expenses	36.a	1,175,960,389	883,127,014
<b>Total Operating Expenses</b>		<b>5,792,803,992</b>	<b>4,782,507,070</b>
<b>Profit Before Provision</b>		<b>5,028,130,229</b>	<b>4,608,360,686</b>
Less: Provision for Loans, Investment & Other	37.a		
Specific Provision for Loans & Advances		178,272,083	2,223,526,000
General Provision for Loans & Advances		1,681,603,942	591,000
Provision for Off Balance Sheet Items		157,028,766	5,342,050
Provision for Investment in Shares		5,232,333	-
Provision for Other Assets		26,246,000	10,000,000
<b>Total Provision</b>		<b>2,048,383,124</b>	<b>2,239,459,050</b>
<b>Profit Before Tax</b>		<b>2,979,747,105</b>	<b>2,368,901,636</b>
<b>Less: Income Tax Expenses</b>		<b>1,716,041,049</b>	<b>786,500,651</b>
Current Tax Expenses	38.a	1,614,341,025	1,027,312,331
Deferred Tax Expenses/(Income)	38.a.1	101,700,024	(240,811,680)
<b>Net Profit After Tax</b>		<b>1,263,706,056</b>	<b>1,582,400,985</b>
Retained Surplus Brought Forward		1,934,032,472	1,632,481,854
		<b>3,197,738,528</b>	<b>3,214,882,839</b>
<b>Appropriations:</b>			
Bonus Shares Issued during the year		663,894,040	637,070,040
Transferred to Statutory Reserve		595,949,421	473,780,327
Transferred to General Reserve		-	170,000,000
		<b>1,259,843,461</b>	<b>1,280,850,367</b>
<b>Retained Surplus, Carried Forward</b>		<b>1,937,895,067</b>	<b>1,934,032,472</b>
<b>Earnings Per Share (EPS) (2018 Restated)</b>	39.a	<b>1.92</b>	<b>2.49</b>

The annexed accounting policies and other notes form an integral part of these financial statements

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020

  
A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED

## Statement of Changes in Equity

For the year ended 31 December 2019


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
<b>Balance as at 01 January 2019</b>	<b>5,733,630,380</b>	<b>4,096,004,358</b>	<b>-</b>	<b>480,328,680</b>	<b>375,279</b>	<b>786,777,324</b>	<b>1,934,032,472</b>	<b>13,031,148,493</b>
New Share Issued to NORFUND during the year	637,070,040	-	1,095,304,778	-	-	-	-	1,732,374,818
Bonus Share Issued during the year	663,894,040	-	-	-	-	-	(663,894,040)	-
Currency Translation differences	-	-	-	-	228,463	-	-	228,463
Revaluation Reserve transferred during the year	-	-	-	(106,485,560)	-	-	-	(106,485,560)
Net Profit for the year after tax	-	-	-	-	-	-	1,263,706,056	1,263,706,056
Appropriation made during the year	-	595,949,421	-	-	-	-	(595,949,421)	-
<b>Balance as at 31 December 2019</b>	<b>7,034,594,460</b>	<b>4,691,953,779</b>	<b>1,095,304,778</b>	<b>373,843,120</b>	<b>603,742</b>	<b>786,777,324</b>	<b>1,937,895,067</b>	<b>15,920,972,270</b>
<b>Balance as at 31 December 2018</b>	<b>5,733,630,380</b>	<b>4,096,004,358</b>	<b>-</b>	<b>480,328,680</b>	<b>375,279</b>	<b>786,777,324</b>	<b>1,934,032,472</b>	<b>13,031,148,493</b>

The annexed accounting policies and other notes form an integral part of these financial statements

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020

  
A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED

## CASH FLOW STATEMENT

For the year ended 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>A) Cash Flows From Operating Activities:</b>			
Interest Received		20,435,691,452	17,701,417,340
Interest Paid on Deposits, Borrowings, etc.		(12,099,964,561)	(9,905,323,861)
Dividend Income		39,182,275	60,799,645
Fees & Commission Income		2,470,700,371	1,548,324,674
Recoveries of Loans & Other advances previously written off		44,570,800	964,000
Cash Paid to Employees as Salaries and Allowances		(3,200,737,086)	(2,640,739,647)
Cash Paid to Suppliers		(133,856,048)	(123,118,858)
Advance Income Tax Paid		(1,041,656,123)	(962,335,238)
Cash Received from Other Operational Income	40.a	931,824,908	950,936,642
Cash Paid for Other Operational Expenses	41.a	(1,929,367,172)	(1,667,487,722)
<b>Cash Flows from Operating Activities before Changes in Net Current Assets:</b>		<b>5,516,388,817</b>	<b>4,963,436,974</b>
Loans & Advances		(23,465,186,944)	(20,484,190,051)
Other Assets		(522,284,494)	(529,329,986)
Bank Deposits		(5,399,825,000)	750,050,000
Customers' Deposits		29,169,009,566	13,154,155,463
Borrowing from Other Banks, Financial Institutions & Agents		2,060,354,439	3,223,144,949
Other Liabilities		1,389,947,064	(928,736,069)
<b>Net Cash Flows from Operating Activities</b>		<b>3,232,014,631</b>	<b>(4,814,905,694)</b>
<b>B) Cash Flows from Investing Activities:</b>		<b>8,748,403,448</b>	<b>148,531,280</b>
Investments in T. Bills, T. Bonds and other		(7,078,485,436)	(2,267,282,575)
Investments in Shares & Bonds		37,839,119	(293,391,702)
Purchase of Fixed Assets (Net)		(1,687,511,624)	(258,175,167)
<b>Net Cash Flows from Investing Activities</b>		<b>(8,728,157,941)</b>	<b>(2,818,849,444)</b>
<b>C) Cash Flows from Financing Activities:</b>			
Issue of new share with premium		1,732,374,818	-
Subordinated debts		(600,000,000)	(600,000,000)
<b>Net Cash Flows from Financing Activities</b>		<b>1,132,374,818</b>	<b>(600,000,000)</b>
<b>D) Net Increase in Cash and Cash Equivalents</b>		<b>1,152,620,325</b>	<b>(3,270,318,164)</b>
<b>E) Effect of Changes of Exchange Rates on Cash and Cash Equivalents</b>		<b>228,463</b>	<b>(2,736,597)</b>
<b>F) Opening Cash and Cash Equivalents</b>		<b>16,839,051,617</b>	<b>20,112,106,377</b>
<b>Closing Cash and Cash Equivalents (D+E+F)</b>		<b>17,991,900,404</b>	<b>16,839,051,617</b>
<b>The above closing Cash and Cash Equivalents include:</b>			
Cash in Hand		2,874,617,681	2,512,940,881
Balance with Bangladesh Bank and its Agent Bank		11,669,624,514	9,780,479,058
Balance with Other Banks & Financial Institutions		3,238,932,109	2,963,786,778
Money at Call and Short Notice		206,800,000	1,580,000,000
Prize Bond		1,926,100	1,844,900
		<b>17,991,900,404</b>	<b>16,839,051,617</b>
<b>Net Operating Cash Flows Per Share (2018 Restated)</b>		<b>12.44</b>	<b>0.21</b>

The annexed accounting policies and other notes form an integral part of these financial statements

  
Chairman

  
Director

  
Director

  
Managing Director & CEO

Signed as per our annexed report of the same date

Dated, Dhaka  
30 June 2020

  
A. Qasem & Co.  
Chartered Accountants

# MUTUAL TRUST BANK LIMITED

## LIQUIDITY STATEMENT

As at 31 December 2019

Particulars	Amount in BDT					
	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>						
Cash	3,553,933,195	-	-	-	10,990,309,000	14,544,242,195
Balance with other Banks and Financial Institutions	2,091,555,110	830,942,155	257,567,202	30,635,035	28,232,607	3,238,932,109
Money at Call & Short notice	206,800,000	-	-	-	-	206,800,000
Investments	663,225,683	801,892,101	5,076,134,552	11,776,122,749	14,877,370,513	33,194,745,597
Loans and Advances	21,752,333,566	41,676,136,626	70,829,800,270	46,633,813,145	5,876,531,466	186,768,615,074
Premises and Fixed Assets	42,063,245	84,126,490	378,569,205	2,019,035,760	1,704,556,949	4,228,351,649
Other Assets	1,377,061,368	209,331,949	1,241,288,725	7,214,938,552	3,831,693,004	13,874,313,597
Non-Banking Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>29,686,972,168</b>	<b>43,602,429,321</b>	<b>77,783,359,954</b>	<b>67,674,545,241</b>	<b>37,308,693,539</b>	<b>256,056,000,222</b>
<b>LIABILITIES :</b>						
Borrowing From Other Banks, Financial Institutions & Agents	2,423,771,855	3,793,798,972	10,267,473,565	4,387,363,869	828,769,227	21,701,177,487
Deposit and Other Account	25,449,963,181	37,194,008,073	68,196,856,463	52,918,037,041	7,610,428,436	191,369,293,195
Provision & Other Liabilities	622,688,537	371,008,431	2,156,534,482	9,538,469,214	7,575,856,607	20,264,557,270
Subordinated Debts	-	1,000,000,000	600,000,000	5,200,000,000	-	6,800,000,000
<b>Total Liabilities</b>	<b>28,496,423,572</b>	<b>42,358,815,476</b>	<b>81,220,864,510</b>	<b>72,043,870,124</b>	<b>16,015,054,271</b>	<b>240,135,027,952</b>
<b>Net Liquidity</b>	<b>1,190,548,596</b>	<b>1,243,613,845</b>	<b>(3,437,504,556)</b>	<b>(4,369,324,882)</b>	<b>21,293,639,268</b>	<b>15,920,972,270</b>

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 AND ITS SUBSIDIARIES

## Notes to the Financial Statements

As at and for the year ended 31 December 2019

### 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 (amended upto 2019) 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, 140 (One Hundred forty) Agent Banking Centre, 05 (Five) Sub Branch, 03 (Three) Air Lounge and 02 (Two) Booth 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 rules and guidelines of Bangladesh Bank. 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, 2019 there are 140 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 Ltd. 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 has 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 2019 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 year.

#### **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 2019 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) approved by the Institute of Chartered Accountants of Bangladesh (ICAB) as the financial reporting council under "The Financial Reporting Act, 2015" is yet to issue any financial reporting standards and in addition to this the Bank complied with the requirements of following laws and regulations from various Governments bodied:

- 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.

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### **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 (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 # 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 # 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 5% 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 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 loans are 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).

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**Bangladesh Bank:** As per BRPD guidelines, 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 a 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.

#### **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:** 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. 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:** As per IFRS, 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 (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

#### **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 provision on loans and advances are Presented separately as liability and cannot be netted off against loans and advances.

#### **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 2.17 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 2.17 Compliance of IFRSs)

[Also refer to (note 2.17) Compliance of 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. 2.05 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 2019.

#### **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	111.0300	84.9000
For income & expenses	Average price	107.9304	84.4875

#### **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:

- a) 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.
- b) Government Treasury Bills and Bonds designated as 'Held to Maturity (HTM)' at present value using amortization concept.
- c) 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 Taka 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 Taka 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 Taka equivalent. The resulting exchange transaction gains and losses are included in the profit and loss account.

## **c) Commitments**

Contingent liabilities/commitments for letters of credit and letters of guarantee denominated in foreign currencies are expressed in Taka terms at the rates of exchange ruling on the balance sheet date.

### **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.

### **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 2019.

## 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) 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 # 14, 19, 5, 16, 8, 15, 01 & 07 dated 23 September 2012, 27 December 2012, 29 May 2013, 18 November 2014, 02 August 2015, 27 September 2017, 20 February 2018, 21 June 2018 & 21 April 2019.

#### 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, dated 23 September 2012 and subsequent changes of Bangladesh Bank. The percentage of provision on loans and advance are given below:

#### Rate of provision

Particulars		Short term Agri.Credit	Consumer financing			SMEF	Loans to BHs/MBs/SDs	All other Credit
			Other than HF,LP	HF	LP			
UC	Standard	2.5%	5%	2%	2%	0.25%	2%	1%
	SMA	0%	5%	2%	2%	0.25%	2%	1%
Classified	SS	5%	20%	20%	20%	20%	20%	20%
	DF	5%	50%	50%	50%	50%	50%	50%
	B/L	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

- Bills purchased and discounted do not include Government Treasury bills and have been classified into two sub-heads viz.:
  - Payable in Bangladesh;
  - Payable outside Bangladesh.
- 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's (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's 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.

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#### **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**

MTB has applied IFRS-16: Leases for the first time with the date of initial application of 01 January 2019. As IFRS 16 supersedes IAS 17: Leases, the bank has made recognition, measurement and disclosure in the financial statements of 2019 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 consider 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 recognises 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, as it's adopted for the first time, the bank used a flat threshold of BDT 20 million and above' which is 0.084% of total capital of the bank as of 31 December 2019. 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 recognises 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 recognised, 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 and recognised 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. As leases under IFRS 16 has been first time adopted by the bank, the bank has followed modified retrospective approach of adoption with the date of initial application of 01 January 2019. Therefore, the bank considered a cut-off date beginning of the year 2019 and reassessed unadjusted advance payment and remaining lease period of each contract, and recognised those in the financial statements for the year ended 31 December 2019 without giving retrospective impact in earlier presentation. The ROU assets are presented in the note - 8 of these financial statements.

#### **Lease Liabilities (Bank as a lessee):**

At the commencement of the lease, the bank recognises 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, 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.7 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 "MTBL 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 monthly contribution of 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 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.

#### **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 and as per IAS- 12 Income Taxes. 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.

### **2.3.6 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 banks 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 as amended up to date.

#### **2.4.4 Share Premium**

Share premium is the capital that the bank raise 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.

#### **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 has 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 represent 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 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**

Proposed dividend has not been recognized as a liability in the statement of financial position in accordance with IAS 10: Events after the Reporting Period.

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**2.11 Operating segment**

As per IFRS- 8: Operating Segments the bank has five reportable business segment and the five business segments are comprised of Main operation (On shore- conventional banking), Off-shore Banking Unit, MTB Securities Ltd., MTB Capital Ltd. and MTB Exchange (UK) Ltd.

**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 Written 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, states that 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 Events after the reporting period**

Where necessary, all the material events after the reporting period have been considered and appropriate adjustment/ disclosures have been made in the financial statements.

**2.16 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.

**2.17 Compliance report on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs)**

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for approval of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as the financial reporting council is yet to issue any financial reporting standards. Mutual Trust Bank Limited has applied all the applicable IAS and IFRS as approved by ICAB 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
Revenue	18	N/A
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
Financial Instruments: Recognition and Measurement	39	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 2.01**. 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.

## **2.18 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.

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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 program 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.

### 2.19 Audit Committee

In compliance to Bangladesh Bank's circular, the Board of Directors has formed an Audit Committee comprising of the following 5 (Five) Directors of the Board.

Sl. No.	Name of the Director	Status with the Bank	Status with the Committee	Educational Qualification
01.	Ms. Nasreen Sattar	Independent Director	Chairman	Graduate
02.	Mrs. Khwaja Nargis Hossain	Vice Chairman	Member	MA in Islamic History from University of Dhaka
03.	Mr. Rashed Ahmed Chowdhury	Director	Member	Higher National Diploma in Business Studies from West London College, UK and Post Graduate Degree in Business Management from Kingston University, UK and also member of the Chartered Management Institute, UK
04.	Mr. Herbert Ludwig Jaeger	(Former Chairman)	Member	Mr. Jaeger obtained his MBA in International Financial Management from the University of Trier, Germany and completed his Bachelor of Economics from the University of Konstanz, Germany. He is a Graduate member of the Thai Institute of Directors and has completed Bank Training at Volksbank eG, Überlingen, Germany.
05.	Mr. M. Mokammel Haque	Independent Director	Member	M. A. in Political Science from the University of Dhaka in 1957 and completed his Bachelor of Honours (BA) in Political Science from the University of Dhaka in 1956. He completed his CFS exam in 1959 and Diploma in Development Administration, London School of Economics, London, UK.

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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 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 49.00**.

## **2.22 Approval of Financial Statements**

The financial statements were approved by the Board of Directors on **30 June 2020**.

## **2.23 General**

- a) 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.
- b) The expenses, irrespective of capital or revenue nature, accrued/due but not paid have been provided for in the books of the Bank.
- c) Figures of previous year have been rearranged whenever necessary to conform to current period's presentation.
- d) No Asset has been set off against any Liability except MTB General Account.

Particulars		Amount in BDT	
		2019	2018
3.00	Consolidated cash		
	i. Cash in hand (including foreign currency)		
	Mutual Trust Bank Limited (Note-3.a.1)	2,874,617,681	2,512,940,881
	MTB Securities Limited	951,375	3,566,655
	MTB Capital Limited	20,965	3,316
	MTB Exchange (UK) Limited	11,286,088	4,003,861
		2,886,876,110	2,520,514,712
	ii. Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currency)		
	Mutual Trust Bank Limited (Note-3.a.2)	11,669,624,514	9,780,479,058
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		11,669,624,514	9,780,479,058
		14,556,500,624	12,300,993,770
3.a	Cash		
	In Hand (including foreign currency) (Note 3.a.1)	2,874,617,681	2,512,940,881
	With Bangladesh Bank and its agent Bank (s) (including foreign currency) (Note 3.a.2)	11,669,624,514	9,780,479,058
		14,544,242,195	12,293,419,939
3.a.1	In Hand (Including foreign currency)		
	Local Currency	2,846,296,936	2,482,543,141
	Foreign Currency	28,320,745	30,397,740
		2,874,617,681	2,512,940,881
3.a.2	Balance with Bangladesh Bank and its agent Bank (s)		
	With Bangladesh Bank		
	Local Currency	10,761,109,123	9,240,704,167
	Foreign Currency	604,416,569	200,898,371
	With Sonali Bank (as agent of Bangladesh Bank-Local Currency)	304,098,822	338,876,521
		11,669,624,514	9,780,479,058

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 31 December 2019 is given below:

Period of Unreconciliation	Number of unresponded entry		Unresponded amount	
	Dr	Cr	Dr	Cr
Less than 3 months	17	278	605,538,857	833,475,426
3 months to Less than 6 months	0	0		-
6 months to Less than 12 months	0	0		-
12 months and more	0	2	-	815,040
<b>Total</b>	<b>17</b>	<b>280</b>	<b>605,538,857</b>	<b>834,290,466</b>

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 DOS circular no.26 dated 19 August 2019.

#### A. Cash Reserve Requirement (CRR )

As per Bangladesh Bank DOS circular no. 26 dated 19 August, 2019; bank has to maintain CRR 5.00% on daily basis and 5.50% 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 2019 are as follows:

	<u>2019</u>		<u>2018</u>	
<b>i. Daily Bank's CRR Maintenance</b>	<b>Ratio in %</b>	<b>BDT Million</b>	<b>Ratio in %</b>	<b>BDT Million</b>
Required Reserve (5.00% of ATDTL)	5.00%	9,991.19	5.00%	8,045.57
Actual Reserve Maintained	5.57%	11,122.94	5.68%	9,136.73
<b>Surplus</b>	<b>0.57%</b>	<b>1,131.75</b>	<b>0.68%</b>	<b>1,091.16</b>
<b>ii. Bi-weekly Bank's CRR Maintenance</b>				
Required Reserve (5.50% of ATDTL)				
Actual Reserve Maintained (Average)*	5.50%	10,990.31	5.50%	8,850.13
<b>Surplus</b>	<b>6.07%</b>	<b>12,133.94</b>	<b>5.59%</b>	<b>8,996.40</b>
<b>* Last bi-weekly average of December, 2019</b>	<b>0.57%</b>	<b>1,143.63</b>	<b>0.09%</b>	<b>146.27</b>

#### B. Statutory Liquidity Ratio (SLR)

As per Section 33 of the Bank Company Act, 1991 & MPD circular no. 02 dated 10 December 2013 issued by Bangladesh Bank with effect from 01 February 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 2019 are as follows:

	<u>2019</u>		<u>2018</u>	
	<b>Ratio in %</b>	<b>BDT Million</b>	<b>Ratio in %</b>	<b>BDT Million</b>
Required Reserve (13% of ATDTL)	13.00%	25,977.09	13.00%	20,918.48
Actual Reserve Maintained	17.14%	34,250.13	17.13%	27,559.65
<b>Surplus</b>	<b>4.33%</b>	<b>8,273.03</b>	<b>4.13%</b>	<b>6,641.17</b>

#### i. Components of Statutory Liquidity Ratio (SLR) (BDT Million)

	<b>Amount in BDT</b>	
	<b>2019</b>	<b>2018</b>
Cash in Hand	2,749.09	2,512.94
Excess Cash Reserve*	132.63	286.60
Balance with Agent Bank (Sonali Bank Ltd)	304.10	338.88
Held to Maturity (HTM) Securities	25,125.22	20,109.51
Held for Trading (HFT) Securities	5,937.16	4,309.87
Other eligible securities	1.93	1.85
	<b>34,250.13</b>	<b>27,559.65</b>

\*As per Bangladesh Bank DOS circular no. 26 dated 19 August 2019; Cash Reserve (if any) in excess of 5.5% of ATDTL calculated on bi-weekly average basis is considered as an eligible component of Statutory Liquidity Reserve for that particular day.

		Amount in BDT	
		2019	2018
<b>4.00</b>	<b>Consolidated Balance with other Banks and Financial Institutions</b>		
	<b>In Bangladesh</b>		
	Mutual Trust Bank Limited (Note-4.a.1)	501,983,663	648,882,818
	MTB Securities Limited	558,668,353	735,327,501
	MTB Capital Limited	8,720,224	18,150,411
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(421,588,846)	(540,699,541)
		<b>647,783,394</b>	<b>861,661,189</b>
	<b>Outside Bangladesh</b>		
	Mutual Trust Bank Limited (Note-4.a.2)	2,736,948,447	2,314,903,960
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	318,434	92,424
		<b>2,737,266,881</b>	<b>2,314,996,384</b>
		<b>3,385,050,274</b>	<b>3,176,657,573</b>
<b>4.a</b>	<b>Balance with other Banks and Financial Institutions</b>		
	In Bangladesh (Note-4.a.1)	501,983,663	648,882,818
	Outside Bangladesh (Note- 4.a.2)	2,736,948,447	2,314,903,960
		<b>3,238,932,109</b>	<b>2,963,786,778</b>
<b>4.a.1</b>	<b>In Bangladesh</b>		
	<b>Fixed Deposits Receipt (FDR)</b>		
	Meridian Finance Limited	-	50,000,000
	BD Finance & Investment Company Limited	-	50,000,000
	Union Capital Limited	-	100,000,000
	Bay Leasing & Investment Limited	-	100,000,000
	IPDC Limited	-	100,000,000
	SBAC Bank Limited	200,000,000	-
	<b>Special Notice Deposit (SND)</b>		
	Dutch Bangla Bank Limited	-	67,404
	BASIC Bank Limited	13,037,862	11,844
	Sonali Bank Limited	120,331,563	10,191,991
	Agrani Bank Limited	7,569,900	6,769,702
	Janata Bank Limited	15,735,545	10,448,844
	Standard Chartered Bank	66,024,013	79,046,098
	<b>Current Deposits (CD)</b>		
	bKash Limited	7,547,886	29,032,004
	AB Bank Limited	200,000	200,000
	Southeast Bank Limited	777,716	1,197,841
	Islami Bank Bangladesh Limited	14,258	13,130
	Janata Bank Limited	6,439	32,177
	Agrani Bank Limited	70,738,482	111,871,784
		<b>501,983,663</b>	<b>648,882,818</b>

Amount in BDT	
2019	2018
176,294,631	517,622,372
1,045,233,008	82,187,926
459,139,012	181,519,504
20,933,515	3,123,086
72,442,822	44,586,987
59,381,899	37,166,899
3,758,169	3,439,664
6,835,874	4,254,223
137,908	24,037,784
55,596,961	84,450,986
4,769,044	4,679,372
5,007,623	5,408,649
3,701,016	2,044,022
-	5,260,343
1,864,453	2,347,155
6,033,802	11,871,432
584,941	588,774
1,307,231	374,614
7,789,486	26,309,047
400,962	403,590
25,991,135	20,181,751
38,712,912	41,990,479
5,909,247	8,298,417
7,700,617	15,613,811
20,689,354	49,954,929
83,347,618	3,799,575
40,736,984	7,809,184
7,310,759	40,051,377
9,295,701	9,186,211
11,317,643	11,322,967
11,204,601	11,072,627
2,154,296	12,055,773
3,005,315	4,047,559
12,177,349	20,484,459
420,040,016	316,445,588
<b>2,630,805,905</b>	<b>1,613,991,137</b>
28,032,607	28,032,607
<b>2,658,838,512</b>	<b>1,642,023,744</b>
78,109,935	672,880,217
<b>2,736,948,447</b>	<b>2,314,903,960</b>

#### 4.a.2 Outside Bangladesh (NOSTRO Accounts) In current account

Mashreq Bank Psc, New York  
Standard Chartered Bank, New York  
Habib American Bank, New York  
ICICI Bank Ltd, Hong Kong  
Commerz Bank AG, Germany  
KB Kookmin Bank, South Korea  
Standard Chartered Bank, Singapore  
Standard Chartered Bank, Colombo  
Mashreq Bank Psc, London  
Standard Chartered Bank, London  
Habib American Bank, Zurich  
Standard Chartered Bank, Tokyo  
UBAF, Tokyo  
Mashreq Bank Psc, London  
Standard Chartered Bank, Germany  
Sonal Bank Ltd., Kolkata  
ICICI Bank Ltd., Mumbai  
Unicredit Bank AG, Germany  
Commerze Bank AG, Germany  
United Bank of India, Kolkata  
Standard Chartered Bank, Mumbai  
Standard Chartered Bank, Kolkata  
Standard Chartered Bank, Karachi  
United Bank of India, Kolkata  
Mashreq Bank Psc, Mumbai  
AB Bank Ltd, Mumbai  
ICICI Bank Ltd, Mumbai  
HDFC Bank Ltd, Mumbai  
Himalayan Bank Ltd, Kathmandu  
Bank Al Bilad KSA (SAR)  
Nepal Bangladesh Bank Ltd.  
Commerz Bank AG, Germany (AUD)  
Habib Metropolitan Bank Ltd, Karachi  
Axis Bank Ltd., Mumbai  
Mashreq Bank Psc, UAE

ICICI Bank Ltd., Mumbai - Term Deposit

#### Offshore Banking Unit

Details of NOSTRO accounts are shown in Annexure-A

Amount in BDT	
2019	2018
<b>4.a.3 Maturity grouping of Balance with other Banks and Financial Institutions</b>	
On Demand	1,939,713,028
Less than three months	760,354,120
More than three months but less than one year	235,687,023
More than one year but less than five years	28,032,607
More than five years	-
<b>3,238,932,109</b>	<b>2,963,786,778</b>
<b>5.a Money at Call and Short Notice:</b>	
<b>Call Money</b>	
With Banking Companies ( Note 5.a.1)	120,000,000
With Non-Banking Financial Institutions (Note 5.a.2)	1,460,000,000
<b>206,800,000</b>	<b>1,580,000,000</b>
<b>5.a.1 Call Money-With Banking Companies</b>	
National Bank Limited	120,000,000
-	<b>120,000,000</b>
<b>5.a.2 Call Money-With Non-Banking Financial Institutions</b>	
Bangladesh Finance and Investment Company Limited	150,000,000
Phoenix Finance and Investment Limited	120,000,000
Industrial and Infrastructure Development Finance Company Limited	170,000,000
Lanka Bangla Finance Limited	240,000,000
National Finance Limited	90,000,000
Delta Brac Housing Finance corporation Limited	150,000,000
IDLC Finance Limited	200,000,000
Union Capital Ltd	200,000,000
GSP Finance Company [Bangladesh] Limited	140,000,000
<b>206,800,000</b>	<b>1,460,000,000</b>
<b>6.00 Consolidated Investments</b>	
<b>Government Investment</b>	
Mutual Trust Bank Limited (Note-6.a.1)	24,421,226,713
MTB Securities Limited	-
MTB Capital Limited	-
MTB Exchange (UK) Limited	-
<b>31,064,307,864</b>	<b>24,421,226,713</b>
<b>Other Investments</b>	
Mutual Trust Bank Limited (Note-6.a.3)	2,168,276,853
MTB Securities Limited	661,399,242
MTB Capital Limited	156,745,140
MTB Exchange (UK) Limited	-
<b>3,135,230,337</b>	<b>2,986,421,235</b>
<b>34,199,538,201</b>	<b>27,407,647,948</b>

Amount in BDT	
2019	2018
<b>6.a Investments</b>	
Government (Note 6.a.1)	24,421,226,713
Others (Note 6.a.3)	2,168,276,853
<b>33,194,745,597</b>	<b>26,589,503,566</b>
<b>6.a.1 Government ( Investment in Govt. securities)</b>	
Treasury Bills (Note 6.a.1.1)	2,116,299,392
Treasury Bonds (Note 6.a.1.2)	22,303,082,421
Prize Bonds	1,844,900
<b>31,064,307,864</b>	<b>24,421,226,713</b>
<b>6.a.1.1 Treasury Bills ( at present value )</b>	
<b>Un-encumbered</b>	
91 days treasury bills	-
182 days treasury bills	497,327,950
364 days treasury bills	1,618,971,443
<b>Sub-total</b>	<b>2,116,299,392</b>
<b>Encumbered</b>	-
<b>Sub-total</b>	-
<b>Total Treasury Bill</b>	<b>2,116,299,392</b>
<b>6.a.1.2 Treasury Bonds</b>	
<b>Un-encumbered</b>	
2 Years Bangladesh Government treasury bonds	5,554,604,210
5 Years Bangladesh Government treasury bonds	1,334,618,232
10 Years Bangladesh Government treasury bonds	7,878,003,603
15 Years Bangladesh Government treasury bonds	4,781,146,470
20 Years Bangladesh Government treasury bonds	2,754,709,906
<b>Sub-total</b>	<b>22,303,082,421</b>
<b>Encumbered</b>	-
<b>Sub-total</b>	-
<b>Total Treasury Bond</b>	<b>22,303,082,421</b>
<b>6.a.2 Investment Classified as per Bangladesh Bank Circular</b>	
Held to Maturity (HTM) (Note 6.a.2.1)	20,109,514,371
Held for Trading ( HFT) (Note 6.a.2.2)	4,309,867,442
Other Securities	2,170,121,753
<b>33,194,745,597</b>	<b>26,589,503,566</b>
<b>6.a.2.1 Held to Maturity (HTM)</b>	
Treasury Bond	
2 Years	5,249,939,655
5 Years	1,324,331,509
10 Years	7,021,216,980
15 Years	3,879,287,042
20 Years	2,634,739,185
<b>25,125,218,952</b>	<b>20,109,514,371</b>
<b>6.a.2.2 Held for Trading ( HFT)</b>	
<b>Treasury Bill</b>	
91 days	-
182 days	497,327,950
364 days	1,618,971,443
<b>Treasury Bond</b>	
2 Years	304,664,555
5 Years	10,286,723
10 Years	856,786,623
15 Years	901,859,428
20 Years	119,970,721
<b>5,937,162,811</b>	<b>4,309,867,442</b>

Amount in BDT	
2019	2018
137,778,179	137,160,611
403,179,364	403,136,051
540,957,544	540,296,663
71,770,260	71,770,260
15,694,430	15,694,430
50,000,000	50,000,000
4,915,500	4,915,500
20,000,000	20,000,000
30,000,000	30,000,000
37,500,000	-
229,880,190	192,380,190
217,600,000	217,600,000
217,600,000	217,600,000
-	20,000,000
32,000,000	48,000,000
80,000,000	100,000,000
80,000,000	100,000,000
250,000,000	250,000,000
150,000,000	150,000,000
100,000,000	100,000,000
200,000,000	200,000,000
250,000,000	250,000,000
1,142,000,000	1,218,000,000
2,130,437,734	2,168,276,853
20,000,000	40,000,000
(20,000,000)	(20,000,000)
-	20,000,000
48,000,000	64,000,000
(16,000,000)	(16,000,000)
32,000,000	48,000,000



**6.a.4** Assets pledged as security for liabilities as at 31 December 2019 is BDT 3,169,445,100 of Treasury Bill against Re-Purchase Agreement. Details are as under:

**(a) i. Disclosure regarding outstanding Repo as at 31 December 2019**

Counter Party Name	Agreement Date	Reversal Date	Amount
A. Inter Bank (Repo)	-	-	-
IFIC Bank Limited	30-Dec-19	1-Jan-20	758,848,200
The Premier Bank Limited	30-Dec-19	1-Jan-20	684,636,400
Standard Chartered Bank	30-Dec-19	1-Jan-20	1,725,960,500
<b>Total</b>		-	<b>3,169,445,100</b>

**ii. There was no Reverse Repo as at 31 December, 2019.**

**(b) Disclosure regarding overall transaction of Repo for the period ended 2019**

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average outstanding during the year
<b>Securities sold under Repo:</b>			
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	1,152,602,925
<b>Securities purchased under Reverse Repo:</b>			
i) with Bangladesh Bank	-	-	-
ii) with Other Banks & Financial Institutions	280,650,000	2,501,585,252	26,664,966

**6.a.5 Maturity grouping of Investment as follows:**

On Demand  
Less than three months  
More than three months but less than one year  
More than one year but less than five years  
More than five years

**7.00 Consolidated loans, advances and lease**

Mutual Trust Bank Limited (Note-7.a)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
  
Less: Inter-company loan (MTB Securities Limited)

**Consolidated bills purchased and discounted:**

Mutual Trust Bank Limited (Note-7.a)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

Amount in BDT	
2019	2018
663,225,683	1,591,991,704
801,892,101	642,327,950
5,076,134,552	4,314,052,981
11,776,122,749	11,776,180,850
14,877,370,513	8,264,950,081
<b>33,194,745,597</b>	<b>26,589,503,566</b>
184,030,147,123	160,530,922,931
2,719,986,781	2,648,201,456
241,114,007	215,207,848
-	-
<b>186,991,247,910</b>	<b>163,394,332,234</b>
-	-
<b>186,991,247,910</b>	<b>163,394,332,234</b>
2,738,467,951	2,750,786,895
-	-
-	-
-	-
<b>2,738,467,951</b>	<b>2,750,786,895</b>
<b>189,729,715,862</b>	<b>166,145,119,129</b>

		Amount in BDT	
		2019	2018
7.01	<b>Significant concentration wise grouping of Consolidated Loans &amp; advances:</b>		
	<b>a) Directors</b>		
	Credit Cards (Note - 47)	2,314,632	484,772
	<b>b) Chief Executive &amp; other Senior Executives</b>	895,119,028	734,221,107
	i) Managing Director	-	-
	ii) Other Senior Executives	895,119,028	734,221,107
	<b>c) Advances to Industries</b>		
	Agriculture	2,781,102,631	1,339,427,204
	RMG	31,389,144,919	25,005,760,090
	Textile	17,322,465,622	15,409,389,754
	Ship Building	2,509,747,790	2,251,728,826
	Ship Breaking	2,635,396,585	3,514,693,745
	Other Manufacturing industry	32,512,750,104	37,717,741,967
	SME loans	30,180,618,347	16,520,278,142
	Construction	7,661,699,866	10,038,926,212
	Power, Gas	2,537,425,998	2,426,914,555
	Transport, Storage and Communication	1,244,658,846	923,341,929
	Trade Service	29,532,784,048	14,258,595,262
	Commercial real estate financing	3,822,488,220	5,019,345,677
	Residential real estate financing	1,002,072,002	856,736,890
	Consumer credit	12,385,852,332	10,250,163,328
	Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	3,044,151,607	2,863,409,303
	NBFIs	3,955,427,443	3,568,557,256
	Others	4,314,495,841	13,445,403,108
		<b>188,832,282,201</b>	<b>165,410,413,250</b>
		<b>189,729,715,862</b>	<b>166,145,119,129</b>
7.02	<b>Classification of Consolidated Loans and Advances:</b>		
	<b>Consolidated Unclassified Loans and Advances (UC):</b>		
	Standard	171,958,458,994	153,226,820,129
	Special Mention Account (SMA)	7,544,039,035	3,966,898,255
	<b>Sub total</b>	<b>179,502,498,029</b>	<b>157,193,718,384</b>
	<b>Consolidated Classified Loans &amp; Advances:</b>		
	Substandard	758,461,000	534,891,945
	Doubtful	379,076,833	360,656,648
	Bad & Loss	9,089,680,000	8,055,852,152
	<b>Sub total</b>	<b>10,227,217,833</b>	<b>8,951,400,745</b>
	<b>Total</b>	<b>189,729,715,862</b>	<b>166,145,119,129</b>

		Amount in BDT	
		2019	2018
<b>7.03</b>	<b>Consolidated list of Asset pledged as collaterals:</b>		
	Collateral of movable/immovable assets	112,773,664,713	93,780,245,715
	Commodities and Export documents	19,364,443,749	24,059,703,168
	Fixed deposit receipts	10,735,326,865	7,772,003,772
	Other securities	19,529,514,523	19,497,209,619
	Personal guarantee	27,326,766,012	21,035,956,855
		<b>189,729,715,862</b>	<b>166,145,119,129</b>
<b>7.04</b>	<b>Maturity grouping of Consolidated Loans and Advances</b>		
	On Demand	21,882,503,557	17,761,266,955
	Not more than three months	41,719,279,864	39,449,339,444
	More than three months but less than one year	71,209,324,558	59,096,629,736
	More than one year but less than five years	47,639,817,527	39,471,364,091
	More than five years	7,278,790,355	10,366,518,902
		<b>189,729,715,862</b>	<b>166,145,119,129</b>
<b>7.a</b>	<b>Loans and Advances</b>		
	<b>In Bangladesh</b>		
	Loans (Note-7.a.1)	134,452,537,446	115,216,371,197
	Cash Credits	28,262,397,402	27,105,036,490
	Packing Credits	637,226,727	440,652,236
	Overdrafts	20,677,985,548	17,768,863,007
		<b>184,030,147,123</b>	<b>160,530,922,931</b>
	Bills Purchased and Discounted (Note-7.a.1.2)	2,738,467,951	2,750,786,895
		<b>186,768,615,074</b>	<b>163,281,709,826</b>
	<b>Outside Bangladesh</b>	-	-
		<b>186,768,615,074</b>	<b>163,281,709,826</b>
<b>7.a.1</b>	<b>Loans</b>		
	Term Loan	53,031,575,532	44,660,186,039
	Small and Medium Enterprise Financing	21,104,117,398	17,896,468,908
	Consumer Financing	99,206,102	147,486,834
	Retail Financing	10,711,688,768	7,735,469,920
	General Loans	4,604,794,137	5,314,937,477
	Demand Loan	7,248,625,190	3,298,630,175
	Payment Against Documents (PAD)	457,861,849	1,182,366,920
	Trust Receipts	11,199,958,470	10,897,188,806
	Lease Finance (Note-7.a.3)	249,573,532	313,529,800
	Export Development Fund Loan	7,585,560,529	6,463,903,950
	House Building Loan	5,840,653,982	5,309,183,720
	Staff/Employee Loan	895,119,028	734,221,107
		<b>123,028,734,518</b>	<b>103,953,573,656</b>
	<b>Offshore Banking Unit</b>	11,423,802,928	11,262,797,541
		<b>134,452,537,446</b>	<b>115,216,371,197</b>

		Amount in BDT	
		2019	2018
7.a.1.2	<b>Bill Purchased and Discounted</b>		
	Payable in Bangladesh	1,389,877,581	2,131,340,699
	Payable outside Bangladesh	425,196,660	388,228,955
		<b>1,815,074,241</b>	<b>2,519,569,654</b>
	Offshore Banking Unit	923,393,710	231,217,241
	<b>2,738,467,951</b>	<b>2,750,786,895</b>	
7.a.2	<b>Net Loans &amp; Advances</b>		
	Gross Loans & Advances (Note- 7.a)	<b>186,768,615,074</b>	<b>163,281,709,826</b>
	<b>Less:</b>		
	Interest Suspense (Note- 12.a.5)	2,134,376,449	1,433,525,546
	Provision for Loans & Advances (Note -12.a.1)	6,797,923,226	5,200,397,350
	<b>Net Loans &amp; Advances</b>	<b>177,836,315,399</b>	<b>156,647,786,929</b>
7.a.3	<b>Gross Lease Rent Receivable</b>		
	within 1 year	918,807	893,807
	within 5 years	298,958,346	380,493,239
		<b>299,877,154</b>	<b>381,387,046</b>
	Less: Unearned Lease Rent	50,303,622	67,857,246
		<b>249,573,532</b>	<b>313,529,800</b>
7.a.4	<b>Residual Maturity grouping of Loans and Advances</b>		
	On Demand	21,752,333,566	17,618,096,490
	Not more than three months	41,676,136,626	39,250,266,700
	More than three months but less than one year	70,829,800,270	58,667,118,340
	More than one year but less than five years	46,633,813,145	38,439,170,835
	More than five years	5,876,531,466	9,307,057,460
		<b>186,768,615,074</b>	<b>163,281,709,826</b>
7.a.5	<b>Significant concentration wise grouping of Loans &amp; advances:</b>		
	<b>a) Directors</b>		
	Credit Cards (Note - 47)	<b>2,314,632</b>	<b>484,772</b>
	<b>b) Chief Executive &amp; other Senior Executives</b>	<b>895,119,028</b>	<b>734,221,107</b>
	i) Managing Director	-	-
	ii) Other Senior Executives	895,119,028	734,221,107
	<b>c) Advances to Industries</b>		
	Agriculture	2,781,102,631	1,339,427,204
	RMG	31,389,144,919	25,005,760,090
	Textile	17,322,465,622	15,409,389,754
	Ship Building	2,509,747,790	2,251,728,826
	Ship Breaking	2,635,396,585	3,514,693,745
	Other Manufacturing industry	32,512,750,104	37,717,741,967
SME loans	30,180,618,347	16,520,278,142	

	Amount in BDT	
	2019	2018
Construction	7,661,699,866	10,038,926,212
Power, Gas	2,537,425,998	2,426,914,555
Transport, Storage and Communication	1,244,658,846	923,341,929
Trade Service	29,532,784,048	14,258,595,262
Commercial real estate financing	3,822,488,220	5,019,345,677
Residential real estate financing	1,002,072,002	856,736,890
Consumer credit	12,385,852,332	10,250,163,328
Capital Market (Loan provided for brokerage or merchant banking, to stock dealer or any kind of capital market activities)	83,050,820	-
NBFIs	3,955,427,443	3,568,557,256
Others	4,314,495,841	13,445,403,108
	<b>185,871,181,413</b>	<b>162,547,003,947</b>
	<b>186,768,615,074</b>	<b>163,281,709,826</b>

#### 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 23,872.20 million as at 31 December 2019 (BDT 20,800.01 million as of 31 December 2018).

##### Number of Clients

31

34

##### Outstanding Advances (BDT Million)

87,504

77,956

Client wise details are given below:

Name of the clients	Sanction Limit	Outstanding		Total	Classification Status
		Funded	Non - Funded		
Meghna Group	6,929.40	23.50	6,829.40	6,852.90	UC
Summit Corporation Limited & its allied concerns	10,400.00	213.70	6,288.00	6,501.70	UC
Bashundhara Food & Beverage industries Ltd its allied concerns	6,900.00	2,646.20	2,699.50	5,345.70	UC
City Group	6,050.00	1,499.80	3,774.80	5,274.60	UC
PRAN - RFL	4,500.00	1,562.40	2,175.70	3,738.10	UC
AJI Group	4,539.50	2,739.70	931.80	3,671.50	UC
SQ Celsius Limited & its allied concerns	5,320.00	2,828.70	797.30	3,626.00	UC
Epyllion Fabrics Limited & its allied concerns	5,745.00	2,609.90	906.80	3,516.70	UC
EON Group	3,465.00	2,675.30	635.10	3,310.40	UC
Energypac Engineering Ltd.	3,485.50	1,044.30	2,013.20	3,057.50	UC
MSA Group	3,530.00	2,201.30	981.10	3,182.40	UC
Karnafuly Ship Builders Ltd & its allied concerns	6,745.50	896.20	1,945.80	2,842.00	UC
Dekko Group	3,299.00	1,908.60	903.80	2,812.40	UC
Abul Khair Group	4,040.00	1,578.10	1,197.40	2,775.50	UC
Kabir Steel Ltd & its allied concerns	2,800.00	716.20	84.30	800.50	UC
City Seed Crushing Industries Ltd. & its allied concerns	6,347.10	1,499.90	1,124.90	2,624.80	UC
Walton	3,200.00	889.00	1,671.10	2,560.10	UC
Oxford Shirt Limited & its allied concerns	2,860.00	2,213.70	266.50	2,480.20	UC
JMI Hospital Requisite Manufacturing Ltd & its allied concerns	4,040.00	593.20	1,642.80	2,236.00	UC
Bengal Group	2,892.50	1,612.40	490.60	2,103.00	UC
T.K.	2,810.00	602.70	1,454.70	2,057.40	UC
Rahmat Group	2,487.30	1,616.70	305.60	1,922.30	UC
Jahangir & Others Ltd	2,900.00	1,892.60	-	1,892.60	UC
KDS Group	2,720.00	434.20	1,353.80	1,788.00	UC
Arkay Knit Dyeing Mills Ltd	3,790.20	786.90	870.30	1,657.20	UC
Ctg. Denim & its allied concerns	4,235.90	257.90	1,396.80	1,654.70	UC
Partex Star Group	2,770.00	1,430.50	135.10	1,565.60	UC
BRAC	3,000.00	1,526.30	-	1,526.30	UC
Modern Poly	2,397.10	34.30	900.50	934.80	UC
Saad Musa Group	3,410.00	2,730.70	-	2,730.70	UC
BRB Cable industries Ltd	2,550.00	235.80	226.70	462.50	UC
<b>Total</b>	<b>130,159.00</b>	<b>43,500.70</b>	<b>44,003.40</b>	<b>87,504.10</b>	

Amount in BDT	
2019	2018

#### 7.a.6.1 Large Loan Restructuring

- Jamuna Builders Ltd. and Jamuna Denims Ltd. were allowed grace period for 12 months. So, the 1st Instalment due date was 02.12.2016. As such, 13 number of installment become due till 31.12.2019 and amount due for recovery stood at BDT 48.83 Crore. But, BDT 43.09 Crore has been recovered from the client. Meanwhile, the competent authority of the Bank has accorded approval for extension of validity of the loans for 1 year from existing expiry i.e., up to 02.09.2028 and allowed grace period of 1 year from June 2019 to May 2020 subject to NOC from Bangladesh Bank. It is further mentionable that all other lending Banks who gave facilities under BRPD Circular no. 04/15, has accorded the same approval to Jamuna Group. Janata Bank Ltd already got NOC from Bangladesh Bank in this regard.
- Abdul Monem Ltd. and Abdul Monem Sugar Refinery Ltd. were allowed grace period for 09 months. So, the 1st Instalment due date was 30.06.2016. As such, 15 number of installment become due till 31.12.2019 and amount due for recovery stood at BDT 78.95 Crore. However, additional BDT 1.37 Crore has been recovered in advance from the client.

#### 7.a.7 Classification of Loans and Advances

##### Unclassified (UC):

Standard	168,997,358,206	150,363,410,826
Special Mention Account (SMA)	7,544,039,035	3,966,898,255
<b>Sub total</b>	<b>176,541,397,241</b>	<b>154,330,309,081</b>
Classified:		
Substandard	758,461,000	534,891,945
Doubtful	379,076,833	360,656,648
Bad & Loss	9,089,680,000	8,055,852,152
<b>Sub total</b>	<b>10,227,217,833</b>	<b>8,951,400,745</b>
<b>Total</b>	<b>186,768,615,074</b>	<b>163,281,709,826</b>

#### 7.a.8 Details of Required Provision for Loans and Advances

Particulars	Base for Provision	Rate (%)	Provision	
			Required	Maintained
<b>Unclassified (UC):</b>				
Standard	153,586,452,784	0%, 0.25%, 1%, 2%, 5% & 100%	1,741,691,833	1,741,691,833
Standard- Offshore Banking Unit	12,347,196,638		123,471,966	123,471,966
Loan against "Stay Order"	597,865,271		597,865,271	58,940,448
Large Loan Restructured (SMA)	2,029,400,177		40,588,004	40,588,004
Rescheduled Loan (By BB NOC)	1,382,216,000		1,382,216,000	916,367,539
Rescheduled loan under 2% down payment (SMA)	1,573,221,902		786,610,951	786,610,951
Special Mention Account (SMA)	2,887,604,535		30,949,201	30,949,201
<b>Sub total</b>	<b>174,403,957,307</b>		<b>4,703,393,226</b>	<b>3,698,619,942</b>
<b>Classified:</b>				
Substandard	317,031,893	5% & 20%	62,725,182	18,480,616
Doubtful	112,353,808	5% & 50%	55,881,504	14,859,657
Bad loan*	4,878,022,314	100%	4,878,022,314	3,065,963,011
<b>Sub total</b>	<b>5,307,408,015</b>		<b>4,996,629,000</b>	<b>3,099,303,284</b>
<b>Total</b>	<b>179,711,365,322</b>		<b>9,700,022,226</b>	<b>6,797,923,226</b>
<b>Excess/(short) Provision as at 31December, 2019*</b>				<b>(2,902,099,000)</b>

\*As per Bangladesh Bank letter (Reference No. DBI-1/119/2020-1616 dated 24 June 2020) the shortfall provision of BDT 2,903.566 million (Including Good borrower provision of BDT 1.467 million) deferred which will be maintained in next 4 years i. e. 2020, 2021, 2022 & 2023 equally.



Amount in BDT	
2019	2018
<b>7.a.9 Details of Required Provision for Off Balance Sheet Items</b>	
Required Provision for Off- Balance Sheet Exposures	594,641,692
Total Provision maintained (Note -12.a.2)	594,642,050
<b>Excess/(Short) Provision</b>	<b>358</b>
<b>7.a.10 Geographical Location wise Loans and Advances</b>	
<b>Inside Bangladesh</b>	
<b>Urban</b>	
Dhaka Division	120,532,571,834
Chittagong Division	26,857,543,307
Sylhet Division	1,129,484,479
Mymensingh Division	637,549,237
Rajshahi Division	4,523,031,184
Khulna Division	1,612,715,735
Rangpur Division	2,768,876,084
Barisal Division	216,880,869
<b>181,374,639,672</b>	<b>158,278,652,730</b>
<b>Rural</b>	
Dhaka Division	2,787,702,271
Chittagong Division	1,657,638,866
Sylhet Division	82,226,224
Mymensingh Division	157,038,046
Rajshahi Division	-
Khulna Division	-
Rangpur Division	318,451,691
Barisal Division	-
<b>5,393,975,403</b>	<b>5,003,057,097</b>
<b>Outside Bangladesh</b>	<b>-</b>
<b>186,768,615,074</b>	<b>163,281,709,826</b>
<b>7.a.11 Sector-wise Loans (including Bill Purchased and Discounted)</b>	
Public sector	-
Co-Operative sector	-
Private sector	163,281,709,826
<b>186,768,615,074</b>	<b>163,281,709,826</b>

		Amount in BDT	
		2019	2018
<b>7.a.12</b>	<b>Particulars of Loans and Advances</b>		
i.	Debts considered good in respect of which the bank company is fully secured.	142,580,966,385	126,990,601,791
ii.	Debts considered good for which the bank holds no other security than the debtor's personal security.	2,045,418,588	1,560,281,628
iii.	Debts considered good secured by the personal undertakings of one or more parties in addition to the personal security of the debtors.	31,915,012,268	25,779,425,662
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.	895,119,028	734,221,107
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.	895,119,028	734,221,107
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.	<b>Amount of classified loan on which interest has not been charged, should be mentioned as follows:</b>		
a. i)	(Decrease)/Increase in provision	178,272,083	2,223,526,000
ii)	amount of loan written off ;	334,955,479	1,572,021,531
iii)	amount realized against loan previously written off;	44,570,800	964,000
b.	Amount of provision kept against loan classified as ' bad/loss' on the date of preparing the balance sheet	3,065,963,011	3,059,370,350
c.	Interest creditable to the interest Suspense A/c	2,134,376,449	1,433,525,546
<b>XI)</b>	<b>Cumulative amount of loans written off</b>		
	Opening Balance	3,167,871,531	1,595,850,000
	Amount Written off during the year	334,955,479	1,572,021,531
	<b>Balance of Written off Loans &amp; Advance</b>	<b>3,502,827,010</b>	<b>3,167,871,531</b>
<b>XII)</b>	The amount of written off loan for which law suit has been filed	3,502,827,010	3,167,871,531
<b>7.a.13</b>	<b>Maturity grouping of Bill Purchased and Discounted</b>		
	Payable within one month	808,669,586	812,307,370
	More than one month but less than three months	1,441,255,683	1,447,739,143
	More than three months but less than six months	488,542,683	490,740,382
	More than or equal to six months	-	-
		<b>2,738,467,951</b>	<b>2,750,786,895</b>

Amount in BDT	
2019	2018
112,773,664,713	93,780,245,715
19,364,443,749	24,059,703,168
10,735,326,865	7,772,003,772
19,529,514,523	19,497,209,619
24,365,665,224	18,172,547,552
<b>186,768,615,074</b>	<b>163,281,709,826</b>

**7.a.14 List of Asset pledged as collaterals**

Collateral of movable/immovable assets  
Commodities and Export documents  
Fixed deposit receipts  
Other securities  
Personal guarantee

**8.00 Consolidated fixed assets including premises, furniture and fixtures**

Mutual Trust Bank Limited (Note-8.a)  
MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited

**Consolidated net book value at the end of the year**  
**Details are shown in Annexure-C**

4,228,351,649	3,049,683,712
66,997,489	71,839,795
4,300,077	4,889,249
1,483,482	1,763,506
<b>4,301,132,697</b>	<b>3,128,176,262</b>

**8.a Fixed Asset including Premises, Furniture & Fixtures Cost**

Land  
Immovable Property  
Furniture & Fixtures  
Office Equipments  
Motor Vehicles  
Intangible Assets  
Right off use Assets

**Total Cost**

Less: Accumulated Depreciation

**Book value at the end of the year**

**Details are shown in Annexure-C (i)**

104,253,000	104,253,000
1,455,740,795	1,455,740,795
1,483,156,698	1,414,493,141
2,462,041,888	1,853,124,095
147,449,170	178,164,087
412,086,627	204,627,340
714,594,976	-
<b>6,779,323,154</b>	<b>5,210,402,458</b>
2,550,971,504	2,160,718,745
<b>4,228,351,649</b>	<b>3,049,683,712</b>

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 23,872 million. 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)  
Less: Investment in subsidiary

MTB Securities Limited  
MTB Capital Limited  
MTB Exchange (UK) Limited  
Less: Intragroup receivable & payable

13,874,313,597	12,069,478,300
(3,528,395,800)	(3,528,395,800)
<b>10,345,917,797</b>	<b>8,541,082,500</b>
163,858,027	166,619,192
58,708,476	53,699,049
6,623,384	4,834,400
(40,679,107)	(40,679,107)
<b>188,510,780</b>	<b>184,473,534</b>
<b>10,534,428,577</b>	<b>8,725,556,034</b>

		Amount in BDT	
		2019	2018
<b>9.01</b>	<b>Consolidated Advance Income Tax</b>		
	Mutual Trust Bank Limited (Note-9.a.3.1)	6,965,212,664	5,923,556,541
	MTB Securities Limited	117,712,051	87,580,057
	MTB Capital Limited	40,116,584	29,677,469
	MTB Exchange (UK) Limited	-	-
		<b>7,123,041,299</b>	<b>6,040,814,067</b>
<b>9.02</b>	<b>Consolidated Deferred Tax Assets/ (Liabilities)</b>		
	Mutual Trust Bank limited (Note-9.a.3.2)	860,438,349	962,138,373
	MTB Securities Limited	(5,079,361)	(4,835,728)
	MTB Capital Limited	(141,535)	(156,372)
	MTB Exchange (UK) Limited	-	-
		<b>855,217,453</b>	<b>957,146,273</b>
<b>9.a</b>	<b>Other Assets</b>		
	<b>Classification of Other Asset</b>		
	A) Income generating Other Assets:		
	i) Investment in Shares of Subsidiary Companies (Note-9.a.1)	3,528,395,800	3,528,395,800
	B) Non-Income generating Other Assets :		
	i) Stationery, Stamps, Printing materials in stock etc.	23,144,919	19,102,595
	ii) Advance Rent and Advertisement	230,910,164	233,728,607
	iii) Interest Accrued on Investment but not collected & other income receivable	37,379,398	27,506,740
	iv) Security Deposit	10,913,790	10,584,426
	v) Suspense Account (Note- 9.a.2)	330,921,572	481,872,970
	vi) Others (Note- 9.a.3)	9,712,647,953	7,768,287,161
		<b>13,874,313,597</b>	<b>12,069,478,300</b>
<b>9.a.1</b>	<b>Investment in Shares of Subsidiary Companies</b>		
	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
		<b>3,528,395,800</b>	<b>3,528,395,800</b>
<b>9.a.2</b>	<b>Suspense Account</b>		
	Sundry Debtors	60,843,121	31,834,355
	Advance against TA/DA	191,000	46,000
	Legal Expenses	23,517,624	17,507,996
	Sanchay Patra	241,970,643	428,446,690
	Others	4,399,184	4,037,929
		<b>330,921,572</b>	<b>481,872,970</b>

Amount in BDT	
2019	2018
6,965,212,664	5,923,556,541
217,320	217,820
60	-
860,438,349	962,138,373
15,927,157	2,630,000
35,933,294	32,058,233
429,788,426	245,426,084
51,609,559	-
388,295,396	-
806,550,000	1,437,065,928
124,798,780	80,753,871
40,679,107	40,679,107
749,701,060	508,787,995
63,189	1,088,889
597,923	9,463,264
<b>10,469,812,282</b>	<b>9,243,866,105</b>
<b>174,184,451</b>	<b>42,240,855</b>
(931,348,780)	(1,517,819,799)
<b>9,712,647,953</b>	<b>7,768,287,161</b>
5,923,556,541	5,146,850,703
-	(185,629,400)
1,041,656,123	962,335,238
<b>6,965,212,664</b>	<b>5,923,556,541</b>
962,138,373	721,326,693
(101,700,024)	240,811,680
<b>860,438,349</b>	<b>962,138,373</b>
4,196,169,096	3,010,159,375
3,391,368,074	2,392,480,352
<b>(804,801,021)</b>	<b>(617,679,023)</b>
37.50%	37.50%
<b>(301,800,383)</b>	<b>(231,629,634)</b>
3,099,303,284	3,183,381,350
-	-
<b>3,099,303,284</b>	<b>3,183,381,350</b>
37.50%	37.50%
<b>1,162,238,732</b>	<b>1,193,768,006</b>
860,438,349	962,138,373
962,138,373	721,326,693
<b>(101,700,024)</b>	<b>240,811,680</b>

\*Retained earnings includes tax income of BDT 1,162,238,732 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	
2019	2018
<b>9.a.4 Classification of Other Asset</b>	
Unclassified	12,056,914,300
Substandard	-
Doubtful	667,000
Bad/Loss	11,897,000
<b>13,874,313,597</b>	<b>12,069,478,300</b>
<b>10.00 Consolidated borrowing from other banks, financial institutions and agents</b>	
Mutual Trust Bank Limited (Note-10.a)	19,640,823,048
MTB Securities Limited	-
MTB Capital Limited	-
MTB Exchange (UK) Limited	-
Less: Intragroup Borrowings	-
<b>21,701,177,487</b>	<b>19,640,823,048</b>
<b>10.a Borrowing From Other Banks, Financial Institutions &amp; Agents In Bangladesh</b>	
Mutual Trust Bank Limited (Note 10.a.1)	9,088,572,939
Offshore Banking Unit	2,466,122,788
<b>12,213,471,594</b>	<b>11,554,695,728</b>
<b>Outside Bangladesh</b>	
Mutual Trust Bank Limited	-
Offshore Banking Unit	9,523,193,249
<b>10,294,255,894</b>	<b>9,523,193,249</b>
<b>22,507,727,487</b>	<b>21,077,888,977</b>
<b>Less: Inter transaction with Offshore Banking Unit</b>	<b>(1,437,065,928)</b>
<b>21,701,177,487</b>	<b>19,640,823,048</b>
<b>10.a.1 In Bangladesh:</b>	
<b>Borrowing from Bank:</b>	<b>251,700,000</b>
<b>Foreign Currency Borrowing</b>	<b>251,700,000</b>
Southeast Bank Limited	251,700,000
<b>Borrowing from Bangladesh Bank:</b>	<b>8,797,210,763</b>
SME Refinance	337,564,929
Investment Promotion and Financing Facility (IPFF)	1,052,557,850
Long Term Financing Facility (LTFF) under FSSP	1,031,613,283
Export Development Fund	6,375,474,701
<b>Borrowing from Other Institutes:</b>	<b>39,662,177</b>
SME Foundation	39,662,177
<b>Total</b>	<b>9,088,572,939</b>



		Amount in BDT	
		2019	2018
<b>10.a.2</b>	<b>Security against Borrowing From Other Banks, Financial Institutions and Agents</b>		
	Secured (Treasury Bill)	-	-
	Unsecured	21,701,177,487	19,640,823,048
		<b>21,701,177,487</b>	<b>19,640,823,048</b>
<b>10.a.3</b>	<b>Maturity Grouping of Borrowing From Other Banks, Financial Institutions &amp; Agents</b>		
	On Demand	448,397,794	405,825,985
	Repayable within one month	1,975,374,060	1,787,827,983
	More than one month but within six months	6,793,798,972	6,148,781,720
	More than six months but within one year	7,267,473,565	6,577,484,672
	More than one year but within five years	4,387,363,869	3,970,818,517
	More than five year but within ten years	828,769,227	750,084,172
		<b>21,701,177,487</b>	<b>19,640,823,048</b>
<b>11.00</b>	<b>Consolidated deposits and other accounts:</b>		
	<b>Current deposits and other accounts</b>		
	Mutual Trust Bank limited (Note-11.a.1)	16,351,289,150	14,092,056,274
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(760,850)	(1,155,958)
		<b>16,350,528,300</b>	<b>14,090,900,316</b>
	<b>Bills payable</b>		
	Mutual Trust Bank limited (Note-11.a.1)	1,643,542,846	1,703,433,803
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>1,643,542,846</b>	<b>1,703,433,803</b>
	<b>Saving deposit</b>		
	Mutual Trust Bank limited (Note-11.a.1)	29,884,510,508	28,239,575,869
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>29,884,510,508</b>	<b>28,239,575,869</b>
	<b>Special Noticed Deposits</b>		
	Mutual Trust Bank limited (Note-11.a.1)	13,254,585,144	13,302,730,320
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(320,827,996)	(439,543,584)
		<b>12,933,757,149</b>	<b>12,863,186,737</b>

		Amount in BDT	
		2019	2018
	<b>Fixed deposit</b>		
	Mutual Trust Bank limited (Note-11.a.1)	91,160,961,747	77,143,035,120
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Deposit	(100,000,000)	(100,000,000)
		<b>91,060,961,747</b>	<b>77,043,035,120</b>
	<b>Deposit Products</b>		
	Mutual Trust Bank limited (Note-11.a.1)	39,074,403,799	32,220,158,580
	MTB Securities Limited	-	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
		<b>39,074,403,799</b>	<b>32,220,158,580</b>
		<b>190,947,704,349</b>	<b>166,160,290,425</b>
<b>11.a</b>	<b>Deposits and Other Accounts</b>		
	From Customers (Note 11.a.1)	185,869,443,195	155,801,314,966
	From Banks (Note 11.a.1)	5,499,850,000	10,899,675,000
		<b>191,369,293,195</b>	<b>166,700,989,966</b>
<b>11.a.1</b>	<b>Deposit and Other Accounts</b>		
	<b>Current Deposit &amp; Other Accounts :</b>		
	Current Deposit	11,519,858,770	9,405,309,807
	Foreign Currency Deposit	1,996,262,259	1,755,544,307
	Non-Resident Taka account	2,759,575	117,224,680
	Sundry Deposit	2,830,627,155	2,805,088,392
		<b>16,349,507,760</b>	<b>14,083,167,186</b>
	<b>Offshore Banking Unit</b>	1,781,390	8,889,088
		<b>16,351,289,150</b>	<b>14,092,056,274</b>
	<b>Bills Payable :</b>		
	Payment Order Issued	1,639,142,723	1,696,167,488
	Pay Slip Issued	728,189	1,285,595
	Demand Draft Payable	3,671,934	5,980,720
		<b>1,643,542,846</b>	<b>1,703,433,803</b>
	<b>Savings Deposit</b>	<b>29,884,510,508</b>	<b>28,239,575,869</b>
	<b>Special Noticed Deposits</b>	<b>13,254,585,144</b>	<b>13,302,730,320</b>
	<b>Fixed Deposits:</b>		
	Mutual Trust Bank limited	91,139,488,277	77,143,035,120
	Offshore Banking Unit	21,473,471	-
		<b>91,160,961,747</b>	<b>77,143,035,120</b>
	<b>From Customers</b>	<b>85,639,638,277</b>	<b>66,243,360,120</b>
	<b>From Banks (Note 11.a):</b>		
	Sonali Bank Limited	-	999,975,000
	Pubali Bank Limited	999,975,000	-
	Bank Asia Limited	500,000,000	999,975,000
	Southeast Bank Ltd	499,975,000	-
	Agrani Bank Limited	-	3,999,925,000
	The Premier Bank Ltd.	-	399,975,000
	South Bangla Agriculture & Commerce Bank Limited	999,975,000	499,975,000
	BRAC Bank Limited	500,000,000	-
	Rupali Bank Limited	-	1,999,925,000
	United Commercial Bank Limited	499,975,000	1,499,950,000
	Bank Alfalah Limited	-	499,975,000
	Trust Bank Limited	1,499,950,000	-
		<b>5,499,850,000</b>	<b>10,899,675,000</b>

Amount in BDT	
2019	2018
11,877,855,914	11,757,373,974
9,585,359,183	7,763,525,857
8,278,341,684	4,861,043,710
4,755,570,532	4,264,335,236
3,891,940,624	2,968,111,806
350,663,244	290,585,029
13,276,125	134,578,242
149,189,333	153,974,246
17,164,712	14,600,838
11,504,054	10,005,054
796,965	796,965
696,605	690,112
520,945	521,245
141,523,881	16,268
<b>39,074,403,799</b>	<b>32,220,158,580</b>
<b>191,369,293,195</b>	<b>166,700,989,966</b>
6,897,284,946	6,008,196,035
18,552,678,235	18,036,171,304
52,194,008,073	42,852,694,438
53,196,856,463	48,592,002,512
52,918,037,041	44,790,036,760
6,481,349,608	5,438,353,077
1,129,078,829	983,535,840
<b>191,369,293,195</b>	<b>166,700,989,966</b>
<b>20,684,437,942</b>	<b>18,337,051,905</b>
11,519,858,770	9,405,309,807
2,689,605,946	2,541,561,828
1,996,262,259	1,755,544,307
2,759,575	117,224,680
2,832,408,545	2,813,977,479
1,643,542,846	1,703,433,803
<b>170,684,855,253</b>	<b>148,363,938,062</b>
27,194,904,562	25,698,014,041
85,661,111,747	66,243,360,120
5,499,850,000	10,899,675,000
13,254,585,144	13,302,730,320
39,074,403,799	32,220,158,580
<b>191,369,293,195</b>	<b>166,700,989,966</b>

Amount in BDT	
2019	2018
<b>11.a.4 Sectorwise Deposit</b>	
Government	614,272,138
Autonomous & Semi-Autonomous Bodies	796,831,000
Local Authorities	427,416,000
Public Non- Financial Organisation	4,428,392,860
Other Public	791,303,000
Foreign Currency	1,755,544,307
Private	146,987,555,661
Deposit from Banks	10,899,675,000
<b>191,369,293,195</b>	<b>166,700,989,966</b>
<b>12 .00 Consolidated other liabilities</b>	
Mutual Trust Bank limited (Note-12.a)	15,054,620,612
MTB Securities Limited	797,023,859
MTB Capital Limited	88,849,606
MTB Exchange (UK) Limited	36,152,561
Interim Dividend Paid by MTB Securities Limited	-
Less: Intragroup receivable & payable	(40,679,107)
<b>21,174,287,503</b>	<b>15,935,967,530</b>
<b>12 .01 Consolidated Provision for Loans and Advances</b>	
Mutual Trust Bank limited (Note-12.a)	5,200,397,350
MTB Securities Limited	318,463,876
MTB Capital Limited	15,000,000
MTB Exchange (UK) Limited	-
<b>7,136,397,386</b>	<b>5,533,861,226</b>
<b>12.02 Consolidated Provision for Current Income Tax*</b>	
Mutual Trust Bank limited (Note-12.a.6)	6,980,049,674
MTB Securities Limited	39,864,523
MTB Capital Limited	38,504,784
MTB Exchange (UK) Limited	79,038
<b>8,718,164,643</b>	<b>7,058,498,019</b>
<b>*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .</b>	
<b>12.a Other Liabilities</b>	
Provision for Loans and Advances (Note-12.a.1)	5,200,397,350
Provision for Off Balance Sheet Items (Note-12.a.2)	594,642,050
Provision against Shares in quoted companies (Note- 12.a.3)	55,267,667
Provision for Other Asset (Note-12.a.4)	41,000,000
Provision for Income Tax (Note-12.a.6)	6,980,049,674
Provision for Good Borrower	14,301,000
Interest Suspense (Note- 12.a.5)	1,433,525,546
Bonus Payable	275,377,642
Contribution to MTB Foundation	15,000,000
Contribution to MTB Employees Welfare Fund	2,175
Accrued Expenses	30,088,187
Interest Payable on Subordinated debt	244,639,728
Interest Payable on Borrowing	39,460,725
Lease Liabilities (Note-12.a.7)	-
Liabilities Under Finance Lease	692,009
<b>20,115,078,246</b>	<b>14,924,443,754</b>
<b>Offshore Banking Unit</b>	<b>210,930,730</b>
Less: Inter transaction with Offshore Banking Unit	(80,753,871)
<b>20,264,557,270</b>	<b>15,054,620,612</b>

Amount in BDT	
2019	2018
<b>12.a.1 Provision for Loans and Advances For Unclassified</b>	
Opening Balance	2,017,016,000
Add: Provision made during the year	2,016,425,000
<b>Closing Balance</b>	<b>591,000</b>
<b>For Classified</b>	
Opening Balance	3,183,381,350
Add: Provision made during the year	2,398,340,000
Add: Recoveries of amounts previously written off	2,223,526,000
Less: Waiver during the year	44,570,800
Less: Adjustment for Loan written off during the year	964,000
<b>Closing Balance</b>	<b>(448,234)</b>
	<b>(306,472,715)</b>
	<b>(1,439,448,650)</b>
<b>Closing Balance</b>	<b>3,099,303,284</b>
	<b>3,183,381,350</b>
	<b>5,200,397,350</b>
<b>12.a.2 Provision for Off Balance Sheet Items</b>	
Opening Balance	594,642,050
Add: Provision made during the year	589,300,000
<b>Closing Balance</b>	<b>5,342,050</b>
	<b>594,642,050</b>
<b>12.a.3 Provision against Shares in quoted companies</b>	
Opening Balance	55,267,667
Add: Provision made during the year	55,267,667
<b>Closing Balance</b>	<b>-</b>
	<b>55,267,667</b>
<b>12.a.4 Provision for Other Assets</b>	
Opening Balance	41,000,000
Add: Provision made during the year	31,000,000
Less: Adjustment for Loan written off during the year	26,246,000
<b>Closing Balance</b>	<b>(2,142,444)</b>
	<b>41,000,000</b>
<b>12.a.5 Interest Suspense Account</b>	
Opening Balance	1,433,525,546
Add: Addition during the year	1,062,187,946
Less: Adjustment made during the year	1,218,698,801
<b>Closing Balance</b>	<b>(517,847,898)</b>
	<b>1,433,525,546</b>
<b>12.a.6 Provision for Income Tax*</b>	
Opening Balance	6,980,049,674
Less: Adjustment made during the year:	6,138,366,743
Add: Provision made during the year	-
	(185,629,400)
	1,027,312,331
<b>Closing Balance</b>	<b>8,594,390,700</b>
	<b>6,980,049,674</b>

\*Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being .

Amount in BDT	
2019	2018
1,606,438,478	1,015,144,875
7,836,455	12,159,929
66,093	7,527
<b>1,614,341,025</b>	<b>1,027,312,331</b>
2,979,747,105	2,368,901,636
2,968,052,855	2,888,869,725
1,624,120,817	2,489,843,448
<b>4,323,679,144</b>	<b>2,767,927,913</b>

**12.a.6.a Provision for current tax made during the year**

Income tax @ 37.50% on estimated taxable business profit

Income tax @ 20.00% on dividend income

Income tax @ 10.00% on capital gain on sale of shares

**Estimated total provision required**

**Computation of taxable business profit**

Profit before tax

Add: Inadmissible expenditures

Less: Allowable Expenditure & Separate consideration

**Estimated taxable business profit for the year**

**12.a.7 Lease Liabilities**

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 average borrowing rate 9.25%.

**13.a Subordinated Debts**

**MTB 2nd Subordinated Debt**

Opening Balance

Less: Payment during the year

MTB 3rd Subordinated Debt

2,400,000,000	3,000,000,000
600,000,000	600,000,000
<b>1,800,000,000</b>	<b>2,400,000,000</b>
5,000,000,000	5,000,000,000
<b>6,800,000,000</b>	<b>7,400,000,000</b>

The Bank floated MTB 2nd Non convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue 20 October 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 16 February 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.

**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

<b>10,000,000,000</b>	<b>10,000,000,000</b>

**14.a.1.1 Issued, subscribed and Paid-up Capital:**

573,363,038 ordinary shares @ BDT 10 each

66,389,404 ordinary shares @ BDT 10 each issued as bonus

63,707,004 ordinary shares @ BDT 10 each issued as fresh to NORFUND

5,733,630,380	5,096,560,340
663,894,040	637,070,040
637,070,040	-
<b>7,034,594,460</b>	<b>5,733,630,380</b>

During the year 2019 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%	12,000,000	120,000,000	720,000,000
2004-Bonus	20%	14,400,000	144,000,000	864,000,000
2005-Bonus	10%	8,640,000	86,400,000	950,400,000
2006-Bonus	5%	4,752,000	47,520,000	997,920,000
2007-Bonus	25%	24,948,000	249,480,000	1,247,400,000
2008-Right	20%	24,948,000	249,480,000	1,496,880,000
2008-Bonus	18%	26,943,840	269,438,400	1,766,318,400
2009-Bonus	20%	35,326,360	353,263,600	2,119,582,000
2010-Bonus	20%	42,391,640	423,916,400	2,543,498,400
2012-Bonus	10%	25,434,984	254,349,840	2,797,848,240
2013-Bonus	10%	27,978,482	279,784,820	3,077,633,060
2014-Bonus	20%	61,552,661	615,526,610	3,693,159,670
2015-Bonus	20%	73,863,193	738,631,930	4,431,791,600
2016-Bonus	15%	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
<b>Total</b>		<b>703,459,446</b>	<b>7,034,594,460</b>	

#### 14.a.1.3 Classification of Shareholders by holdings as at 31 December 2019

Holdings	No. of Shareholders	No. of Shares	Value of shares in BDT	Total Holdings %
Less than 499 shares	2,283	364,642	3,646,420	0.05%
500 to 5,000 shares	2,549	4,754,043	47,540,430	0.68%
5,001 to 10,000 shares	502	3,354,437	33,544,370	0.48%
10,001 to 20,000 shares	296	4,179,901	41,799,010	0.59%
20,001 to 30,000 shares	94	2,289,005	22,890,050	0.33%
30,001 to 40,000 shares	57	1,919,547	19,195,470	0.27%
40,001 to 50,000 shares	38	1,698,890	16,988,900	0.24%
50,001 to 100,000 shares	87	5,843,632	58,436,320	0.83%
100,001 to 1,000,000 shares	107	29,875,873	298,758,730	4.25%
Over 1,000,000 shares	71	649,179,476	6,491,794,760	92.28%
<b>Total</b>	<b>6,084</b>	<b>703,459,446</b>	<b>7,034,594,460</b>	<b>100.00%</b>

#### 14.a.1.4 Percentage of shareholdings at the closing date:

Particulars	No. of shares	Value of shares BDT	31 December 2019
			% of holding
Sponsors / Directors	308,801,443	3,088,014,430	43.90%
Institutions	150,256,833	1,502,568,330	21.36%
General	244,401,170	2,444,011,700	34.74%
<b>Total</b>	<b>703,459,446</b>	<b>7,034,594,460</b>	<b>100.00%</b>

#### 14.a.1.5 Name of Directors and their shareholdings as at 31 December 2019

Name	Designation	31 December 2019		
		No. of Shares held	BDT	Holding %
Mr. Md. Hedayetullah	Chairman	14,289,971	142,899,710	2.0314%
Mrs. Khwaja Nargis Hossain	Vice Chairman	14,172,040	141,720,400	2.0146%
Mr. Syed Manzur Elahi	Director (Founding Chairman)	23,468,049	234,680,490	3.3361%
Dr. Arif Dowla (Representing Advanced Chemical Industries Ltd.)	Director	21,214,386	212,143,860	3.0157%
Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Director	31,821,616	318,216,160	4.5236%
Mr. M. A. Rouf, JP	Director	14,172,956	141,729,560	2.0148%
Mr. Md. Abdul Malek	Director	14,132,184	141,321,840	2.0090%
Mr. Md. Wakiluddin	Director	14,183,273	141,832,730	2.0162%
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	15,910,756	159,107,560	2.2618%
Mr. Md. Manirul Islam (Representing Pioneer Insurance Company Ltd.)	Director	44,376,660	443,766,600	6.3083%
Mr. Herbert Ludwig Jaeger (Representing NORFUND)	Director	67,026,474	670,264,740	9.5281%
Ms. Nasreen Sattar	Independent Director	-	-	0.0000%
Mr. M. Mokammel Haque	Independent Director	-	-	0.0000%
<b>Total</b>		<b>274,768,365</b>	<b>2,747,683,650</b>	<b>39.0596%</b>

**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  
Statutory Reserve  
Share Premium  
General Reserve  
Minority Interest  
Retained Earnings

**Regulatory Adjustments:**

Goodwill and all other Intangible Assets  
Deferred Tax Assets (95% of DTA as per BB Guideline)  
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities

**Total Common Equity Tier -1 (Going-Concern Capital)**

Additional Tier-1 Capital

**Total Tier-1 Capital**

**Tier-2 Capital (Gone-Concern Capital) :**

General Provision including Off Balance Sheet items  
Revaluation Reserve on Investment in Securities  
Subordinated debt

**Regulatory Adjustments:**

Revaluation Reserve for Fixed Assets , Securities & Equity Securities

**Total Tier-2 Capital (Gone-Concern Capital)**

**A. Total Regulatory Capital (Tier-1+Tier-2)**

**B. Risk Weighted Assets**

**Credit Risk on**

Balance Sheet Exposure  
Off Balance Sheet Exposure

**Market Risk**

**Operational Risk**

**Total Risk Weighted Assets**

**C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)**

**D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)**

E. Capital Requirement	31 December 2019		31 December 2018	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10%	12.91%	10%	12.86%
Common Equity Tier-1	4.50%	7.76%	4.50%	7.08%
Tier- 1 Capital	6.00%	7.76%	6.00%	7.08%
Tier- 2 Capital	-	5.15%	-	5.78%

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. According to that guidelines for the year 2019, total capital requirement including 2.50% conservation buffer is 12.50%.

**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) :**

		Amount in BDT	
		2019	2018
Paid-up Capital		7,034,594,460	5,733,630,380
Statutory Reserve		4,691,953,779	4,096,004,358
Share Premium		1,095,304,778	-
General Reserve		786,777,324	786,777,324
Retained Earnings		1,937,895,067	1,934,032,472
		<b>15,546,525,408</b>	<b>12,550,444,534</b>
<b>Regulatory Adjustments:</b>			
Goodwill and all other Intangible Assets		220,265,993	80,043,823
Deferred Tax Assets (95% of DTA as per BB Guideline)		1,104,126,795	1,134,079,606
Reciprocal Crossholdings in the CET-1 Capital of Banking, Financial and Insurance Entities		219,820	-
		<b>1,324,612,608</b>	<b>1,214,123,429</b>
<b>Total Common Equity Tier -1 (Going-Concern Capital)</b>		<b>14,221,912,800</b>	<b>11,336,321,105</b>
Additional Tier-1 Capital		-	-
<b>Total Tier-1 Capital</b>		<b>14,221,912,800</b>	<b>11,336,321,105</b>
<b>Tier-2 Capital (Gone-Concern Capital) :</b>			
General Provision including Off Balance Sheet items		4,450,290,758	2,611,658,050
Revaluation Reserve on Investment in Securities		260,138,133	260,138,133
Subordinated debt		5,200,000,000	6,800,000,000
		<b>9,910,428,891</b>	<b>9,671,796,183</b>
<b>Regulatory Adjustments:</b>			
Revaluation Reserve for Fixed Assets , Securities & Equity Securities		260,138,133	208,110,506
<b>Total Tier-2 Capital (Gone-Concern Capital)</b>		<b>9,650,290,758</b>	<b>9,463,685,677</b>
<b>A. Total Regulatory Capital (Tier-1+Tier-2)</b>		<b>23,872,203,558</b>	<b>20,800,006,782</b>
<b>B. Risk Weighted Assets</b>			
<b>Credit Risk on</b>			
Balance Sheet Exposure		148,163,116,272	125,033,706,066
Off Balance Sheet Exposure		19,160,409,171	21,805,515,608
		<b>167,323,525,443</b>	<b>146,839,221,674</b>
<b>Market Risk</b>		4,955,301,604	4,013,842,283
<b>Operational Risk</b>		13,333,793,423	11,443,587,821
<b>Total Risk Weighted Assets</b>		<b>185,612,620,471</b>	<b>162,296,651,778</b>
<b>C. Minimum Required Capital on Risk Weighted Assets (Except capital conservation buffer)</b>		<b>18,561,262,047</b>	<b>16,229,665,178</b>
<b>D. Capital Surplus/(Shortfall) (A-C) (Except capital conservation buffer)</b>		<b>5,310,941,511</b>	<b>4,570,341,604</b>

E. Capital Requirement	31 December 2019		31 December 2018	
	Required	Held	Required	Held
Capital to Risk-weighted assets Ratios (CRAR)	10%	12.86%	10%	12.82%
Common Equity Tier-1	4.50%	7.66%	4.50%	6.98%
Tier- 1 Capital	6.00%	7.66%	6.00%	6.98%
Tier- 2 Capital	-	5.20%	-	5.83%

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. According to that guidelines for the year 2019, total capital requirement including 2.50% conservation buffer is 12.50%.

Amount in BDT	
2019	2018
<b>15.a Statutory Reserve</b>	
Opening Balance	3,622,224,031
Add: Transferred during the year (20% of pre-tax profit )	473,780,327
<b>Closing Balance</b>	<b>4,096,004,358</b>
<b>16.a Share Premium</b>	
1,095,304,778	-
<b>1,095,304,778</b>	<b>-</b>
During the year 2019 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 bank received BDT 1,095,304,778 as premium.	
<b>17.00 Consolidated Revaluation Reserve on Investment</b>	
Mutual Trust Bank limited (Note-17.a)	480,328,680
MTB Securities Limited	48,113,290
MTB Capital Limited	-
MTB Exchange (UK) Limited	-
<b>421,956,410</b>	<b>528,441,970</b>
<b>17.a Revaluation Reserve on Investment in Securities</b>	
Opening Balance	696,384,694
Less: Adjust during the year	216,056,014
<b>Closing Balance</b>	<b>480,328,680</b>
<b>18.a General Reserve</b>	
Opening Balance	616,777,324
Add: Transferred from Retained Earnings	170,000,000
<b>Closing Balance</b>	<b>786,777,324</b>
<b>19.00 Consolidated Retained Earnings</b>	
Opening Balance	1,722,348,545
Add: Consolidated Profit made during the year	1,734,445,786
Less: Bonus Share Issued during the year	(637,070,040)
Less: Bonus Share Issued by MTB Capital Limited	(28,088,880)
Less: Transferred to Statutory Reserve	(473,780,327)
Less: Transferred to General Reserve	(170,000,000)
<b>2,222,990,292</b>	<b>2,147,855,084</b>
Add: Capitalized Profit Reserve (Bonus Share Issued by MTB Capital Limited)	28,088,880
<b>Closing Balance</b>	<b>2,175,943,964</b>
<b>19.a Retained Earnings</b>	
Opening Balance	1,632,481,854
Add: Profit made during the year *	1,582,400,985
Less: Bonus Share Issued during the year	(637,070,040)
Less: Transferred to Statutory Reserve	(473,780,327)
Less: Transferred to General Reserve	(170,000,000)
<b>Closing Balance</b>	<b>1,934,032,472</b>

\*Retained earnings includes tax income of BDT 1,162,238,732 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	
2019	2018
<b>20.00 Minority Interest</b>	
Opening balance	128,451
Add: Profit made during the year	124,686
Closing balance	3,765
	<b>128,451</b>
<b>21.a Contingent Liabilities &amp; Commitments</b>	
<b>Acceptances and endorsements:</b>	
Accepted Bill (Inland)	3,397,980,578
Accepted Bill (Foreign)	3,771,718,487
	34,428,937,606
	<b>37,534,670,714</b>
Less: Inter transaction with Off-shore Banking Unit	9,453,967,519
	<b>28,080,703,195</b>
<b>Letter of Guarantee (Note 21.a.1)</b>	
Offshore Banking Unit	30,325,455,151
	19,218,500,645
	11,037,000
	<b>30,336,492,151</b>
	<b>19,295,388,283</b>
<b>Letter of Credit :</b>	
Letter of Credit (Cash)	2,208,025,684
Letter of Credit (Back to Back)	2,791,398,183
Letter of Credit (EDF)	3,458,536,567
Letter of Credit (Deferred)	2,657,188,069
Letter of Credit (Inland)	917,908,824
	230,784,280
	14,690,899,097
	9,864,455,861
	1,122,721,004
	1,078,798,635
	<b>22,398,091,176</b>
	<b>16,622,625,028</b>
<b>Bills for collection :</b>	
Inland	1,226,977,256
Foreign	1,186,305,817
IFDBC (Back to Back)	526,299,665
Foreign Contract	523,952,492
	-
	1,109,000
	-
	1,049,601
	<b>1,753,276,921</b>
	<b>1,712,416,910</b>
<b>Other Contingent Liabilities :</b>	
	-
	-
<b>Other Commitments</b>	
Undrawn formal standby facilities, credit lines and other commitments	-
	-
	-
	<b>82,568,563,443</b>
	<b>65,632,118,530</b>
<b>21.a.1 Letter of Guarantee</b>	
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	36,950,732
Others	114,135,198
	30,299,541,419
	19,104,365,447
	<b>30,336,492,151</b>
	<b>19,218,500,645</b>
Less: Margin	(734,179,134)
	(725,423,287)
	<b>29,602,313,017</b>
	<b>18,493,077,358</b>
iii) Liability on Account of Bills Re-Discounted	-
iv) Liability on Account of Outstanding Forward Exchange Contract	-
	-
	<b>29,602,313,017</b>
	<b>18,493,077,358</b>



Amount in BDT	
2019	2018
<b>21.a.1.1 Segregation of Commitment by Type</b>	
Documentary Credit and Short Term Business Related Transaction	16,622,625,028
Forward Asset Purchased and Forward Deposit	-
Endorsed formal standby facilities, Credit facilities and other commitments:	
Less than one year	47,297,076,592
One year and above	-
Undrawn formal standby facilities, credit lines and other commitments:	
Spot and Forward Foreign Exchange Rate Contract	-
Other Exchange Contract	-
Others	1,712,416,910
<b>82,568,563,443</b>	<b>65,632,118,530</b>
<b>22.00 Income Statement</b>	
<b>Income:</b>	
Interest, Discount and Similar Income	17,615,607,035
Dividend income	60,799,645
Fee, Commission and Brokerage	764,934,272
Exchange Gain	783,390,402
Other Operating Income	617,373,562
<b>23,811,012,066</b>	<b>19,842,104,915</b>
<b>Expenses</b>	
Interest, Fee and Commission	10,451,237,159
Administrative expenses	3,443,579,836
Other operating expenses	1,010,103,938
Depreciation on Banking Assets	328,823,296
<b>18,782,881,837</b>	<b>15,233,744,229</b>
<b>Operating profit</b>	<b>4,608,360,686</b>
<b>23.00 Consolidated Interest Income</b>	
Mutual Trust Bank Limited (Note-23.a)	15,542,079,435
MTB Securities Limited	127,652,385
MTB Capital Limited	32,719,525
MTB Exchange (UK) Limited	-
Less: Intragroup Interest Income (Loans)	-
Less: Intragroup Interest Income (Bank balance)	(15,174,190)
<b>18,394,013,962</b>	<b>15,687,277,155</b>
<b>23.a Interest Income</b>	
Loans and Advances (Note-23.a.1)	15,415,636,030
Money at Call and Short Notice	33,977,777
Balance with Other Banks and Financial Institutions (Note-23.a.2)	70,851,091
Foreign Currency Lending	61,742,533
<b>18,307,324,690</b>	<b>15,582,207,432</b>
Less: Inter transaction with Offshore Banking Unit	(40,127,997)
Adjustment of Good Borrower Rebate	-
<b>18,275,209,756</b>	<b>15,542,079,435</b>

		Amount in BDT	
		2019	2018
<b>23.a.1</b>	<b>Interest on Loans and Advances</b>		
	Term Loan	4,608,494,208	3,382,063,788
	Small and Medium Enterprise Financing	2,499,983,184	2,183,044,636
	Retail/Consumer Financing	1,008,191,691	731,728,300
	General Loans	563,059,571	590,009,852
	Demand Loan	783,546,827	604,095,863
	Payment Against Documents (PAD)	53,728,049	49,048,521
	Trust Receipts	1,510,516,468	1,422,434,591
	Lease Finance	34,838,651	45,887,150
	Export Development Fund	106,960,931	102,987,454
	House Building Loan	696,544,422	581,651,252
	Cash Credit	2,893,485,789	2,931,778,078
	Packing Credit	39,487,317	31,724,029
	Secured Overdraft	2,360,022,797	1,946,613,376
	Bills Purchased and Discounted	241,383,427	251,113,984
	Interest on Loans from Subsidiaries	73,333	-
		<b>17,400,316,665</b>	<b>14,854,180,875</b>
	Offshore Banking Unit	733,554,741	561,455,155
		<b>18,133,871,406</b>	<b>15,415,636,030</b>
<b>23.a.2</b>	<b>Interest on Balance with other Bank and Financial Institution</b>		
	Interest on Balance with other Bank in Bangladesh	113,317,988	70,851,091
	Interest on Balance held with outside Bangladesh	-	-
		<b>113,317,988</b>	<b>70,851,091</b>
<b>24.00</b>	<b>Consolidated Interest Paid on Deposits &amp; Borrowings, etc.</b>		
	Mutual Trust Bank Limited (Note-24.a)	12,990,077,845	10,451,237,159
	MTB Securities Limited	73,333	-
	MTB Capital Limited	-	-
	MTB Exchange (UK) Limited	-	-
	Less: Intragroup Interest Expense (Borrowings)	(73,333)	-
	Less: Intragroup Interest Expense (Deposits)	(25,776,744)	(15,174,190)
		<b>12,964,301,101</b>	<b>10,436,062,969</b>
<b>24.a</b>	<b>Interest on Deposits &amp; Borrowings, etc.</b>		
	Interest on Deposit and Other Accounts (Note-24.a.1 )	11,344,879,646	9,098,433,834
	Interest on Subordinated Bonds and Borrowing from other Banks and Financial Institutions (24.a.2)	1,036,151,312	902,107,117
	Interest on lease liability	41,307,902	-
		<b>12,422,338,861</b>	<b>10,000,540,951</b>
	<b>Offshore Banking Unit</b>	608,386,918	490,824,205
	Less: Inter transaction with Offshore Banking Unit	(40,647,934)	(40,127,997)
		<b>12,990,077,845</b>	<b>10,451,237,159</b>
<b>24.a.1</b>	<b>Interest on Deposits and Other Accounts</b>		
	Savings Deposits	1,026,904,979	886,423,605
	Short Term Deposits	592,607,426	426,322,011
	Fixed Deposits	6,574,157,539	4,976,706,273
	Deposit-Products	3,151,209,703	2,808,981,944
		<b>11,344,879,646</b>	<b>9,098,433,834</b>
<b>24.a.2</b>	<b>Interest on Subordinated Bonds and Borrowing other Banks and Financial Institutions</b>		
	Interest on Borrowing from other Banks and Financial Institutions	312,820,411	142,260,539
	Interest on Subordinated Debt	723,330,901	759,846,578
		<b>1,036,151,312</b>	<b>902,107,117</b>

		Amount in BDT	
		2019	2018
<b>25.00</b>	<b>Consolidated Investment Income</b>		
	Mutual Trust Bank Limited (Note-25.a)	2,480,613,492	2,239,089,134
	MTB Securities Limited	45,807,527	80,744,916
	MTB Capital Limited	9,204,906	23,333,684
	MTB Exchange (UK) Limited	-	-
		<b>2,535,625,925</b>	<b>2,343,167,734</b>
<b>25.a</b>	<b>Investment Income</b>		
	Interest on Treasury Bond	2,250,488,492	1,957,307,231
	Interest on reverse REPO	6,665,002	55,266
	Interest on other Investment	165,941,188	116,165,103
	Amortization on Treasury Bill	101,877,760	28,767,187
	Capital Gain from Trading in Govt. Securities	438,504,739	462,637,401
	Capital Gain/(Loss) on Investment in shares of quoted companies	660,929	75,268
	Dividend on Investment in Shares	22,628,417	17,847,193
	Dividend from Mutual and Unit Fund	16,553,858	42,952,451
	Prize Bond	2,000	-
		<b>3,003,322,385</b>	<b>2,625,807,101</b>
	Loss from Government Securities	(193,708,967)	(53,154,886)
	Loss on revaluation of Government Securities	(328,999,926)	(333,563,081)
		<b>2,480,613,492</b>	<b>2,239,089,134</b>
<b>26.00</b>	<b>Consolidated Commission, Exchange and Brokerage</b>		
	Mutual Trust Bank Limited (Note-26.a)	2,470,700,371	1,548,324,674
	MTB Securities Limited	132,855,678	116,309,986
	MTB Capital Limited	538,750	1,538,818
	MTB Exchange (UK) Limited	25,688,274	16,632,082
		<b>2,629,783,073</b>	<b>1,682,805,559</b>
<b>26.a</b>	<b>Commission, Exchange and Brokerage</b>		
	Commission (Note-26.a.1 )	801,466,765	764,934,272
	Exchange	1,669,233,606	783,390,402
		<b>2,470,700,371</b>	<b>1,548,324,674</b>
<b>26.a.1</b>	<b>Commission</b>		
	Commission on Letter of Guarantee	162,705,485	120,642,802
	Commission on Letter of Credit	268,155,288	269,532,164
	Commission on Acceptance of Bills	280,706,406	288,725,170
	Commission on LC Advising	12,770,469	12,390,302
	Commission on PO, DD & TT	3,800,467	4,318,659
	Exchange houses commission	34,597,365	33,613,625
	On-line service commission	11,733,432	12,549,088
	Commission on IBC	519,798	420,580
	Underwriting Commission regarding Treasury Bill/Bond	13,845,786	10,153,456
	Commission on POS	10,099,218	10,907,282
	Commission on RTGS	2,485,485	1,303,295
		<b>801,419,198</b>	<b>764,556,422</b>
	<b>Offshore Banking Unit</b>	47,566	377,850
		<b>801,466,765</b>	<b>764,934,272</b>

		Amount in BDT	
		2019	2018
<b>27.00</b>	<b>Consolidated other operating income</b>		
	Mutual Trust Bank Limited (Note-27.a)	584,488,448	512,611,672
	MTB Securities Limited	11,169,102	11,943,742
	MTB Capital Limited	16,491,325	25,041,683
	MTB Exchange (UK) Limited	3,237,912	3,335,043
	Less: Intragroup other operating income	(3,330,937)	(1,000,000)
		<b>612,055,850</b>	<b>551,932,140</b>
<b>27.a</b>	<b>Other Operating Income</b>		
	Handling Charges	840,889	1,868,249
	VISA Card	31,858,486	26,431,477
	Service Charges	119,465,085	141,946,091
	Telephone & SMS Charge Recoveries	15,248,085	10,767,503
	SWIFT Charge Recoveries	28,979,976	23,981,170
	SME Fees and Charges	510,114	380,213
	Management fees	23,690,133	20,239,137
	Early Settlement Fee	6,151,493	4,727,762
	Loan Processing Fee	37,761,337	35,841,722
	Partial Payment Fee	397,319	215,448
	Charges against cards	223,537,401	139,199,919
	NPSB Acquire Income	12,779,272	10,188,970
	Locker Rent	4,294,186	4,440,779
	Miscellaneous Earnings	62,585,784	79,453,362
		<b>568,099,563</b>	<b>499,681,803</b>
	<b>Offshore Banking Unit</b>	16,388,885	12,929,869
		<b>584,488,448</b>	<b>512,611,672</b>
<b>28.00</b>	<b>Consolidated salaries and allowances</b>		
	Mutual Trust Bank Limited (Note-28.a)	3,177,470,280	2,621,504,314
	MTB Securities Limited	81,739,725	74,110,832
	MTB Capital Limited	11,902,633	11,074,769
	MTB Exchange (UK) Limited	5,325,289	4,832,811
		<b>3,276,437,927</b>	<b>2,711,522,726</b>
<b>28.a</b>	<b>Salary &amp; Allowances</b>		
	Basic Pay	1,349,375,064	1,118,502,793
	Allowances	984,122,458	772,214,821
	Bonus	501,310,309	426,904,209
	Gratuity	116,400,000	116,400,000
	Leave Fare Assistance	105,231,909	89,206,147
	Provident Fund	121,030,540	98,276,345
		<b>3,177,470,280</b>	<b>2,621,504,314</b>
<b>28.a.1</b>	<b>Managing Director's Remuneration</b>		
	Basic	10,378,309	8,826,667
	Allowance	4,000,667	4,176,000
	Bonus	3,400,000	3,250,000
	Leave Fare Assistance	4,450,000	2,100,000
	Provident Fund	1,037,830	882,666
		<b>23,266,806</b>	<b>19,235,333</b>

Amount in BDT	
2019	2018
633,255,964	659,362,862
28,567,163	27,365,030
3,487,392	3,631,437
5,966,739	6,093,679
<b>671,277,258</b>	<b>696,453,008</b>
287,297,659	384,325,967
60,600,748	53,728,522
4,519,847	6,300,019
164,112,221	107,204,490
116,725,489	107,803,864
<b>633,255,964</b>	<b>659,362,862</b>
lease liabilities (note 24.a) and depreciation on ROU	
47 in 2019 against those rental premises that have	
per IFRS 16.	
4,723,622	3,369,120
-	-
-	-
-	-
<b>4,723,622</b>	<b>3,369,120</b>
4,723,622	3,369,120
<b>4,723,622</b>	<b>3,369,120</b>
15,857,195	13,658,948
900,049	746,806
111,000	113,358
203,702	116,504
<b>17,071,946</b>	<b>14,635,616</b>
5,819,042	4,562,830
10,038,153	9,096,118
<b>15,857,195</b>	<b>13,658,948</b>
133,856,048	123,118,858
1,202,701	1,071,163
211,267	279,660
441,093	248,127
<b>135,711,109</b>	<b>124,717,809</b>

Amount in BDT	
2019	2018
<b>32.a Printing, Stationery and Advertisement etc.</b>	
Printing Stationery	32,309,568
Security Stationery	3,826,916
Computer Stationery	13,883,920
Petty & Table Stationery	14,753,718
Publicity & Advertisement	58,344,737
<b>133,856,048</b>	<b>123,118,858</b>
<b>33.00 Consolidated Directors' Fees</b>	
Mutual Trust Bank Limited (Note-33.a)	1,996,400
MTB Securities Limited	669,300
MTB Capital Limited	675,000
MTB Exchange (UK) Limited	-
<b>2,979,633</b>	<b>3,340,700</b>
<b>33.a Directors' Fees</b>	
Meeting fee	1,996,400
<b>1,766,400</b>	<b>1,996,400</b>
Bank has paid BDT 8,000 as Honarium according to the BRPD circular letter no. 11 dated 04 October 2015	
<b>34.00 Consolidated Auditors Fees</b>	
Mutual Trust Bank Limited (Note-34.a)	1,334,000
MTB Securities Limited	69,000
MTB Capital Limited	68,750
MTB Exchange (UK) Limited	366,855
<b>2,469,799</b>	<b>1,838,605</b>
<b>34.a Auditors Fees</b>	
Annual Account	1,150,000
Quarterly Accounts	-
NOSTRO Account	69,000
IPFF Account	57,500
Corporate Governance	57,500
<b>1,943,500</b>	<b>1,334,000</b>
<b>35.00 Consolidated depreciation and repair of bank's properties</b>	
Mutual Trust Bank Limited (Note-35.a)	455,800,221
MTB Securities Limited	7,371,775
MTB Capital Limited	1,090,592
MTB Exchange (UK) Limited	481,024
<b>632,918,334</b>	<b>464,743,611</b>
<b>35.01 Consolidated depreciation of assets</b>	
Mutual Trust Bank Limited (Note-35.a)	328,823,296
MTB Securities Limited	6,908,513
MTB Capital Limited	805,767
MTB Exchange (UK) Limited	405,986
<b>505,035,054</b>	<b>336,943,561</b>



		Amount in BDT	
		2019	2018
35.01.1	<b>Consolidated Repair &amp; Maintenance of assets</b>		
	Mutual Trust Bank Limited (Note-35.a)	127,119,474	126,976,925
	MTB Securities Limited	343,618	463,262
	MTB Capital Limited	267,700	284,825
	MTB Exchange (UK) Limited	152,488	75,038
		<b>127,883,280</b>	<b>127,800,050</b>
35.a	<b>Depreciation on &amp; Repairs of Bank's properties Depreciation :</b>		
	Immovable Property	31,493,664	32,301,194
	Furniture & Fixture	86,352,353	86,371,919
	Office Equipments	202,171,134	161,279,548
	Motor Vehicles	25,597,303	22,132,370
	Intangible Asset	36,460,622	26,738,265
	Right off use Assets	115,509,239	-
		<b>497,584,315</b>	<b>328,823,296</b>
	Repairs on Bank's properties	127,119,474	126,976,925
		<b>624,703,789</b>	<b>455,800,221</b>
36.00	<b>Consolidated other expenses</b>		
	Mutual Trust Bank Limited (Note-36.a)	1,175,960,389	883,127,014
	MTB Securities Limited	17,050,852	15,180,525
	MTB Capital Limited	3,113,182	2,942,537
	MTB Exchange (UK) Limited	7,683,537	4,685,068
	Less: Intragroup other expenses	(3,330,937)	(1,000,000)
		<b>1,200,477,023</b>	<b>904,935,144</b>
36.a	<b>Other Expenses</b>		
	Security & Auxiliary Service	232,399,462	180,471,454
	Office Cleaning	65,098,105	47,362,080
	Office Maintenance	26,149,598	21,312,861
	Car Expense	265,098,071	209,864,380
	Entertainment	76,474,450	49,599,459
	Newspaper & Periodicals	1,121,788	1,417,404
	Clearing House Expense	63,650	460,226
	Traveling & Conveyance	79,777,730	57,942,081
	Bank Charge	4,636,168	7,620,395
	Training Expense	13,815,549	11,744,999
	Professional Fee	28,302,953	15,053,070
	AGM Expense	789,829	636,485
	Subscription & Donation	33,439,078	62,105,006
	Reuters Charge	-	2,423,288
	CDBL Charges	583,642	503,181
	Fees & Registration	13,512,613	9,257,777
	Business Development Expense	195,126,867	101,311,551
	Contribution to MTB Foundation	20,000,000	15,000,000
	Honorarium	993,837	729,400
	Cash Carrying Expense	23,612,863	22,085,318
	Contact Point Verification (CPV) Charges	2,286,555	3,234,129
	Site Maintenance & Support Service	2,952,517	2,324,100
	On-line and connectivity charges	35,426,745	36,746,362
	NID Verification Charge	252,603	763,073
	Agent Banking Float Sharing Commission	24,839,409	12,261,309
	Loss on Sale of Fixed Assets	11,259,372	7,337,546
		<b>1,158,013,453</b>	<b>879,566,936</b>
	<b>Offshore Banking Unit</b>	17,946,936	3,560,077
		<b>1,175,960,389</b>	<b>883,127,014</b>

		Amount in BDT	
		2019	2018
<b>37.00</b>	<b>Consolidated Provision for Loans,Investment &amp; Other</b>		
	Provision for Classified Loans & Advances	178,272,083	2,223,526,000
	Provision for Unclassified Loans and Advances	1,681,603,942	591,000
	Provision for Off Balance Sheet Items	157,028,766	5,342,050
	Provision for Margin Loan & Investment in Shares	97,232,333	103,000,000
	Provision for Other Asset	26,246,000	10,000,000
		<b>2,140,383,124</b>	<b>2,342,459,050</b>
<b>37.a</b>	<b>Provision for Loans,Investment &amp; Other</b>		
	Provision for Classified Loans & Advances	178,272,083	2,223,526,000
	Provision for Unclassified Loans and Advances	1,681,603,942	591,000
	Provision for Off Balance Sheet Items	157,028,766	5,342,050
	Provision for Investment in Shares	5,232,333	-
	Provision for Other Asset	26,246,000	10,000,000
		<b>2,048,383,124</b>	<b>2,239,459,050</b>
<b>38.00</b>	<b>Consolidated Provision for Current Tax</b>		
	Mutual Trust Bank Limited (Note-38.a)	1,614,341,025	1,027,312,331
	MTB Securities Limited	32,109,036	-
	MTB Capital Limited	13,212,994	20,537,777
	MTB Exchange (UK) Limited	80,300	82,709
		<b>1,659,743,356</b>	<b>1,047,932,816</b>
<b>38.a</b>	<b>Provision for Current Tax</b>		
	Current tax	1,614,341,025	1,027,312,331
		<b>1,614,341,025</b>	<b>1,027,312,331</b>
<b>38.01</b>	<b>Consolidated Deferred Tax (Income)/Expenses</b>		
	Mutual Trust Bank limited (Note-38.a.1)	101,700,024	(240,811,680)
	MTB Securities Limited	243,633	321,418
	MTB Capital Limited	(14,837)	(23,208)
	MTB Exchange (UK) Limited	-	-
		<b>101,928,820</b>	<b>(240,513,470)</b>
<b>38.a.1</b>	<b>Provision for Deferred Tax</b>		
	Deferred Tax (Note-9.a.3.2.1)	101,700,024	(240,811,680)
		<b>101,700,024</b>	<b>(240,811,680)</b>
* 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.			
<b>39 .00</b>	<b>Consolidated Earning Per Share (EPS):*</b>		
	Consolidated Net Profit After Tax	1,337,787,557	1,734,445,786
	Weighted average number of Ordinary Shares outstanding	<b>657,816,846</b>	<b>636,432,972</b>
	<b>Earning Per Share (EPS)</b>	<b>2.03</b>	<b>2.73</b>
*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).			
<b>39.a</b>	<b>Earning Per Share (EPS):*</b>		
	Net Profit After Tax	1,263,706,056	1,582,400,985
	Weighted average number of Ordinary Shares outstanding	<b>657,816,846</b>	<b>636,432,972</b>
	<b>Earning Per Share (EPS)</b>	<b>1.92</b>	<b>2.49</b>
*Earnings per share has been calculated in accordance with IAS-33: Earnings Per Share (EPS).			

Amount in BDT	
2019	2018
931,824,908	950,936,642
32,941,552	73,603,808
22,200,252	44,737,012
3,237,912	3,335,043
(3,330,937)	(1,000,000)
<b>986,873,688</b>	<b>1,071,612,505</b>
840,889	1,868,249
31,858,486	26,431,477
119,465,085	141,946,091
15,248,085	10,767,503
28,979,976	23,981,170
510,114	380,213
23,690,133	20,239,137
44,310,149	40,784,932
223,537,401	139,199,919
12,779,272	10,188,970
4,294,186	4,440,779
101,877,760	28,767,187
244,795,772	409,482,515
660,929	75,268
2,000	-
62,585,784	79,453,362
16,388,885	12,929,869
<b>931,824,908</b>	<b>950,936,642</b>
671,277,258	696,453,008
4,723,622	3,369,120
17,071,946	14,635,616
2,979,633	3,340,700
2,469,799	1,838,605
127,883,280	127,800,050
1,169,217,651	882,597,598
<b>1,995,623,190</b>	<b>1,730,034,697</b>
633,255,964	659,362,862
4,723,622	3,369,120
15,857,195	13,658,948
1,766,400	1,996,400
1,943,500	1,334,000
127,119,474	126,976,925
1,144,701,017	860,789,468
<b>1,929,367,172</b>	<b>1,667,487,722</b>

		Amount in BDT	
		2019	2018
<b>42.00</b>	<b>Consolidated Reconciliation of cash flows from operating activities</b>		
	<b>Profit before provision</b>	<b>5,239,844,252</b>	<b>4,884,327,947</b>
	<b>Adjustment for non cash items</b>		
	Depreciation on fixed assets	468,574,432	310,205,296
	Amortization on software	36,460,622	26,738,265
		<b>505,035,054</b>	<b>336,943,561</b>
	<b>Adjustment with non-operating activities</b>		
	Recovery of written of loan	44,570,800	964,000
	Accounts Receivable	(262,612,986)	85,810,305
	Accounts Payable on deposits	890,113,283	545,913,298
	Loss on sale of assets	11,259,372	7,337,546
	Loss on revaluation of Government Securities	328,999,926	333,563,081
	MTB Foundation	20,000,000	15,000,000
		<b>1,032,330,395</b>	<b>988,588,230</b>
	<b>Changes in operating assets and liabilities</b>		
	Changes in loans & advances	(23,562,878,428)	(20,560,108,373)
	Changes in deposits & other accounts	23,888,295,261	13,824,600,980
	Changes in borrowings	2,060,354,439	3,223,144,949
	Changes in other assets	(485,750,630)	(512,496,899)
	Changes in other liabilities	1,280,699,252	(1,014,268,060)
		<b>3,180,719,895</b>	<b>(5,039,127,402)</b>
	<b>Income tax paid</b>	<b>(1,082,227,232)</b>	<b>(1,012,393,682)</b>
		<b>8,875,702,363</b>	<b>158,338,655</b>
<b>42.a</b>	<b>Reconciliation of statement of cash flows from operating activities</b>		
	<b>Profit before provision</b>	<b>5,028,130,229</b>	<b>4,608,360,686</b>
	<b>Adjustment for non cash items</b>		
	Depreciation on fixed assets	461,123,693	302,085,031
	Amortization on software	36,460,622	26,738,265
		<b>497,584,315</b>	<b>328,823,296</b>
	<b>Adjustment with non-operating activities</b>		
	Recovery of written of loan	44,570,800	964,000
	Accounts Receivable	(262,612,986)	85,810,305
	Accounts Payable on deposits	890,113,283	545,913,298
	Loss on sale of assets	11,259,372	7,337,546
	Loss on revaluation of Government Securities	328,999,926	333,563,081
	MTB Foundation	20,000,000	15,000,000
		<b>1,032,330,395</b>	<b>988,588,230</b>
	<b>Changes in operating assets and liabilities</b>		
	Changes in loans & advances	(23,465,186,944)	(20,484,190,051)
	Changes in deposits & other accounts	23,769,184,566	13,904,205,463
	Changes in borrowings	2,060,354,439	3,223,144,949
	Changes in other assets	(522,284,494)	(529,329,986)
	Changes in other liabilities	1,389,947,064	(928,736,069)
		<b>3,232,014,631</b>	<b>(4,814,905,694)</b>
	<b>Income tax paid</b>	<b>(1,041,656,123)</b>	<b>(962,335,238)</b>
		<b>8,748,403,448</b>	<b>148,531,280</b>

Amount in BDT	
2019	2018

**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 2,340.

**44.00 Number of Branches**

118	114
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**45.00 Number of Meeting**

Board Meeting

14	16
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Executive Committee Meeting

3	8
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Audit Committee Meeting

4	4
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Risk Management Committee Meeting

4	5
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**46.00 Auditors Work Hour**

The external auditors of the bank, **A. Qasem & Co.**, Chartered Accountants covered 80% of the Bank's Risk Weighted Asset and has spent around 1,600 man-hours to complete the audit as per International Standards on Auditing (ISAs).

**47.00 Related Party Disclosures of the Bank**

**Annexure-E**

i) Name of the Directors together with a list of entities in which they have interest

ii) Significant contracts where Bank is a party and wherein Directors have Interest during the year ended 31 December 2019

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		USD 5,477.08
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 77.43
		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	-	USD 20.00
		Credit Card	USD 2,500	-	-
Mr. M. A. Rouf, JP	Director	Credit Card	BDT 1,000,000	BDT 12,737.00	-
Mr. Md. Abdul Malek	Director	Credit Card	BDT 1000,000	-	-
Mr. Md. Wakiluddin	Director	Credit Card	BDT 900,000	BDT 138,077.29	USD 2,507.00
		Credit Card	BDT 100,000	BDT 12,036.93	-
Ms. Anika Chowdhury (Representing ASTRAS Ltd.)	Director	Credit Card	BDT 453,500	-	-
Mr. Herbert Ludwig Jaeger (Representing NORFUND)	Director	Credit Card	-	-	-
		Credit Card	-	-	-
Mr. M. Mokammel Haque	Independent Director	Credit Card	-	-	-
Ms. Nasreen Sattar	Independent Director	Credit Card	-	-	-

iii) Shares issued to Directors and Executives without consideration or exercisable at a discount

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)	0.373	RM of Land and Building
Sunbeams School	Mr. Syed Manzur Elahi	Term Loan	7.558	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	Purpose	Mr. Rashed Ahmed Chowdhury	Approved by Board of MTB
	Bilquis Tower ATM Booth		
	ABC House ATM Booth		
	ABC Heritage ATM Booth		
Lease agreement	ABC BPL ATM Booth	Mr. Md. Wakiluddin	Approved by Bangladesh Bank
	Pragati Sarani Branch		
Lease agreement	Pragati Sarani Branch ATM Booth	Syed Manzur Elahi	Approved by Board of MTB
	Apex Adelchi Footwear Ltd. ATM Booth		

vii) Business with subsidiary

Name of party	Relationship	Nature of transaction	Outstanding balance BDT Million
MTB Securities Limited	Subsidiary Company	Loan facility	0.00
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 year 2019 is as follows:

Particulars	Amount in BDT	
	2019	2018
Short-term employee benefit	58,941,880	55,678,177

Key Management personnel includes Managing Director, Additional Managing Director, Deputy Managing Director, Head of Internal Control & Compliance Division, Chief Financial Officer and Company Secretary.

**49.00 Events after the Balance Sheet Date**

Subsequent to the Balance Sheet date, The Board of Directors recommended 10% Dividend ( 5% Cash and 5% Stock) for the year 2019 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 2019 are shown in Annexure-F**



# MUTUAL TRUST BANK LIMITED

## Balance with other Banks- Out Side Bangladesh (NOSTRO Account)

As at 31 December 2019

### Annexure- A

Currency wise position and Exchange rate applied for conversion of Balance with other Banks in Foreign Currency into Local currency as at 31 December 2019

Name of the Bank	Currency	2019			2018		
		Foreign Currency Amount	Exchange Rate	BDT	Foreign Currency Amount	Exchange Rate	BDT
Mashreq Bank PSC, New York	US\$	2,076,497	84.90	176,294,631	6,169,516	83.90	517,622,372
Standard Chartered Bank, New York	US\$	12,311,343	84.90	1,045,233,008	979,594	83.90	82,187,926
Habib American Bank, New York	US\$	5,407,998	84.90	459,139,012	2,163,522	83.90	181,519,504
ICICI Bank Ltd., Hong Kong	US\$	246,567	84.90	20,933,515	37,224	83.90	3,123,086
Commerz Bank AG, Germany	US\$	853,272	84.90	72,442,822	531,430	83.90	44,586,987
KB Kookmin Bank, South Korea	US\$	699,433	84.90	59,381,899	442,990	83.90	37,166,899
Standard Chartered Bank, Singapore	SGD	59,853	62.79	3,758,169	56,281	61.12	3,439,664
Standard Chartered Bank, Colombo	ACU	80,517	84.90	6,835,874	50,706	83.90	4,254,223
Mashreq Bank PSC, London	GBP	1,242	111.03	137,908	226,272	106.23	24,037,784
Standard Chartered Bank, London	GBP	500,738	111.03	55,596,961	794,951	106.23	84,450,986
Habib American Bank, Zurich	CHF	58,053	82.15	4,769,044	55,362	84.52	4,679,372
Standard Chartered Bank, Tokyo	JPY	6,420,030	0.78	5,007,623	7,150,514	0.76	5,408,649
UBAF, Tokyo	JPY	4,744,893	0.78	3,701,016	2,702,301	0.76	2,044,022
Mashreq Bank PSC, London	EUR	-	94.89	-	55,075	95.51	5,260,343
Standard Chartered Bank, Germany	EUR	19,649	94.89	1,864,453	24,574	95.51	2,347,155
ICICI Bank Ltd., Mumbai	EUR	6,164	94.89	584,941	6,164	95.51	588,774
Unicredit Bank, Germany	EUR	13,776	94.89	1,307,231	3,922	95.51	374,614
Commerz Bank AG, Germany	EUR	82,090	94.89	7,789,486	275,453	95.51	26,309,047
United Bank of India, Kolkata	EUR	4,226	94.89	400,962	4,226	95.51	403,590
Sonali Bank Ltd., Kolkata	ACU	71,070	84.90	6,033,802	141,495	83.90	11,871,432
Standard Chartered Bank, Mumbai	ACU	306,138	84.90	25,991,135	240,545	83.90	20,181,751
Standard Chartered Bank, Kolkata	ACU	455,982	84.90	38,712,912	500,482	83.90	41,990,479
Standard Chartered Bank, Karachi Pakistan	ACU	69,602	84.90	5,909,247	98,908	83.90	8,298,417
United Bank of India, Kolkata	ACU	90,702	84.90	7,700,617	186,100	83.90	15,613,811
Mashreq Bank PSC, Mumbai	ACU	243,691	84.90	20,689,354	595,410	83.90	49,954,929
AB Bank Ltd., Mumbai	ACU	981,715	84.90	83,347,618	45,287	83.90	3,799,575
ICICI Bank Ltd., Mumbai	ACU	479,823	84.90	40,736,984	93,077	83.90	7,809,184
HDFC Bank Ltd., Mumbai	ACU	86,110	84.90	7,310,759	477,370	83.90	40,051,377
Himalayan Bank Ltd., Kathmandu	ACU	109,490	84.90	9,295,701	109,490	83.90	9,186,211
Nepal Bangladesh Bank Limited	ACU	131,974	84.90	11,204,601	131,974	83.90	11,072,627
Habib Metropolitan Bank Ltd., Karachi	ACU	35,398	84.90	3,005,315	48,243	83.90	4,047,559
Axis Bank Ltd., Mumbai	ACU	143,432	84.90	12,177,349	244,153	83.90	20,484,459
Mashreq Bank PSC, UAE	AED	18,175,682	23.11	420,040,016	13,854,218	22.84	316,445,588
Commerz Bank AG, Germany	AUD	36,366	59.24	2,154,296	203,559	59.23	12,055,773
Bank Al Bilad KSA (SAR)	SAR	500,117	22.63	11,317,643	506,376	22.36	11,322,967
ICICI, Mumbai	ACU			28,032,607	-	-	28,032,607
<b>Total</b>		<b>55,503,633</b>		<b>2,658,838,512</b>	<b>39,206,768</b>		<b>1,642,023,744</b>

# MUTUAL TRUST BANK LIMITED

## INVESTMENT IN SHARES

As at 31 December 2019

### Annexure-B

Amount in BDT

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December 2019	Total Market Value as at 31 December 2019	Unrealised Gain/Loss
<b>A</b>	<b>Quoted Share</b>							
1	BRAC Bank Ltd.	10	5,952	379,459	63.75	57.10	339,859	(39,600)
2	Renata Ltd	10	210	228,910	1,089.53	1,096.50	230,375	1,465
3	The City Bank Ltd.	10	10,418	273,287	26.23	21.10	219,820	(53,467)
4	Confidence Cement	10	2,401	377,458	157.20	106.10	254,767	(122,691)
5	Nahee Aluminium Comp.	10	1,211	77,505	64.00	36.60	44,326	(33,179)
6	Marico	10	10	17,160	1,716.00	1,673.30	16,733	(427)
7	Meghna Cement	10	23,100	2,147,145	92.95	63.40	1,464,540	(682,605)
8	Dhaka Electric Supply Company Ltd.	10	28,638	2,907,903	101.54	37.00	1,059,606	(1,848,297)
9	First Finance Limited	10	121,275	3,461,189	28.54	4.20	509,355	(2,951,834)
10	Global Heavy Chemicals Limited	10	10,000	614,200	61.42	25.60	256,000	(358,200)
11	Grameenphone Ltd.	10	1,199	468,407	390.66	285.80	342,674	(125,733)
12	Jamuna Oil Company Limited	10	66,000	15,467,760	234.36	141.90	9,365,400	(6,102,360)
13	Matin Spinning Mills Ltd.	10	100,000	4,733,000	47.33	33.20	3,320,000	(1,413,000)
14	Meghna Petroleum Limited	10	65,000	14,857,700	228.58	163.80	10,647,000	(4,210,700)
15	National Bank Ltd.	10	310,634	4,463,811	14.37	8.10	2,516,135	(1,947,675)
16	Apex Tannery Ltd	10	30,233	3,881,313	128.38	116.80	3,531,214	(350,098)
17	Northern General Insurance Company Ltd.	10	30,719	967,956	31.51	25.20	774,119	(193,837)
18	Orion Pharma Ltd.	10	50,000	3,551,000	71.02	26.90	1,345,000	(2,206,000)
19	Phoenix Insurance Company Ltd.	10	42,750	2,579,108	60.33	26.90	1,149,975	(1,429,133)
20	Premier Cement Mills Limited	10	25,000	2,940,500	117.62	44.20	1,105,000	(1,835,500)
21	RAK Ceramics (Bangladesh) Limited	10	19,057	1,114,453	58.48	28.70	546,936	(567,517)
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	2,001	486,022	242.90	190.00	380,171	(105,851)
24	Summit Power Limited	10	692,102	38,916,895	56.23	36.30	25,123,303	(13,793,593)
25	United Airways (BD) Ltd.	10	338,800	7,006,384	20.68	1.40	474,320	(6,532,064)
26	Rangpur Foundry Ltd	10	1,925	265,804	138.08	119.90	230,808	(34,997)
27	Runner Automobiles Ltd	10	57,750	5,238,503	90.71	59.50	3,436,125	(1,802,378)
28	Free Fund available			16,642,454			16,642,454	-
	<b>Sub-Total</b>		<b>2,194,785</b>	<b>137,778,179</b>			<b>85,943,775</b>	<b>(51,834,405)</b>

# MUTUAL TRUST BANK LIMITED

## INVESTMENT IN SHARES

As at 31 December 2019

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	Average Cost	Quoted Rate Per Share 31 December 2019	85% NAV	Total Value as per 85% of NAV as at 31 December 2019"	Provision per Req. as per BB Guideline
<b>B.</b>	<b>Mutual Fund (Quoted)</b>								
1	DBH First Mutual Fund	10	8,450	59,608	7.05	8.40	7.76	65,576	-
2	Green Delta Mutual Fund	10	15,758	116,641	7.40	8.00	7.76	122,290	-
3	First Bangladesh Fixed Income Fund	10	34,100,205	219,643,027	6.44	3.70	8.45	288,112,632	-
4	EBL NRB Mutual Fund	10	16,287,167	108,951,108	6.69	4.10	8.44	137,471,833	-
5	MBL 1st Mutual Fund	10	4,160,000	41,600,000	10.00	6.10	7.92	32,955,520	(8,644,480)
6	PHP First Mutual Fund	10	4,792,155	32,808,980	6.85	4.20	8.46	40,529,651	-
	<b>Sub-Total</b>		<b>59,363,735</b>	<b>403,179,364</b>				<b>499,257,502</b>	<b>(8,644,480)</b>
				<b>540,957,544</b>					<b>(60,478,885)</b>

SL. No.	Name of the Company	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 2019	Unrealized Gain/Loss
<b>C</b>	<b>Unquoted Share</b>								
1	BD Venture Limited	10	2,200,000	20,000,000	235,366,191	22,000,000	10.70	23,536,619	3,536,619
2	Central Depository (BD) Limited	10	5,711,804	15,694,430	6,946,488,576	200,000,000	34.73	198,384,906	182,690,476
3	Energypack Power Generation Limited	10	1,192,800	50,000,000	5,906,173,582	149,869,650	39.41	47,006,741	(2,993,259)
4	Industrial & Infrastructure Development Finance Company Limited	10	12,518,120	71,770,260	2,063,303,864	120,000,000	17.19	215,239,045	143,468,785
5	LIC Bangladesh	10	3,000,000	30,000,000	601,947,862	60,000,000	10.03	30,097,393	97,393
6	Central Counterparty Bangladesh Limited	10	3,750,000	37,500,000	300,000,000	300,000,000	10.00	37,500,000	-
7	The Bangladesh Rating Agency Limited	100	49,155	4,915,500	23,415,918	1,067,175	21.94	1,078,557	(3,836,943)
	<b>Sub-Total</b>			<b>229,880,190</b>	<b>16,076,695,993</b>			<b>552,843,262</b>	<b>322,963,072</b>

# MUTUAL TRUST BANK LIMITED

## INVESTMENT IN SHARES

As at 31 December 2019

SL. No.	Name of the Company	Face Value	No. of Share Held	Cost Holding	95% NAV	Value as per NAV as at 31 December 2019	Unrealized Gain/Loss
<b>D</b>	<b>Fund (Unquoted)</b>						
1	MTB Unit Fund	10	21,692,307	217,600,000		181,141,610	(36,458,390)
	<b>Sub-Total</b>			<b>217,600,000</b>		<b>181,141,610</b>	<b>(36,458,390)</b>
	<b>Total Unquoted Share &amp; Fund</b>			<b>447,480,190</b>		<b>733,984,871</b>	<b>286,504,681</b>
<b>E</b>	<b>Bonds:</b>						
1	Uttara Finance & Investment Limited-Zero Coupon Bond			-		-	-
2	One Bank Subordinated Bond			80,000,000		80,000,000	-
3	Trust Bank Subordinated Bond			80,000,000		80,000,000	-
4	UCB 3rd Subordinated Bond			250,000,000		250,000,000	
5	Jamuna Bank Subordinated Bond			150,000,000		150,000,000	
6	AIBL Second Mudaraba Bond			100,000,000		100,000,000	
7	IPDC Subordinated Bond			200,000,000		200,000,000	
8	NBL Subordinated Bond			250,000,000		250,000,000	
9	AB Bank Subordinate Bond			32,000,000		32,000,000	-
	<b>Sub-Total</b>			<b>1,142,000,000</b>		<b>1,142,000,000</b>	<b>-</b>
	<b>Total</b>			<b>2,130,437,734</b>	<b>-</b>	<b>2,461,186,148</b>	<b>-</b>

Particular	Provision Required	Provision Maintained	Excess/ (Shortfall)
Quoted Shares	51,834,405		
Un-quoted Shares	-	60,500,000	21,116
Mutual Funds	8,644,480		
	<b>60,478,885</b>	<b>60,500,000</b>	<b>21,116</b>

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED FIXED ASSET SCHEDULE

As at 31 December 2019

**Annexure- C**  
Amount in BDT

Particulars	Cost			Depreciation					Written down value as at 31.12.2019	
	Balance as at 01.01.2019	Addition during the year	Disposal during the year	Balance as at 31.12.2019	Rate	Balance as at 01.01.2019	Charged for the year	Adjustment made during the year		Balance as at 31.12.2019
Land	104,253,000	-	-	104,253,000	0%	-	-	-	-	104,253,000
Immovable Property	1,502,105,795	-	-	1,502,105,795	2.5%	208,052,596	33,208,994	-	241,261,590	1,260,844,205
Furniture & Fixture	1,474,140,091	94,871,015	24,314,989	1,544,696,117	10%	632,295,147	89,843,095	16,117,854	706,020,387	838,675,729
Office Equipments	1,894,196,203	662,035,895	53,295,333	2,502,936,764	20%	1,194,397,348	204,415,801	42,400,634	1,356,412,515	1,146,524,249
Motor Vehicles	178,164,087	20,146,818	50,861,735	147,449,170	20%	99,747,435	25,597,303	48,645,319	76,699,419	70,749,751
Intangible Asset	204,627,340	207,762,076	302,789	412,086,627	20%	94,817,728	36,460,622	191,749	131,086,601	281,000,026
Right off use Assets	-	714,594,976	-	714,594,976	-	-	115,509,239	-	115,509,239	599,085,737
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
Total December 2018	5,148,342,269	265,047,285	55,903,038	5,357,486,516		1,937,076,904	336,943,451	44,710,101	2,229,310,254	3,128,176,262

# MUTUAL TRUST BANK LIMITED

## Fixed Asset Schedule

As at 31 December 2019

Annexure-C (i)

Amount in BDT.

Particulars	Cost				Depreciation				Written down value as at 31.12.2019
	Balance as at 01.01.2019	Addition during the year	Disposal during the year	Balance as at 31.12.2019	Rate	Balance as at 01.01.2019	Charged for the year	Adjustment made during the year	Balance as at 31.12.2019
Land	104,253,000			104,253,000	0%	-	-	-	104,253,000
Immovable Property	1,455,740,795			1,455,740,795	2.50%	195,994,211	31,493,664		1,228,252,920
Furniture & Fixture	1,412,693,141	94,778,546	24,314,989	1,483,156,698	10%	605,371,051	86,352,353	16,117,854	807,551,148
Office Equipments	1,854,924,095	660,389,126	53,271,333	2,462,041,888	20%	1,164,788,321	202,171,134	42,376,634	1,137,459,067
Motor Vehicles	178,164,087	20,146,818	50,861,735	147,449,170	20%	99,747,435	25,597,303	48,645,319	70,749,751
Intangible Asset	204,627,340	207,762,076	302,789	412,086,627	20%	94,817,728	36,460,622	191,749	281,000,026
Right off use Assets	-	714,594,976	-	714,594,976		-	115,509,239	-	599,085,737
<b>Total December 2019</b>	<b>5,210,402,458</b>	<b>1,697,671,542</b>	<b>128,750,846</b>	<b>6,779,323,154</b>		<b>2,160,718,746</b>	<b>497,584,315</b>	<b>107,331,556</b>	<b>4,228,351,649</b>
<b>Total December 2018</b>	<b>5,004,274,939</b>	<b>262,030,558</b>	<b>55,903,038</b>	<b>5,210,402,458</b>		<b>1,876,605,551</b>	<b>328,823,296</b>	<b>44,710,101</b>	<b>3,049,683,712</b>



# MUTUAL TRUST BANK LIMITED

## List of Subordinated Debt Holders

As at 31 December 2019

### Annexure-D

Amount in BDT

#### A MTB 2nd Subordinate Bond

Sl.	Name of Party	2019	2018
		Investment Amount	Investment Amount
1	Sonali Bank Limited	600,000,000	800,000,000
2	BRAC Provident Fund	300,000,000	400,000,000
3	Bank Asia Limited	240,000,000	320,000,000
4	Uttara Bank Limited	180,000,000	240,000,000
5	BRAC	150,000,000	200,000,000
6	BRAC Bank Limited	150,000,000	200,000,000
7	NRB Commercial Bank Limited	120,000,000	160,000,000
8	United Finance Limited	60,000,000	80,000,000
Sub-Total (A)		1,800,000,000	2,400,000,000

#### B MTB 3rd Subordinate Bond

Sl.	Name of Party	2019	2018
		Investment Amount	Investment Amount
1	Pubali Bank Limited	950,000,000	950,000,000
2	Dhaka Bank Limited	900,000,000	900,000,000
3	Sonali Bank Limited	750,000,000	750,000,000
4	Southeast Bank Limited	650,000,000	650,000,000
5	Janata Bank Limited	500,000,000	500,000,000
6	Agrani Bank Limited	300,000,000	300,000,000
7	Eastern Bank Limited	300,000,000	300,000,000
8	Rupali Bank Limited	200,000,000	200,000,000
9	Delta Life Insurance Company Limited	200,000,000	200,000,000
10	Standard Bank Limited	150,000,000	150,000,000
11	United Finance Limited	100,000,000	100,000,000
Sub-Total (B)		5,000,000,000	5,000,000,000
Total (A+B)		6,800,000,000	7,400,000,000

# MUTUAL TRUST BANK LIMITED

## Name of Companies in which the Directors of the Bank have Interest

### Annexure - E

SL.	Name of Directors of the Bank	Name of Companies in which the Directors have interest
1	<b>Mr. Md. Hedayetullah</b> Chairman	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Hedayetullah Securities Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Property Development Ltd.</li> <li>- MTB Securities Limited (MTBSL)</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- Footbed Footwear Ltd.</li> <li>- FB Footwear Ltd.</li> </ul>
2	<b>Khwaja Nargis Hossain</b> Vice Chairman	<b>Director</b> <ul style="list-style-type: none"> <li>- SAHCO International Ltd.</li> </ul> <b>Managing Director</b> <ul style="list-style-type: none"> <li>- SAHCO Securities Ltd.</li> </ul>
3	<b>Mr. Syed Manzur Elahi</b> Director (Founding Chairman)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Apex Tannery Ltd.</li> <li>- Apex Footwear Ltd.</li> <li>- Apex Pharma Ltd.</li> <li>- Blue Ocean Footwear Ltd.</li> <li>- Apex Enterprises Ltd.</li> <li>- Apex Investments Ltd.</li> <li>- Grey Advertising (Bangladesh) Ltd.</li> <li>- Quantum Market Research</li> <li>- Manusher Jonno Foundation</li> <li>- Holiday Publications</li> <li>- Bangladesh Freedom Foundation</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- International Publications Limited</li> <li>- Credit Rating Agency of 14. Bangladesh Limited (CRAB)</li> <li>- Central Depository Bangladesh Ltd. (CDBL)</li> <li>- MTB Exchange (UK)</li> </ul> <b>Member of the Board of Trustees</b> <ul style="list-style-type: none"> <li>- East West University</li> <li>- Centre for Policy Dialogue (CPD)</li> <li>- Diabetic Association of Bangladesh</li> </ul>
4	<b>Mr. Rashed Ahmed Chowdhury</b> Director (Representing Associated Builders Corp. Ltd.)	<b>Chairman</b> <ul style="list-style-type: none"> <li>- ABC Building Products Ltd.</li> <li>- Banga Garments Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Associated Builders Corporation Ltd.</li> <li>- ABC Real Estate Ltd.</li> <li>- Shamsuddin Towels Ltd.</li> <li>- MTB Exchange (UK)</li> </ul>
5	<b>Mr. M A Rouf, JP</b> Chairman	<b>Chairman</b> <ul style="list-style-type: none"> <li>- Britannia Properties Ltd. Bangladesh</li> <li>- Britannia Holdings &amp; Management Ltd.</li> <li>- Britannia Developments Ltd.</li> <li>- Britannia Asset &amp; Equity Management Ltd.</li> <li>- Diamond Properties (BD)</li> <li>- Diamond Properties (UK) St. Andrews</li> <li>- MTB Securities Limited (MTBSL)</li> <li>- MTB Capital Limited (MTBCL)</li> <li>- MTB Exchange (UK) Ltd.</li> </ul> <b>Director</b> <ul style="list-style-type: none"> <li>- Tiger Tours Ltd.</li> </ul>

# MUTUAL TRUST BANK LIMITED

## Name of Companies in which the Directors of the Bank have Interest

	Name of Directors of the Bank	Name of Companies in which the Directors have interest
6	<b>Dr. Arif Dowla</b> Director (Representing Advanced Chemical Industries Ltd.)	<b>Chairman</b> - Tetley ACI (Bangladesh) Ltd. <b>Vice Chairman</b> - ACI HealthCare Limited <b>Director</b> - ACI Formulations Limited - ACI Motors Limited - ACI Pure Flour Limited - ACI Agrolink Limited - 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 - Consolidated Chemicals Limited - Dowla Agricultural Development Company Ltd - ACI Godrej Agrovet Private Limited - ACI Foundation - Bangladesh Business Publications Limited - ACI Healthcare USA Inc. - MTB Capital Limited (MTBCL) <b>Managing Director</b> - Advanced Chemical Industries (ACI) Ltd. - ACI Logistics Limited - Stochastic Logic Limited <b>Member of the Board of Governors</b> - Society for Promotion of Bangladesh Art (SPBA)
7	<b>Mr. Md. Abdul Malek</b> Director	<b>Proprietor</b> - Gardenia
8	<b>Mr. Md. Wakiluddin</b> Director	<b>Chairman</b> - Baridhara Corporation Ltd. <b>Managing Director</b> - Swadesh Properties Ltd. - Swadesh Global Media Ltd. <b>Director</b> - HURDCO International School
9	<b>Mr. Anika Chowdhury</b> Director (Representing ASTRAS Ltd.)	<b>Director</b> Square Fashions Ltd. <b>Managing Director</b> Square Health Limited Management Coordinator of Square Group
10	<b>Mr. Md. Manirul Islam</b> Director (Representing Pioneer Insurance Company Ltd.)	<b>Managing Director</b> - Pioneer Insurance Co. Ltd. <b>Member</b> Misc. Rating Sub-Committee – IDRA PSB (Public Sector Business) Management Committee of Co-Insurance Scheme
11	<b>Mr. Herbert Ludwig Jaeger</b> Director (Representing NORFUND)	<b>Director</b> Advans MFI Myanmar Company Limited <b>Investment Director</b> Financial Institutions of Norfund – The Norwegian Investment Fund for Developing Countries
12	<b>Ms. Nasreen Sattar</b> Independent Director	<b>CONSUMARK</b> Non Executive Chairman and Executive Development Specialist
13	<b>Mr. M. Mokammel Haque</b> Independent Director	<b>Chairman</b> - Kabi Mozammel Haque Foundation <b>Member</b> - Underprivileged Children Program (UCEP)

# MUTUAL TRUST BANK LIMITED AND ITS SUBSIDIARIES

## CONSOLIDATED FINANCIAL HIGHLIGHTS

As at 31 December 2019

### Annexure - F

BDT in Million

Sl. No.	Items	2019	2018
1	Paid up Capital	7,034.59	5,733.63
2	Total Capital (Tier-1 & 2)	24,188.33	21,042.05
3	Surplus/ (Shortage) Capital	5,452.58	4,677.60
4	Total Asset	256,913.17	222,464.15
5	Total Deposit	190,947.70	166,160.29
6	Total Loans and Advances	189,729.72	166,145.12
7	Total Contingent Liabilities	82,568.56	65,632.12
8	Lending-Deposit Ratio	83.38%	82.83%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.39%	5.39%
10	Profit after Provision and Tax	1,337.79	1,734.45
11	Total Classified Loans and Advances	10,227.22	8,951.40
12	Total Provision Maintained against Classified Loans	3,099.30	3,183.38
13	Surplus/(Deficit) in Provision against Classified Loans	(2,902.10)	(1,517.39)
14	Cost of Fund	9.55%	8.63%
15	Earning Assets	214,554.69	187,041.18
16	Non-Interest Earning Assets	42,358.47	35,422.97
17	Return on Investments (ROI)	8.23%	8.92%
18	Return on Asset (ROA)	0.56%	0.82%
19	Income from Investment	2,535.63	2,343.17
20	Earnings Per Share (BDT)	2.03	2.73
21	Operating Profit Per Share (BDT)	7.97	7.43
22	Price-Earning Ratio (Times)	13.03	12.88

# MUTUAL TRUST BANK LIMITED

## FINANCIAL HIGHLIGHTS

As at 31 December 2019

### Annexure - F (i)

BDT in Million

Sl. No.	Items	2019	2018
1	Paid up Capital	7,034.59	5,733.63
2	Total Capital (Tier-1 & 2)	23,872.20	20,800.01
3	Surplus/(shortage) Capital	5,310.94	4,570.34
4	Total Assets	256,056.00	221,827.58
5	Total Deposits	191,369.29	166,700.99
6	Total Loans and Advances	186,768.62	163,281.71
7	Total Contingent Liabilities	82,568.56	65,632.12
8	Lending-Deposit Ratio	83.38%	82.83%
9	Classified Loans as Percentage (%) of Total Loans and Advances	5.48%	5.48%
10	Profit after Provision and Tax	1,263.71	1,582.40
11	Total Classified Loans and Advances	10,227.22	8,951.40
12	Total Provision Maintained against Classified Loans	3,099.30	3,183.38
13	Surplus/(Deficit) in Provision against Classified Loans	(2,902.10)	(1,517.39)
14	Cost of Fund	9.48%	8.52%
15	Earning Assets	210,443.00	183,146.85
16	Non-Interest Earning Assets	45,613.00	38,680.73
17	Return on Investments (ROI)	8.30%	8.75%
18	Return on Asset (ROA)	0.53%	0.75%
19	Income from Investment	2,480.61	2,239.09
20	Earnings Per Share (BDT)	1.92	2.49
21	Operating Profit Per Share (BDT)	7.64	7.01
22	Price-Earning Ratio (Times)	13.79	14.12

# OFF SHORE BANKING UNIT (OBU)

## BALANCE SHEET

As at 31 December 2019

### Annexure- G

Particulars	Notes	2019		2018	
		USD	BDT	USD	BDT
<b>Property and Assets</b>					
<b>Cash</b>		-	-	-	-
In hand (including foreign currencies)		-	-	-	-
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		-	-	-	-
<b>Balance with other banks and financial institutions</b>	3	920,023	78,109,935	8,020,026	672,880,217
In Bangladesh		-	-	-	-
Outside Bangladesh		920,023	78,109,935	8,020,026	672,880,217
<b>Loans and advances</b>	4	145,432,234	12,347,196,638	136,996,601	11,494,014,783
Loans, cash credits, overdrafts etc.		134,555,983	11,423,802,928	134,240,734	11,262,797,541
Bills purchased and discounted		10,876,251	923,393,710	2,755,867	231,217,241
<b>Fixed assets including premises, furniture and fixtures</b>		-	-	-	-
<b>Other assets</b>	5	2,051,643	174,184,451	503,467	42,240,855
<b>Non - banking assets</b>		-	-	-	-
<b>Total assets</b>		<u>148,403,899</u>	<u>12,599,491,023</u>	<u>145,520,094</u>	<u>12,209,135,855</u>
<b>Liabilities and Capital</b>					
<b>Liabilities</b>					
<b>Borrowings from other banks, financial institutions and agents</b>	6	144,899,392	12,301,958,359	142,900,072	11,989,316,037
<b>Deposits and other accounts</b>	7	273,909	23,254,861	105,949	8,889,088
Current deposits & Other Accounts		20,982	1,781,390	105,949	8,889,088
Bills payable		-	-	-	-
Savings bank deposits		-	-	-	-
Term deposits		252,927	21,473,471	-	-
Bearer certificate of deposit		-	-	-	-
<b>Other liabilities</b>	8	3,230,598	274,277,803	2,514,073	210,930,730
<b>Total liabilities</b>		<u>148,403,899</u>	<u>12,599,491,023</u>	<u>145,520,094</u>	<u>12,209,135,855</u>
<b>Capital / Shareholders' equity</b>					
Paid up capital		-	-	-	-
Statutory reserve		-	-	-	-
Foreign currency translation gain		-	-	-	-
Other reserve		-	-	-	-
Retained earnings		-	-	-	-
<b>Total Shareholders' equity</b>		-	-	-	-
<b>Total Liabilities and Shareholders' equity</b>		<u>148,403,899</u>	<u>12,599,491,023</u>	<u>145,520,094</u>	<u>12,209,135,855</u>



# OFF SHORE BANKING UNIT (OBU)

## BALANCE SHEET

As at 31 December 2019

Particulars	Notes	2019		2018	
		USD	BDT	USD	BDT
<b>Off-Balance Sheet Items</b>					
<b>Contingent liabilities</b>	<b>9</b>	<b>130,000</b>	<b>11,037,000</b>	<b>916,420</b>	<b>76,887,638</b>
Acceptances and endorsements		-	-	-	-
Letters of guarantee		130,000	11,037,000	916,420	76,887,638
Irrevocable letters of credit		-	-	-	-
Bills for collection		-	-	-	-
Other contingent liabilities		-	-	-	-
<b>Other commitments</b>		-	-	-	-
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		-	-	-	-
<b>Total Off-Balance Sheet exposures including contingent liabilities</b>		<b>130,000</b>	<b>11,037,000</b>	<b>916,420</b>	<b>76,887,638</b>

# OFF SHORE BANKING UNIT (OBU)

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2019

Annexure- G

Particulars	Notes	2019		2018	
		USD	BDT	USD	BDT
Interest income	10	8,682,406	733,554,741	6,723,201	561,455,155
Less: Interest on deposits, borrowings, etc.	11	7,200,910	608,386,918	5,877,423	490,824,205
<b>Net Interest Income</b>		<b>1,481,495</b>	<b>125,167,822</b>	<b>845,777</b>	<b>70,630,950</b>
Commission, exchange, etc.	12	563	47,566	4,525	377,850
Other operating income	13	193,980	16,388,885	154,830	12,929,869
<b>Total Operating Income (A)</b>		<b>1,676,038</b>	<b>141,604,274</b>	<b>1,005,132</b>	<b>83,938,669</b>
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	212,421	17,946,936	42,631	3,560,077
<b>Total operating expenses (B)</b>		<b>212,421</b>	<b>17,946,936</b>	<b>42,631</b>	<b>3,560,077</b>
<b>Profit / (loss) before provision (C=A-B)</b>		<b>1,463,617</b>	<b>123,657,338</b>	<b>962,501</b>	<b>80,378,592</b>
<b>Provision for loans and advances / investments</b>		-	-	-	-
Specific provision		-	-	-	-
General provision		-	-	-	-
Provision for diminution in value of investments		-	-	-	-
Other provision		-	-	-	-
<b>Total provision (D)</b>		-	-	-	-
<b>Total profit / (loss) before taxes (C-D)</b>		<b>1,463,617</b>	<b>123,657,338</b>	<b>962,501</b>	<b>80,378,592</b>
<b>Provision for taxation</b>		-	-	-	-
Current tax		-	-	-	-
Deferred tax		-	-	-	-
<b>Net profit / (loss) after taxation</b>		<b>1,463,617</b>	<b>123,657,338</b>	<b>962,501</b>	<b>80,378,592</b>
Retained earnings brought forward from previous years		-	-	-	-
		<b>1,463,617</b>	<b>123,657,338</b>	<b>962,501</b>	<b>80,378,592</b>

# OFF SHORE BANKING UNIT (OBU)

## CASH FLOW STATEMENT

For the year ended 31 December 2019

### Annexure- G

Particulars	2019		2019	
	USD	BDT	USD	BDT
<b>A) Cash flows from operating activities</b>				
Interest receipts in cash	8,682,406	733,554,741	6,723,201	561,455,155
Interest payments	(7,200,910)	(608,386,918)	(5,877,423)	(490,824,205)
Fees and commission receipts in cash	563	47,566	4,525	377,850
Cash payments to employees	-	-	-	-
Cash payments to suppliers	-	-	-	-
Receipts from other operating activities	193,980	16,388,885	154,830	12,929,869
Payments for other operating activities	(212,421)	(17,946,936)	(42,631)	(3,560,077)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>1,463,617</b>	<b>123,657,338</b>	<b>962,501</b>	<b>80,378,592</b>
<b>Increase / (decrease) in operating assets and liabilities</b>				
Loans and advances to other banks	-	-	-	-
Loans and advances to customers	(8,435,633)	(853,181,855)	(25,294,544)	(2,256,254,697)
Other assets	(1,548,176)	(131,943,596)	(286,942)	(24,334,263)
Deposits from other banks	-	-	-	-
Deposits from customers	167,960	14,365,774	98,342	8,259,989
Other liabilities	716,525	63,118,611	239,291	25,542,810
	<b>(9,099,323)</b>	<b>(907,641,066)</b>	<b>(25,243,853)</b>	<b>(2,246,786,161)</b>
<b>Net cash from operating activities</b>	<b>(7,635,706)</b>	<b>(783,983,728)</b>	<b>(24,281,352)</b>	<b>(2,166,407,569)</b>
<b>B) Cash flows from investing activities</b>				
Purchase / sale of property, plant and equipment	-	-	-	-
Proceeds from sale of property, plant and equipment	-	-	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>C) Cash flows from financing activities</b>				
Borrowing from banks, financial institution and agents	1,999,320	312,642,321	24,475,315	2,195,588,667
Net profit transferred to main operation	(1,463,617)	(123,657,338)	(962,501)	(80,378,592)
<b>Net Cash from financing activities</b>	<b>535,703</b>	<b>188,984,983</b>	<b>23,512,814</b>	<b>2,115,210,075</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(7,100,004)</b>	<b>(594,998,744)</b>	<b>(768,538)</b>	<b>(51,197,494)</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>228,463</b>	<b>-</b>	<b>(2,736,598)</b>
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>8,020,026</b>	<b>672,880,217</b>	<b>8,788,564</b>	<b>726,814,309</b>
<b>G) Cash and cash equivalents at end of the year (D+E+F)</b>	<b>920,023</b>	<b>78,109,935</b>	<b>8,020,026</b>	<b>672,880,217</b>
<b>Cash and cash equivalents at end of the year</b>				
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	920,023	78,109,935	8,020,026	672,880,217
	<b>920,023</b>	<b>78,109,935</b>	<b>8,020,026</b>	<b>672,880,217</b>

# OFF SHORE BANKING UNIT (OBU)

## LIQUIDITY STATEMENT

As at 31 December 2019

		<b>Annexure-G</b> Amount in BDT					
	Particulars	Less than 1 month	1 to 3 months	3 to 12 months	1 to 5 years	Above 5 years	Total
<b>ASSETS :</b>							
	Cash	-	-	-	-	-	-
	Balance with other Banks and Financial Institutions	78,109,935	-	-	-	-	78,109,935
	Money at Call & Short notice	-	-	-	-	-	-
	Investments	-	-	-	-	-	-
	Loans and Advances	2,023,569,710	3,085,984,244	4,361,289,144	2,744,777,734	131,575,806	12,347,196,638
	Premises and Fixed Assets	-	-	-	-	-	-
	Other Assets	131,045,930	43,138,521	-	-	-	174,184,451
	Non-Banking Assets	-	-	-	-	-	-
	<b>Total Assets</b>	<b>2,232,725,574</b>	<b>3,129,122,766</b>	<b>4,361,289,144</b>	<b>2,744,777,734</b>	<b>131,575,806</b>	<b>12,599,491,023</b>
<b>LIABILITIES :</b>							
	Borrowing From Other Banks, Financial Institutions & Agents	2,211,313,921	3,098,358,930	4,320,275,548	2,564,986,318	107,023,641	12,301,958,359
	Deposit and Other Account	-	-	23,254,861	-	-	23,254,861
	Provision & Other Liabilities	7,680,584	17,409,324	189,059,896	45,864,058	14,263,941	274,277,803
	<b>Total Liabilities</b>	<b>2,218,994,505</b>	<b>3,115,768,254</b>	<b>4,532,590,305</b>	<b>2,610,850,377</b>	<b>121,287,582</b>	<b>12,599,491,023</b>
	<b>Net Liquidity</b>	<b>13,731,070</b>	<b>13,354,512</b>	<b>(171,301,162)</b>	<b>133,927,358</b>	<b>10,288,224</b>	<b>-</b>

# OFF SHORE BANKING UNIT (OBU)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

### Annexure-G

#### **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.

#### **1.01 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 currencies translation**

Foreign currency transactions are converted into equivalent Taka 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 where USD is the functional currency and Taka are the Unit's presentation currency. Entities functional currency is Bangladesh Taka.

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 2019 to 31 December 2019.

##### **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 Taka, which is the Bank's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.

b) Assets and liabilities & income and expenses have been converted into Taka currency @ US\$1 = Taka 84.9000 (closing rate as at 31 December, 2019) and BDT 84.4875 (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.

Particulars	2019		2018	
	USD	BDT	USD	BDT
<b>3.00 Balance with other banks and financial institutions</b>				
In Bangladesh	-	-	-	-
Outside Bangladesh	920,023	78,109,935	8,020,026	672,880,217
	<b>920,023</b>	<b>78,109,935</b>	<b>8,020,026</b>	<b>672,880,217</b>
<b>4.00 Loans and advances</b>				
<b>i) Loans, cash credits, overdrafts etc.</b>				
Term Loan	23,201,830	1,969,835,409	12,679,735	1,063,829,757
Usance Payable at Sight (UPAS)	111,354,152	9,453,967,519	121,560,999	10,198,967,784
	<b>134,555,983</b>	<b>11,423,802,928</b>	<b>134,240,734</b>	<b>11,262,797,541</b>
<b>ii) Bills purchased and discounted</b>				
<b>Payable Inside Bangladesh</b>				
Inland Documentary bills purchased	9,183,470	779,676,603	2,084,166	174,861,527
Foreign Documentary bills purchased	1,692,781	143,717,107	671,701	56,355,714
	<b>10,876,251</b>	<b>923,393,710</b>	<b>2,755,867</b>	<b>231,217,241</b>
<b>Payable Outside Bangladesh</b>	-	-	-	-
	<b>145,432,234</b>	<b>12,347,196,638</b>	<b>136,996,601</b>	<b>11,494,014,783</b>
<b>4.01 Loans and Advances to Industries</b>				
Agro-based and agro-processing industry	22,217,727	1,886,284,991	17,170,987	1,440,645,833
Electricity, Power & Energy	8,547,181	725,655,664	8,468,416	710,500,084
RMG & Textile	32,066,476	2,722,443,824	26,396,084	2,214,631,414
Spinning Mills	6,031,552	512,078,789	-	-
Packaging Industries including paper boards	1,840,985	156,299,653	-	-
Processing of bread and biscuits, vermicelli, laccha, chanachur, noodles etc.	131,377	11,153,941	-	-
Building Materials & Equipment	-	-	1,610,399	135,112,448
Ceramic	518,186	43,993,960	420,242	35,258,280
Electronics Manufacturing & Equipment	10,603,494	900,236,598	4,164,703	349,418,592
Polymer and Polythene Industries	2,620,170	222,452,391	-	-
Publishing Industries	81,213	6,894,984	-	-
Printing & Dyeing Industries	8,938,842	758,907,673	-	-
Poultry & Eggs	545,818	46,339,965	-	-
Ship Building	739,813	62,810,136	-	-
Ship Breaking Industries	6,720,976	570,610,842	-	-
Cement	4,539,984	385,444,604	2,650,904	222,410,846
Pharmaceuticals	9,788,607	831,052,725	2,909,283	244,088,865
Plastic & Rubber	1,202,674	102,106,997	3,896,750	326,937,295
Chemical & Chemical Products	1,849,882	157,054,982	989,168	82,991,201
Hospitals and Clinics	2,120,769	180,053,325	2,495,005	209,330,940
Engineering, Metal & Metal Products	17,676,259	1,500,714,428	55,750,987	4,677,507,788
Others	18,379,242	1,560,397,649	10,073,673	845,181,197
	<b>157,161,226</b>	<b>13,342,988,121</b>	<b>136,996,601</b>	<b>11,494,014,783</b>



		2019		2018	
		USD	BDT	USD	BDT
<b>4.02</b>	<b>Classification of Loans and Advances including bill discounted</b>				
	<b>Unclassified (UC):</b>				
	Standard	145,432,234	12,347,196,638	136,996,601	11,494,014,783
	Special Mention Account (SMA)	-	-	-	-
	<b>Sub total</b>	<b>145,432,234</b>	<b>12,347,196,638</b>	<b>136,996,601</b>	<b>11,494,014,783</b>
	<b>Classified:</b>				
	Substandard	-	-	-	-
	Doubtful	-	-	-	-
	Bad & Loss	-	-	-	-
	<b>Sub total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total</b>	<b>145,432,234</b>	<b>12,347,196,638</b>	<b>136,996,601</b>	<b>11,494,014,783</b>
<b>4.03</b>	<b>Geographical Location wise Loans and Advances</b>				
	<b>Inside Bangladesh</b>				
	<b>Urban</b>				
	Dhaka Division	119,649,708	10,158,260,231	64,405,342	5,403,608,211
	Chittagong Division	17,698,989	1,502,644,197	62,136,419	5,213,245,578
	Rajshahi Division	2,888,562	245,238,888	285,164	23,925,269
	Sylhet Division	3,069,926	260,636,721	3,182,155	266,982,827
	Khulna Division	1,915,238	162,603,744	6,626,269	555,943,972
	Rangpur Division	112,038	9,512,013	361,251	30,308,925
	Mymensingh Division	97,772	8,300,844	-	-
		<b>145,432,234</b>	<b>12,347,196,638</b>	<b>136,996,601</b>	<b>11,494,014,783</b>
	<b>Rural</b>				
	Dhaka Division	-	-	-	-
	Chittagong Division	-	-	-	-
	Rajshahi Division	-	-	-	-
	Sylhet Division	-	-	-	-
	Khulna Division	-	-	-	-
	Barishal Division	-	-	-	-
		-	-	-	-
	<b>Outside Bangladesh</b>	-	-	-	-
		<b>145,432,234</b>	<b>12,347,196,638</b>	<b>136,996,601</b>	<b>11,494,014,783</b>
<b>5.00</b>	<b>Other Assets</b>				
	Adjusting A/C Debit	2,051,643	174,184,451	503,467	42,240,855
		<b>2,051,643</b>	<b>174,184,451</b>	<b>503,467</b>	<b>42,240,855</b>
<b>6.00</b>	<b>Borrowings from other banks, financial institutions and agents</b>				
	In Bangladesh	23,647,850	2,007,702,465	29,393,597	2,466,122,788
	Outside Bangladesh	121,251,542	10,294,255,894	113,506,475	9,523,193,249
		<b>144,899,392</b>	<b>12,301,958,359</b>	<b>142,900,072</b>	<b>11,989,316,037</b>
	<b>In Bangladesh:</b>				
	<b>Borrowing from Bank:</b>				
	Bangladesh Bank	3,647,850	309,702,465	4,235,697	355,374,978
	Other Bank	20,000,000	1,698,000,000	25,157,900	2,110,747,810
		<b>23,647,850</b>	<b>2,007,702,465</b>	<b>29,393,597</b>	<b>2,466,122,788</b>
	<b>Outside Bangladesh</b>	121,251,542	10,294,255,894	113,506,475	9,523,193,249
		<b>144,899,392</b>	<b>12,301,958,359</b>	<b>142,900,072</b>	<b>11,989,316,037</b>

		2019		2018	
		USD	BDT	USD	BDT
<b>Outside Bangladesh</b>					
BANK MUSCAT SAOG		11,300,000	959,370,000	15,000,000	1,258,500,000
CAIXA BANK S.A.		32,000,000	2,716,800,000	17,000,000	1,426,300,000
CREDIT EUROPE BANK N.V.		-	-	3,500,000	293,650,000
COMMERZBANK AG		5,000,000	424,500,000	-	-
DEG-DEUTSCHE INVESTITIONS		6,000,000	509,400,000	8,000,000	671,200,000
HABIB BANK AG ZURICH (DUBAI)		-	-	6,513,806	546,508,333
HDFC BANK LIMITED		9,900,000	840,510,000	4,700,000	394,330,000
ICICI BANK LIMITED		5,000,000	424,500,000	5,477,900	459,595,810
INDUSIND BANK LTD		5,000,000	424,500,000	4,000,000	335,600,000
NOOR BANK P.J.S.C.		4,100,000	348,090,000	-	-
NORFUND		20,000,000	1,698,000,000	19,999,970	1,677,997,483
THE COMMERCIAL BANK ( Q.S.C)		7,000,000	594,300,000	2,190,002	183,741,185
THE NATIONAL BANK OF RAS AL KHAIMAH		12,900,000	1,095,210,000	16,904,606	1,418,296,485
UNITED BANK LTD.		3,051,542	259,075,894	4,820,190	404,413,954
YES BANK LIMITED		-	-	5,400,000	453,060,000
		<b>121,251,542</b>	<b>10,294,255,894</b>	<b>113,506,475</b>	<b>9,523,193,249</b>
<b>7.00</b>	<b>Deposits and other accounts</b>				
Bank deposits		-	-	-	-
<b>Customer Deposits:</b>					
Current deposits		7,982	677,690	105,949	8,889,088
Fixed Deposits		252,927	21,473,471	-	-
Sundry Deposits		13,000	1,103,700	-	-
		<b>273,909</b>	<b>23,254,861</b>	<b>105,949</b>	<b>8,889,088</b>
<b>8.00</b>	<b>Other liabilities</b>				
Adjusting A/C Credit		43,815	3,719,887	74,884	6,282,735
Due to Head Office (Retained earnings)		1,463,617	123,657,338	962,501	80,378,592
Interest Payable on Borrowing		1,723,167	146,296,837	1,476,688	123,894,124
Translation gain/(loss)		-	603,742	-	375,279
		<b>3,230,598</b>	<b>274,277,803</b>	<b>2,514,073</b>	<b>210,930,730</b>
<b>9.00</b>	<b>Contingent Liabilities &amp; Commitments</b>				
Letter of Guarantee		130,000	11,037,000	916,420	76,887,638
		<b>130,000</b>	<b>11,037,000</b>	<b>916,420</b>	<b>76,887,638</b>
<b>10.00</b>	<b>Interest income</b>				
Interest on term loan		962,900	81,353,016	773,888	64,627,502
Interest on UPAS		7,465,634	630,752,760	5,742,779	479,580,016
Interest on Placement to other OBU		1,896	160,174	37,759	3,153,291
Inland Documentary bills purchased		212,954	17,991,981	128,298	10,714,167
Foreign Documentary bills purchased		39,021	3,296,809	40,476	3,380,179
<b>Total Interest on loans and advances</b>		<b>8,682,406</b>	<b>733,554,741</b>	<b>6,723,201</b>	<b>561,455,155</b>
<b>11.00</b>	<b>Interest on deposits and borrowings, etc.</b>				
Interest paid on deposits		5,570	470,586	-	-
Interest paid on borrowings		7,195,341	607,916,332	5,877,423	490,824,205
		<b>7,200,910</b>	<b>608,386,918</b>	<b>5,877,423</b>	<b>490,824,205</b>
<b>12.00</b>	<b>Commission</b>				
Commission on Letter of Guarantee		563	47,566	4,525	377,850
		<b>563</b>	<b>47,566</b>	<b>4,525</b>	<b>377,850</b>
<b>13.00</b>	<b>Other Income</b>				
Rebate & Other		193,980	16,388,885	154,830	12,929,869
		<b>193,980</b>	<b>16,388,885</b>	<b>154,830</b>	<b>12,929,869</b>
<b>14.00</b>	<b>Other Expenses</b>				
Bank Charge		55,291	4,671,415	42,631	3,560,077
Other Fees and Commission		157,130	13,275,521	-	-
		<b>212,421</b>	<b>17,946,936</b>	<b>42,631</b>	<b>3,560,077</b>

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MTB Securities Ltd.

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of MTB Securities Ltd. (the company), which comprise the statement of financial position as at 31 December, 2019, and 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 financial position of MTB Securities Ltd. as at 31 December 2019, 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.

#### 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.

When we read the annual report, if we conclude that there is a material misstatement there in, 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 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, 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; and
- 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;

Dated, Dhaka  
January 26, 2020

*Khan Wahab Shafique Rahman & Co.*  
**Khan Wahab Shafique Rahman & Co.**  
**Chartered Accountants**



# MTB SECURITIES LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 31 December, 2019

Particulars	Notes	Amount in BDT	
		2019	2018
			Restated
<b>ASSETS</b>			
<b>A Non-Current Assets</b>			
Property, plant & equipment	4	66,997,489	71,839,795
Investment in Stock Exchange	5	54,113,290	54,113,290
Strategic Investment in securities	6	39,920,046	28,723,308
		<b>161,030,824</b>	<b>154,676,393</b>
<b>B Current assets</b>			
Advances and prepayments	7	30,718,218	36,112,898
Investment in Marketable securities	8	745,699,093	578,562,644
Margin loan to clients	9	2,719,986,781	2,648,201,456
Accounts receivable	10	15,427,758	42,926,237
Advance Income Tax (AIT)	11	117,712,051	87,580,057
Cash & cash equivalents	12	559,619,728	738,894,156
		<b>4,189,163,630</b>	<b>4,132,277,448</b>
<b>C Total Assets (A+B)</b>		<b>4,350,194,454</b>	<b>4,286,953,841</b>
<b>EQUITY AND LIABILITIES</b>			
<b>D Shareholders' equity</b>			
Share capital	13	3,250,000,000	3,250,000,000
Retained earnings	14	253,536,377	191,816,692
Capital reserved for investment in DSE Share	15	48,113,290	48,113,290
		<b>3,551,649,667</b>	<b>3,489,929,982</b>
<b>E. Liabilities</b>			
<b>Current Liabilities</b>			
Accounts payable	16	336,438,852	386,702,677
Liabilities for expenses	18	16,578,855	18,157,055
Provision for income tax	19	71,973,559	39,864,523
Deffered tax liability	20	5,079,361	4,835,728
Provision for margin loan	21	308,474,160	318,463,876
Provision for investment in securities	22	60,000,000	29,000,000
		<b>798,544,787</b>	<b>797,023,859</b>
<b>Total equity and liabilities(D+E)</b>		<b>4,350,194,454</b>	<b>4,286,953,841</b>
<b>Net Assets Value (NAV) per share</b>	23	<b>10.93</b>	<b>10.74</b>

The annexed notes form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

Signed as per annexed report on even date.

*Khan Wahab Shafique Rahman & Co.*

Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

Dated, Dhaka  
January 26, 2020



# MTB SECURITIES LIMITED

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December, 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Operating Income</b>		<b>328,614,644</b>	<b>359,945,199</b>
Brokerage commission	24	160,454,397	139,604,156
Interest income	25	111,183,618	127,652,385
Income from investment	26	45,807,527	80,744,916
Margin account maintenance	27	714,692	846,758
Depository participant	28	9,829,381	10,432,585
Other operating income	29	625,029	664,399
<b>Less: Operating expenses</b>		<b>164,468,957</b>	<b>149,878,601</b>
Laga charge		10,392,333	9,129,440
CDBL charge	30	12,309,234	12,610,800
Sales Associate Commission		4,897,152	1,553,930
Office & administrative expenses	31	136,870,238	126,584,431
<b>Net operating income</b>		<b>164,145,687</b>	<b>210,066,598</b>
Less: Financial expenses	32	73,333	-
<b>Profit before provision</b>		<b>164,072,354</b>	<b>210,066,598</b>
Less: Provision for margin loan	33	39,000,000	88,000,000
Less: Provision for investment in securities	34	31,000,000	12,000,000
		<b>70,000,000</b>	<b>100,000,000</b>
<b>Net profit before income tax</b>		<b>94,072,354</b>	<b>110,066,598</b>
Less: Income tax expenses	35	32,352,669	321,418
<b>Net profit after tax</b>		<b>61,719,685</b>	<b>109,745,180</b>
<b>Other Comprehensive Income:</b>			
Unrealized Gain / (Loss) from Investment In DSE Shares	15	-	48,113,290
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>61,719,685</b>	<b>157,858,470</b>
<b>Earnings Per Share (EPS)</b>	36	<b>0.19</b>	<b>0.34</b>

The annexed notes form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chairman  
Signed as per annexed report on even date.

Dated, Dhaka  
January 26, 2020

  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

# MTB SECURITIES LIMITED

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December, 2019

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
Balance as on 31 December, 2019	3,250,000,000	253,536,377	48,113,290	3,551,649,667

Particulars	Paid up capital	Retained Earnings	Capital Reserved for DSE Investment	Total
Balance as on 01 January, 2018	3,250,000,000	82,071,512	-	3,332,071,512
Add: Net profit after tax for the year	-	109,745,180	-	109,745,180
Add: Addition during the year	-	-	48,113,290	48,113,290
Balance as on 31 December, 2018	3,250,000,000	191,816,692	48,113,290	3,489,929,982



Chief Executive Officer



Director



Chairman

# MTB SECURITIES LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 31 December, 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Cash flow from operating activities:</b>			
Net profit during the year (after tax)		61,719,685	109,745,180
<b>Add : Amount considered as non cash items :</b>			
Depreciation charge during the year		6,442,730	6,908,513
Increase/(decrease) in provision for expenses		(1,578,200)	(136,050)
Increase/(decrease) in provision for margin loan		(9,989,716)	37,543,789
Increase / (decrease) in provision for investment in securities		31,000,000	12,000,000
Increase/(decrease) in provision for income tax		32,109,036	-
Increase/(decrease) in deferred tax liability		243,633	321,418
<b>Sub total of non cash items</b>		<b>58,227,483</b>	<b>56,637,670</b>
<b>Changes in working capital components</b>			
Increase/(decrease) in accounts payable		(50,263,825)	7,373,259
(Increase)/decrease in accounts receivable		27,498,479	(4,008,830)
(Increase)/decrease in advance income tax		(30,131,994)	(28,808,070)
(Increase)/decrease in advance & prepayment		5,394,680	11,380,496
		<b>(47,502,660)</b>	<b>(14,063,145)</b>
<b>A) Net cash inflow from operating activities</b>		<b>72,444,508</b>	<b>152,319,705</b>
<b>Cash flow from investing activities:</b>			
(Increase)/decrease in Investment in securities		(167,136,449)	(196,161,764)
(Increase)/decrease in purchase of premises & fixed asset		(1,600,424)	(2,966,061)
(Increase)/decrease in margin loan to clients		(71,785,325)	118,250,721
(Increase)/decrease in Membership at cost		-	2,000,000
(Increase)/decrease in Investment in Strategic Investment		(11,196,738)	(28,723,308)
<b>B) Net cash outflow from investing activities</b>		<b>(251,718,936)</b>	<b>(107,600,412)</b>
<b>Cash flow from financing activities :</b>			
Increase/(decrease) in short term borrowing		-	(200,000,000)
Dividend paid		-	-
<b>C) Net cash outflow from financing activities</b>		<b>-</b>	<b>(200,000,000)</b>
<b>D) Net cash increase / (decrease) (A+B+C)</b>		<b>(179,274,428)</b>	<b>(155,280,707)</b>
<b>E) Opening cash and cash equivalents</b>		<b>738,894,156</b>	<b>894,174,863</b>
<b>F) Closing cash and cash equivalents (D+E)</b>		<b>559,619,728</b>	<b>738,894,156</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>37</b>	<b>0.22</b>	<b>0.47</b>

  
Chief Executive Officer

  
Director

  
Chairman

# MTB SECURITIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

### 1.00 Company and its activities

#### 1.01 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 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.

#### 2.03 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%

#### 2.04 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".

## **2.05 Provision for income tax**

Provision for income tax has been calculated based on Income Tax Ordinance, 1984 and Finance Act 2019.

## **2.06 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.

## **2.07 Cash and cash equivalent**

Cash and cash equivalent includes cash at bank which are held and are available for use by the Company

## **2.08 Reporting period**

The financial statement covers for the period from January 01, 2019 to December 31, 2019.

## **3.00 Restatement**

Previous year figures have been restated following paragraph 42(a) Of IAS-8 due to omission occurred for not recognizing Demutualized scheme in 2018 approved by Bangladesh Securities and Exchange Commission (BSEC) share issued by Dhaka Stock Exchange Ltd. (DSE). Following Disclosure is given as per Para – 49 of IAS – 8.

a) Nature of the prior period error: Demutualized scheme was not recorded in 2018.

b) For each prior period presented, to the extent practicable, the amount of the correction:

### **i) For each financial statements line item affected:**

**As at 31.12.2018:** Investment in stock Exchanges has been debited and Capital Reserve for Investment in DSE Shares credited by Tk. 48,113,290

### **ii) If IAS 33 applies to the entity for basic and diluted earnings per share:**

No effects on EPS has made since it part of OCI.

c) The amount of the correction at the beginning of the earliest prior period presented:

No earliest amount is corrected. Since it was omitted only in last year.

d) If retrospective restatement is impracticable for a particular prior period, the circumstances that lead to the existence of that condition and a description of how and from when the error has been corrected:

Since error was occurred only for last year no impracticable event/condition occurred for the above case.

## **3.01 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.

## **3.02 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.

		Amount in BDT	
		2019	2018
4.00	<b>Property, plant &amp; equipment</b>		
	<b>Cost:</b>		
	Opening Balance As on 01 January, 2019	126,435,307	123,469,246
	Add: Addition during the year	1,600,424	2,966,061
	less: Disposal during the year	24,000	-
	<b>Total Cost:</b>	<b>128,011,731</b>	<b>126,435,307</b>
	<b>Depreciation:</b>		
	Opening Balance As on 01 January, 2019	54,595,512	47,686,999
	Add: Depreciation during the year	6,442,730	6,908,513
	Less: Depreciation of Disposal assets	24,000	-
	<b>Total Accumulated depreciation</b>	<b>61,014,242</b>	<b>54,595,512</b>
	<b>Written down value As on 31 December, 2019</b>	<b>66,997,489</b>	<b>71,839,795</b>
	The detail has shown in Annexure - A.		
5.00	<b>Investment in DSE</b>		
	Dhaka Stock Exchange Limited (DSE)	54,113,290	54,113,290
		<b>54,113,290</b>	<b>54,113,290</b>

As per the provisions of the Exchanges Demutualization Act 2013 and in accordance with the Bangladesh Securities and Exchange Commission (BSEC) approved Demutualization scheme, MTB Securities Limited received the following ordinary shares at face value of BDT 10 each against the membership of DSE respectively :

Shares issued by	No. of Shares	Amount (BDT)
Shares received from Dhaka Stock Exchange Limited (DSE) (A)	7,215,106	72,151,060
Shares sold to the Strategic Investors by DSE (B)	1,803,777	18,037,770
<b>Remainig Balance C = (A-B)</b>	<b>5,411,329</b>	<b>54,113,290</b>
<b>Floated Shares (53.33%)</b>	<b>2,886,041</b>	<b>28,860,410</b>
<b>Blocked Shares (46.67%)</b>	<b>2,525,288</b>	<b>25,252,880</b>

#### 6.00 Strategic Investment in Securities:

As per Income Tax Ordinance, 1984, S, R, O No. 319-Law/Income Tax/ 2018 dated October 31, 2018, sale proceeds of 25% shares (sold to Strategic Investors by the DSE) to be invested in listed securities of any Stock Exchange in Bangladesh for a period of 3 (Three) years from the date of investment of entire net sale proceeds to avail the tax incentive by the NBR. Accordingly, the proceeds have been invested by the Company in the Capital Market.

Investment in listed securities (Anexure-B)	39,920,046	28,723,308
	<b>39,920,046</b>	<b>28,723,308</b>
7.00 <b>Advances and prepayments</b>		
Office Rent	12,111,496	17,241,688
Advance to Employees-Car	1,952,959	3,530,247
Advance to CSE for Membership	4,175,000	4,175,000
Advance to DSE for DSE Tower	500,000	500,000
Others	11,978,763	10,665,963
	<b>30,718,218</b>	<b>36,112,898</b>



		Amount in BDT		
		2019	2018	
8.00	Investment in securities			
	Quoted share (Annexure-C)	725,723,093	548,586,644	
	Unquoted share (Placement share)	19,976,000	29,976,000	
		745,699,093	578,562,644	
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 2019.			
	Opening Balacne	2,648,201,456	2,766,452,177	
	Add: Addition during the year	108,576,197	99,701,035	
	Add: Interest during the year	68,733,309	78,300,120	
	Less: Written off during the year	48,989,716	50,456,211	
	Less: Adjustment during the year	56,534,465	245,795,665	
		2,719,986,781	2,648,201,456	
	10.00	Accounts receivable		
		Receivable from (DSE) Broker (Note 10.01)	8,813,811	39,173,132
		Receivable from (DSE) Dealer (Note 10.02)	77,154	-
		Other receivable	6,536,793	3,753,105
	15,427,758	42,926,237		
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	87,580,057	58,771,987	
	Addition during the year ( Note 11.01)	30,131,994	28,808,070	
		117,712,051	87,580,057	
11.01	Addition during the year			
	Brokerage commission	21,079,948	18,261,907	
	Bank interest	4,245,031	4,935,227	
	Dividend income	4,807,015	3,816,970	
	Gain on Investment	-	1,793,966	
		30,131,994	28,808,070	
12.00	Cash and cash equivalents			
	FDR			
	Mutual Trust Bank Limited	100,000,000	100,000,000	
	Union Capital Limited	74,000,000	100,000,000	
	Hajj Finance Company Limited	30,000,000	-	
		204,000,000	200,000,000	
	SND			
		A/C No.		
	Mutual Trust Bank Ltd (SND)	0002-0320000724	96,316	86,689
	Mutual Trust Bank Ltd (SND)	0002-0320001438	248,055	193,659
Mutual Trust Bank Ltd (SND)	0002-0320001081	382,185	16,424	
Mutual Trust Bank Ltd (CCA)	0087-0320000296	307,237,730	361,345,902	
Mutual Trust Bank Ltd (SND)	0002-0320002080	370,253	10,088	
Mutual Trust Bank Ltd (SND)	0087-0320000278	4,035,315	49,346,046	
Mutual Trust Bank Ltd (SND)	0002-0320001634	2,315	345	
Mutual Trust Bank Ltd (Dealer)	0087-0320000287	180,366	3,742,721	

		Amount in BDT	
		2019	2018
<b>SND</b>	<b>A/C No.</b>		
Mutual Trust Bank Ltd (Strategic)	0087-0320000376	20,042	7,406,026
Mutual Trust Bank Ltd (IPO)	0087-0320000063	296,045	401,230
IFIC Bank limited (Dealer)	1090358680041	308,963	1,570,428
Standard Chartered (CCA)	01114647901	41,440,081	111,157,101
Standard Chartered (SND)	02114647901	50,687	50,842
		<b>354,668,353</b>	<b>535,327,501</b>
<b>Cash in hand (Cheque in hand)</b>		951,375	3,566,655
		<b>559,619,728</b>	<b>738,894,156</b>
<b>13.00 Share capital</b>			
<b>13.01 Authorized capital</b>			
500,000,000 ordinary shares of Taka 10 each.		<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>13.02 Issued, subscribed and paid-up capital</b>			
325,000,000 ordinary shares of Taka 10 each fully paid.		<b>3,250,000,000</b>	<b>3,250,000,000</b>
<b>13.03 Shareholding Position of the Company</b>			
<b>Share Holders</b>		<b>Number of Share</b>	<b>Percentage</b>
Mutual Trust Bank Limited		324,994,000	99.998%
Mr. Md. Hashem Chowdhury		1,000	0.002%
Mr. Goutam Prosad Das		1,000	
Mr. Syed Rafiqul Hossain		1,000	
Mr. Swapan Kumar Biswas		1,000	
Mr. Abdul Mannan		1,000	
Mr. Md. Nazrul Islam Mazumder		1,000	
<b>Total</b>		<b>325,000,000</b>	<b>100.00%</b>
<b>14.00 Retained earnings</b>			
Opening balance		191,816,692	82,071,512
Net profit during the year		61,719,685	109,745,180
Dividend paid during the year		-	-
		<b>253,536,377</b>	<b>191,816,692</b>
<b>15.00 Capital reserve for investments with DSE</b>			
Shares issued by DSE		48,113,290	54,113,290
Less: Membership cost		-	6,000,000
		<b>48,113,290</b>	<b>48,113,290</b>
<b>16.00 Accounts Payable</b>			
It represents money deposited by client for trading purpose. The details are as follows:			
Payable to clients (Note 16.01)		276,020,912	351,646,857
Payable to (DSE) (Note 16.02)		23,211,122	1,266,218
Payable to (DSE) -dealer (Note 16.02)		2,911	232,492
Others payable (Note 16.03)		37,203,907	33,557,110
		<b>336,438,852</b>	<b>386,702,677</b>
<b>16.01 Payable to clients</b>			
This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.			

		Amount in BDT	
		2019	2018
<b>16.02 Payable to Dhaka Stock Exchange (DSE)</b>	This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.		
<b>16.03 Others payable</b>	This balance represents cheques issued to various client but not yet cleared and various suppliers payable.		
<b>17.00 Loan from MTB</b>	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	-	200,000,000
	Less: Cash Paid during the year	-	200,000,000
		-	-
<b>18.00 Liabilities for expenses</b>			
	Salary & Allowances	8,019,336	9,000,000
	Office rent	165,120	293,138
	Electricity bill	248,130	1,236,846
	Mobile & T&T bill	48,000	68,000
	Advertisement	74,986	206,611
	Audit Fee	69,000	69,000
	Repair & Maintenance	220,373	249,075
	Office Maintenance	380,184	391,647
	Cleaning of Office Premises	199,347	394,572
	Utility bill	310,196	1,163,254
	Entertainment	203,004	266,684
	Security Service Bill	263,457	163,392
	CDBL Charge	368,864	770,624
	Software Maintenance	137,700	116,200
	Marketing & Business Development cost	792,455	538,617
	Provision for foreign trade commission repatriation	4,671,353	1,889,414
	Others Expenses	407,350	1,339,981
		<b>16,578,855</b>	<b>18,157,055</b>
<b>19.00 Provision for income tax</b>			
	Opening balance	39,864,523	39,864,523
	Addition during the year (Note: 19.01)	32,109,036	-
	Payment during the year	-	-
		<b>71,973,559</b>	<b>39,864,523</b>
<b>19.01 Addition during the year</b>			
	Current tax expenses (Note: 35)	32,109,036	-
		<b>32,109,036</b>	-
<b>20.00 Deffered Tax Liability</b>			
	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	4,835,728	4,514,310
	Deferred tax expenses during the year (Annexure-D)	243,633	321,418
		<b>5,079,361</b>	<b>4,835,728</b>
<b>21.00 Provision for margin loan:</b>			
	Opening balance	318,463,876	280,920,087
	Add: Addition during the year (Note: 33)	39,000,000	88,000,000
	Less: Written off during the year	48,989,716	50,456,211
		<b>308,474,160</b>	<b>318,463,876</b>

This provision is made as per BSEC guideline and to reduce the risk of investment .

		Amount in BDT	
		2019	2018
<b>22.00</b>	<b>Provision for investment in (Margin loan &amp; Securities)</b>		
	Opening balance	29,000,000	17,000,000
	Addition during the year (Note: 34)	31,000,000	12,000,000
		<b>60,000,000</b>	<b>29,000,000</b>
	This provision is made as per BSEC guideline and to reduce the risk of investment .		
<b>23.00</b>	<b>Net Assets Value (NAV) per share</b>		
	Net Assets (23.01)	3,551,649,667	3,489,929,982
	Number of ordinary shares outstanding	325,000,000	325,000,000
		<b>10.93</b>	<b>10.74</b>
<b>23.01</b>	<b>Net Assets</b>		
	Total Assets	4,350,194,454	4,286,953,841
	Less: Liabilities	798,544,787	797,023,859
		<b>3,551,649,667</b>	<b>3,489,929,982</b>
<b>24.00</b>	<b>Brokerage commission</b>		
	The amount of Taka 160,454,397 is charged on daily turnover during the year as per rate decided by the management of the company.		
<b>25.00</b>	<b>Interest Income</b>		
	Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank .		
	Interest on margin loan	68,733,309	78,300,120
	Interest on bank deposit with MTB	25,770,703	13,806,191
	Interest on bank deposit with other Bank	16,679,606	35,546,074
		<b>111,183,618</b>	<b>127,652,385</b>
<b>26.00</b>	<b>Income From Investment</b>		
	Gain/ (loss) on sale of securities -Dealer	19,140,128	25,780,749
	Gain/ (loss) on sale of Strategic Investment	2,632,322	35,879,317
	Dividend Income on Strategic Investment	1,474,000	-
	Dividend Income on investment-Dealer	22,561,077	19,084,850
		<b>45,807,527</b>	<b>80,744,916</b>
<b>27.00</b>	<b>Margin account maintenance</b>		
	The amount of Taka 714,692 represents service charges on margin account, which were received from the customer during the year.		
<b>28.00</b>	<b>Depository participant</b>		
	This amount represents BO maintenance, demate charge and CDS charges. The detail is as follows:		
	BO maintenance fees	9,542,700	9,932,575
	Dematerization charges	10,786	2,025
	CDS charges	275,895	497,985
		<b>9,829,381</b>	<b>10,432,585</b>
<b>29.00</b>	<b>Other operating income</b>		
	Other income represents Cheque return charge & IPO application fee charged on the customer.		
	Other Income	625,029	664,399
		<b>625,029</b>	<b>664,399</b>
<b>30.00</b>	<b>CDBL charges</b>		
	The amount of Taka 12,309,234 represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.		
<b>31.00</b>	<b>Office &amp; administrative expenses</b>		
	Salary & Allowances	81,739,725	74,110,832
	Office rent	26,647,422	25,033,154
	Insurance expenses	220,448	229,855
	Electricity bill	1,699,293	2,102,021
	Postage & telegraph	85,049	98,806
	Mobile & T&T bill	722,100	648,000
	Table/Petty stationary	532,439	387,147
	Computer stationary	359,751	367,852
	Advertisement -Company's Own	310,511	316,164

		Amount in BDT							
		2019	2018						
	Directors' fees	554,400	669,300						
	Audit fee	69,000	69,000						
	Depreciation	6,442,730	6,908,513						
	Repair & Maintenance	343,618	463,262						
	Maintenance of office premises	274,084	300,578						
	Car expenses	2,026,456	2,159,735						
	Securities service	3,217,228	1,521,370						
	Office cleaning	2,385,565	2,215,900						
	Utility bill	2,181,637	3,397,610						
	Conveyance	266,835	200,797						
	Entertainment -Refreshment/Party Diner	1,658,198	1,548,358						
	Periodical, Magazine, News paper	45,506	48,539						
	Bank charge & excise duty	217,676	351,286						
	Training expenses	47,299	24,548						
	Traveling expenses	300,475	2,100						
	Software maintenance	200,000	-						
	Business Development Expenses	483,677	415,808						
	Foreign trade commission repatriation	2,781,939	1,659,132						
	Registration charge, fees & renewal	991,677	1,044,069						
	Professional fees	65,500	290,695						
		<b>136,870,238</b>	<b>126,584,431</b>						
32.00	<b>Financial expenses</b>								
	The amount of Taka 73,333 interest expense represents as financial expense on Loan from Mutual trust Bank (MTB).								
33.00	<b>Provision for margin loan made during the year</b>								
	This provision is made as per BSEC guideline and to reduce the risk of investment .								
	Provision for margin loan	39,000,000	88,000,000						
		<b>39,000,000</b>	<b>88,000,000</b>						
34.00	<b>Provision for investment in securities made during the year</b>								
	This provision is made as per BSEC guideline to reduce the risk of investment .								
	Provision for investment in securities	31,000,000	12,000,000						
		<b>31,000,000</b>	<b>12,000,000</b>						
35.00	<b>Income tax expenses made during the year</b>								
	Current tax (Annexure-D)	32,109,036	-						
	Deferred tax (Annexure-E)	243,633	321,418						
		<b>32,352,669</b>	<b>321,418</b>						
36.00	<b>Earnings Per Share (EPS)</b>								
	Net profit after tax	61,719,685	109,745,180						
	Number of ordinary shares outstanding	325,000,000	325,000,000						
	Earnings Per Share (EPS)	<b>0.19</b>	<b>0.34</b>						
37.00	<b>Net operating cash flows per share (NOCFPS)</b>								
	Net operating cash flows	72,444,508	152,319,705						
	Number of shares	325,000,000	325,000,000						
		<b>0.22</b>	<b>0.47</b>						
38.00	<b>Related party transactions</b>								
	<table><tr><th>Name of the party</th><th>Nature of transactions</th><th>Taka</th></tr><tr><td>Mutual Trust Bank Limited</td><td>Loan from MTB</td><td>-</td></tr></table>	Name of the party	Nature of transactions	Taka	Mutual Trust Bank Limited	Loan from MTB	-		
Name of the party	Nature of transactions	Taka							
Mutual Trust Bank Limited	Loan from MTB	-							
39.00	<b>Number of employees</b>								
	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 64 persons.								

Particulars	Cost			Rate	Depreciation			Written down value as on 31.12.2019
	Balance as on 01.01.2019	Addition during the year	Disposal during the year		Balance as on 01.01.2019	Charge for the year	Disposal for the year	
Furniture	1,774,999	64,600	-	10%	716,141	109,654	-	1,013,804
Fixture & fittings	47,353,198	-	-	10%	19,191,198	2,816,200	-	25,345,800
Office equipment	30,942,110	1,535,824	24,000	20%	22,629,788	1,801,546	24,000	8,046,600
Premises	46,365,000	-	-	5%	12,058,385	1,715,330	-	32,591,285
<b>Balance as December 31, 2019</b>	<b>126,435,307</b>	<b>1,600,424</b>	<b>24,000</b>		<b>54,595,512</b>	<b>6,442,730</b>	<b>24,000</b>	<b>66,997,489</b>

Amount in BDT



# MTB SECURITIES LIMITED

## STATEMENT OF STRATEGIC INVESTMENT IN SECURITIES

As at 31 December, 2019

Amount in BDT

Name of the Company	Quantity	Cost Value	Market Value
ACI Limited	16,100	4,738,230	2,922,150
Apex Tannery Ltd	22,500	3,116,700	2,628,000
BD Steel Re-Rolling Mills Ltd.	11,000	934,450	536,800
Delta Life Insurance	10,000	1,169,100	785,000
Dhaka Bank Ltd.	73,500	1,275,960	882,000
ICB	22,000	2,705,560	1,689,600
Khulna Power Co. Ltd	125,000	9,032,500	5,837,500
Meghna Cement	23,100	2,237,235	1,464,540
Olympic Industries	16,000	3,963,680	2,640,000
Padma Oil Co. Ltd	2,600	638,794	499,720
SAMORITA	18,375	1,290,294	1,176,000
Shasha Denims Ltd	57,750	2,992,605	1,426,425
Square Pharma	2,600	486,538	494,000
Summit Power Ltd.	100,000	4,246,000	3,630,000
Unique Hotel &Resort	20,000	1,092,400	878,000
<b>Total</b>		<b>39,920,046</b>	<b>27,489,735</b>

# MTB SECURITIES LIMITED

## STATEMENT OF INVESTMENT IN SECURITIES

As at 31 December, 2019

Annexure - C

Name of the Company	Share Quantity	Amount in BDT	
		Cost Value	Market Value
Aamra networks limited	424,000	10,000,000	15,942,400
aamra technologies	126,000	4,479,300	2,923,200
ACI Limited	57,500	16,839,450	10,436,250
Active Fine Chemical	600,000	22,758,000	8,820,000
ADN Telecom Limited	18,968	569,040	569,040
AFC Agro Biotech Ltd	167,200	5,238,376	3,344,000
Aftab Automobiles	35,000	1,722,000	854,000
Al-Arafah Islami Bank	35,000	597,100	602,000
ALLTEX	280,000	5,854,800	2,576,000
Aman Cotton Fibrous Limited	700,000	37,191,000	14,770,000
AMCL	500	94,470	85,100
Apex Tannery Ltd	34,978	4,728,676	4,085,430
ARAMITCEM	80,000	2,151,200	1,232,000
Argon Denims Limited	89,250	2,692,673	1,481,550
Asia Pacific Ins. Co	354,000	12,021,840	8,814,600
Bashundhara Paper	140,200	15,789,324	6,449,200
BBS Cables Ltd.	115,500	11,591,580	6,791,400
BD Steel Re-Rolling Mills Ltd.	420,340	34,699,067	20,512,592
BEXIMCO Ltd.	20,000	519,400	276,000
BRAC BANK LIMITED	47,000	2,726,000	2,683,700
BSRM Steel Limited	80,839	6,192,267	3,168,889
Central Pharma Ltd	1,386,000	36,715,140	12,474,000
CONFIDCEM	30,500	4,072,970	3,236,050
Coppertech Industries Ltd.	4,742	45,049	111,437
Esquire Knit Composite Ltd.	10,445	417,800	295,594
Far East Knitting	65,500	694,300	589,500
Fareast Islami Life	10,000	707,300	496,000
First Finance Ltd.	100,000	2,004,000	420,000
Fortune Shoes Limited	15,000	410,850	345,000
FUWANGFOOD	649,990	9,314,357	6,564,899
GBB Power Limited	390,000	9,110,400	5,460,000
Genex Infosys Limited	392	3,410	26,421
GQBALLPEN	4,000	307,800	286,800
GSP Finance (BD) Ltd	300,000	7,167,000	4,560,000
Heidelberg Cement	80,000	28,839,200	13,184,000
Hwa Well Textiles BD	33,000	1,367,520	1,069,200
IBNSINA	6,200	1,454,644	1,378,880
ICB	77,000	9,277,730	5,913,600
Intraco Refueling	20,000	327,200	272,000
Islami Bank BD Ltd.	127,000	2,541,270	2,425,700

# MTB SECURITIES LIMITED

## STATEMENT OF INVESTMENT IN SECURITIES

As at 31 December, 2019

Amount in BDT

Name of the Company	Share Quantity	Cost Value	Market Value
Jamuna Bank Limited	300,000	6,168,000	5,550,000
Kattali Textile Ltd	895,000	15,743,050	10,113,500
Meghna Cement	346,500	34,303,500	21,968,100
Meghna Petroleum Ltd.	450,000	95,580,000	73,710,000
Mercantile Bank Ltd	500,000	8,120,000	6,600,000
MJL Bangladesh Ltd.	250,000	27,575,000	15,825,000
Nahee Aluminium CPL	3,000	114,510	109,800
National Bank Ltd.	75,000	629,250	607,500
Navana CNG Limited	100,000	6,240,000	3,440,000
New Line Clothings Ltd.	3,757	4,604	55,604
NPOLYMAR	16,000	1,155,040	990,400
ONE Bank Ltd.	20,000	208,200	206,000
Orion Pharma Limited	377,000	16,991,390	10,141,300
ORIONINFU	750,000	48,405,000	40,350,000
Padma Oil Co. Ltd	107,000	28,969,180	20,565,400
PRIME ISLAMI LIFE	71,000	4,429,690	3,564,200
Pubali Bank Ltd.	120,046	4,260,433	2,881,104
Quasem Industries Limited	300,000	17,880,000	10,980,000
Queen South Textile	220,000	9,213,600	5,544,000
R. N. Spinning Mills	200,000	3,386,000	780,000
Rangpur Foundry Ltd.	7,800	1,158,378	935,220
Ratanpur Steel	50,000	2,773,000	1,175,000
Runner Automobiles	3,963	21,928	235,799
Sea Pearl Beach Resort & Spa Ltd.	3,730	37,300	154,049
Shahjibazar Power Co	10,200	1,013,472	714,000
Shasha Denims Limited	1,854	50,707	45,794
Silco Pharmaceuticals Limited	3,647	30,380	110,504
Summit Alliance Port	73,840	3,437,990	1,233,128
Tallu Spinning Mills	300,000	9,132,000	870,000
The ACME Laboratories Ltd.	185,000	17,832,150	11,266,500
THE PREMIER BANK LTD	200,660	2,574,468	2,508,250
Titas Gas T&D Co. Ltd.	300,000	16,320,000	9,270,000
Tosrifa Industries Ltd.	336,803	7,571,331	4,580,521
Trust Bank Limited	102,000	3,007,980	2,794,800
UNITED FINANCE	190,000	4,848,800	3,287,000
Western Marine	455,400	11,794,860	5,100,480
Zahintex Industries	120,000	1,508,400	492,000
<b>Total</b>		<b>725,723,093</b>	<b>454,281,383</b>

# MTB SECURITIES LIMITED

## CALCULATION OF TAXATION

### CALCULATION OF TAX LIABILITY

For the year ended 31 December, 2019

#### Annexure - D

Total Taxable income (As per calculation)			Amount in BDT	117,592,599
Calculation of Tax Liability	Amount in BDT	Rate	Amount in BDT	Amount in BDT
Income from Business	28,709,734	35%		10,048,407
Other income:				
Other income ( without Dividend )	43,075,338	35%		15,076,368
Income from capital gain ( Investment in share )	21,772,450	10%		2,177,245
Income from Dividend	24,035,077	20%		4,807,015
Total income	117,592,599		Tax liability	32,109,036

### CALCULATION OF DEFERRED TAX

For the year ended 31 December, 2019

#### Annexure - E

	<b>Amount in BDT</b>	
	<b>2019</b>	<b>2018</b>
<b>Deferred Tax Liabilities</b>		
<b>Taxable Temporary Difference:</b>		
Carrying Value of Depreciable Fixed Assets	66,997,489	71,839,795
TAX Base Value	(52,485,026)	(58,023,428)
<b>Taxable Temporary Difference</b>	<b>14,512,462</b>	<b>13,816,367</b>
<b>Net Taxable temporary differences</b>	<b>14,512,462</b>	<b>13,816,367</b>
<b>Applicable TAX Rate</b>	<b>35%</b>	<b>35%</b>
<b>Deferred TAX (Assets)/Liabilities</b>	<b>5,079,362</b>	<b>4,835,729</b>
<b>Deferred Tax Expenses is arrived at as follows:</b>		
Closing Deferred TAX Liabilities	5,079,362	4,835,729
Opening Deferred TAX Liabilities	(4,835,729)	(4,514,311)
<b>Deferred Tax (Income)/Expenses for the Year</b>	<b>243,633</b>	<b>321,418</b>

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## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of MTB Capital Ltd.

### 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, 2019, 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 2019, 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.

#### 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.

When we read the annual report, if we conclude that there is a material misstatement there in, 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 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, 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; and
- 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;

Dated, Dhaka  
January 26, 2020

*Khan Wahab Shafique Rahman & Co.*  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants



# MTB CAPITAL LTD.

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>4,300,077</b>	<b>4,889,249</b>
Property, plant & equipment	4.00	4,300,077	4,889,249
<b>Current Assets</b>		<b>473,623,846</b>	<b>443,805,764</b>
Investment in securities	5.00	165,060,175	156,745,140
Margin loan to clients	6.00	241,114,007	215,207,848
Accounts receivable	7.00	17,441,697	22,504,713
Advance and prepayments	8.00	41,266,779	31,194,336
Cash & cash equivalents	9.00	8,741,189	18,153,727
<b>Total Assets</b>		<b>477,923,923</b>	<b>448,695,013</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity</b>		<b>363,848,678</b>	<b>359,845,407</b>
Share capital	10.00	339,889,000	308,990,000
Retained earnings	11.00	23,959,678	50,855,407
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>		<b>141,535</b>	<b>156,372</b>
Deferred tax liability	12.00	141,535	156,372
<b>Current Liabilities</b>		<b>113,933,710</b>	<b>88,693,234</b>
Accounts payable	13.00	10,850,432	20,657,950
Provision for expenses	14.00	1,365,500	1,530,500
Provision for diminution in value of investments	15.00	20,000,000	13,000,000
Provision for margin loan	16.00	30,000,000	15,000,000
Provision for current tax	17.00	51,717,778	38,504,784
<b>Total Liabilities</b>		<b>114,075,245</b>	<b>88,849,606</b>
<b>Total Shareholders' Equity and Liabilities</b>		<b>477,923,923</b>	<b>448,695,013</b>
<b>Net Assets Value (NAV) per share</b>	18.00	<b>107</b>	<b>106</b>

The annexed notes are integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chairman

Signed as per annexed report on even date.

Dated, Dhaka  
January 26, 2020.

  
Khan Wahab Shafique Rahman & Co.  
Chartered Accountants

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2019

Particulars	Notes	Amount in BDT	
		2019	2018
<b>Operating income</b>		<b>59,705,647</b>	<b>82,633,709</b>
Interest income	19.00	33,470,666	32,719,525
Income from investment	20.00	9,204,906	23,333,684
Underwriting commission	21.00	538,750	1,538,818
Issue management fees	22.00	7,980,937	8,471,750
Settlement fees and documentation charges	23.00	1,485,606	2,990,690
Portfolio management fees	24.00	4,328,744	11,439,882
Trustee fees	25.00	1,150,000	1,250,000
Other operating income	26.00	1,546,038	889,360
<b>Operating expense</b>		<b>20,504,219</b>	<b>19,876,102</b>
Office & administrative expenses	27.00	20,504,219	19,876,102
<b>Profit before provision and tax</b>		<b>39,201,428</b>	<b>62,757,607</b>
<b>Provision</b>		<b>22,000,000</b>	<b>3,000,000</b>
Provision for diminution in value of investments	28.00	7,000,000	500,000
Provision for margin loan	29.00	15,000,000	2,500,000
<b>Net profit before tax</b>		<b>17,201,428</b>	<b>59,757,607</b>
<b>Income tax expenses</b>	30.00	<b>13,198,157</b>	<b>20,514,569</b>
Current tax expense		13,212,994	20,537,777
Deferred tax expense/(income)		(14,837)	(23,208)
<b>Net profit after tax</b>		<b>4,003,271</b>	<b>39,243,038</b>
<b>Earnings per share</b>	31.00	<b>1.18</b>	<b>11.55</b>

The annexed notes are integral part of these financial statements.

  
 Chief Executive Officer

  
 Director

  
 Chairman

Signed as per annexed report on even date.



 Khan Wahab Shafique Rahman & Co.  
 Chartered Accountants

 Dated, Dhaka  
 January 26, 2020.

# MTB CAPITAL LTD.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

Particulars	Amount in BDT		
	Paid-up capital	Retained earnings	Total
Balance as at January 01, 2019	308,990,000	50,855,407	359,845,407
Net profit for the year after tax	-	4,003,271	4,003,271
Stock dividend	30,899,000	(30,899,000)	-
Balance as at 31 December 2019	339,889,000	23,959,678	363,848,678
Balance as at 31 December 2018	308,990,000	50,855,407	359,845,407



Chief Executive Officer



Director



Chairman

**MTB CAPITAL LTD.**  
**STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2019

Particulars	Amount in BDT	
	2019	2018
<b>Net profit during the year (after tax)</b>	<b>4,003,271</b>	<b>39,243,038</b>
<b>Add : Amount consider as non cash items :</b>		
Depreciation charged during the year	683,462	805,767
Increase/(decrease) in provision for diminution in value of investments	7,000,000	500,000
Increase/(decrease) in provision for margin loan	15,000,000	2,500,000
Increase/(decrease) in provision for expenses	(165,000)	367,819
Increase/(decrease) in provision for income tax	13,212,994	1,407,121
Increase/(decrease) in deferred tax liability	(14,837)	(23,208)
<b>Sub total of non cash items</b>	<b>35,716,619</b>	<b>5,557,498</b>
<b>Changes in working capital components</b>		
Increase/(decrease) in accounts payable	(9,807,518)	7,634,558
(Increase)/decrease in accounts receivable	5,063,016	(3,425,878)
(Increase)/decrease in advance & prepayment	(10,072,443)	(4,573,829)
<b>A) Net cash flow from operating activities</b>	<b>24,902,945</b>	<b>44,435,388</b>
<b>Cash flow from investing activities:</b>		
(Increase)/decrease in investment in securities	(8,315,035)	(48,583,994)
(Increase)/decrease in purchase of premises & fixed asset	(94,290)	(24,214)
(Increase)/decrease in margin loan to clients	(25,906,159)	5,830,957
<b>B) Net cash flow from investing activities</b>	<b>(34,315,483)</b>	<b>(42,777,250)</b>
<b>Cash flow from financing activities :</b>		
Increase/(decrease) in short term borrowings	-	-
<b>C) Net cash flow from financing activities</b>	<b>-</b>	<b>-</b>
<b>D) Net cash increase / (decrease) (A+B+C)</b>	<b>(9,412,538)</b>	<b>1,658,137</b>
<b>E) Opening cash and cash equivalents</b>	<b>18,153,727</b>	<b>16,495,590</b>
<b>F) Closing cash and cash equivalents</b>	<b>8,741,189</b>	<b>18,153,727</b>
<b>Net operating cash flow per share (NOCFPS)</b>	<b>(Note: 32.00) 7.33</b>	<b>13.07</b>



Chief Executive Officer



Director



Chairman

### 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, 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 2019 and prepared under the historical cost convention except investment in securities as a going concern and in accordance with the Companies Act 1994, International Financial 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 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 1<sup>st</sup> January 2019 to 31 December 2019.

### **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	
		2019	2018
4.00	<b>Property, plant &amp; equipment</b>		
	<b>Cost:</b>		
	Opening balance	12,604,599	12,580,385
	Addition during the year	94,290	24,214
	<b>Total cost</b>	<b>12,698,889</b>	<b>12,604,599</b>
	<b>Depreciation:</b>		
	Opening balance	7,715,350	6,909,583
	Add: Depreciation charged during the year	683,462	805,767
		<b>8,398,812</b>	<b>7,715,350</b>
	Written down value	<b>4,300,077</b>	<b>4,889,249</b>
	(Detail is shown in Annexure - A)		
5.00	<b>Investment in securities</b>		
	Investment in securities represent the cost price of securities which have been invested by the company.		
	Quoted shares (Annexure-B)	165,060,175	156,745,140
	Unquoted shares	-	-
		<b>165,060,175</b>	<b>156,745,140</b>
6.00	<b>Margin loans to clients</b>		
	Margin loan to investors - Non- Discretionary Account (NDA)	237,178,479	212,736,206
	Margin loan to investors - Discretionary Account (DA)	3,935,527	2,471,642
		<b>241,114,007</b>	<b>215,207,848</b>
7.00	<b>Accounts receivable</b>		
	Underwriting commission	1,538,818	1,288,818
	Issue management fees	7,117,556	7,035,881
	Trustee fees	500,000	800,000
	Dividend receivable	3,386,536	3,102,314
	Management fees	62,831	62,673
	Receivable from brokers	4,235,422	7,494,092
	Rental income	37,500	37,500
	Cheque in transit	-	285,000
	IPOs	563,035	2,398,435
		<b>17,441,697</b>	<b>22,504,713</b>
8.00	<b>Advance and prepayments</b>		
	Advance income tax (Note: 8.01)	40,116,584	29,677,469
	Advance to employees (Note: 8.02)	1,150,195	1,516,867
		<b>41,266,779</b>	<b>31,194,336</b>
8.01	<b>Advance income tax</b>		
	Opening balance	29,677,469	24,745,302
	Addition during the year	10,439,115	21,250,374
	Adjustment during the year	-	16,318,207
		<b>40,116,584</b>	<b>29,677,469</b>
8.02	<b>Advance to employees</b>		
	Advance to employee car	1,150,195	1,516,867
		<b>1,150,195</b>	<b>1,516,867</b>

		Amount in BDT																	
		2019	2018																
9.00	<b>Cash &amp; cash equivalents</b>																		
	This is made up as under:																		
	Cash in hand	20,965	3,316																
	<b>Cash at Bank (Mutual Trust Bank)</b>																		
	MTB-0012-0210010572 (CD)	678	678																
	MTB Tower 0087-0210000208 (Own Portfolio)	760,173	1,155,280																
	MTB Tower 0087-0320000045 (SND)	569,575	2,202,513																
	MTB Tower 0087-0320000054 (IPO)	22,103	23,508																
	MTB Tower 0087-0320000214 (NDA)	1,779,969	6,484,065																
	MTB Tower 0087-0320000205 (DA)	2,567,315	5,311,856																
	MTB Tower 0087-0320000223 (GA)	3,020,411	2,972,512																
		8,720,224	18,150,411																
		<b>8,741,189</b>	<b>18,153,727</b>																
10.00	<b>Share capital</b>																		
	<b>Authorized capital</b>	<b>500,000,000</b>	<b>500,000,000</b>																
	50,00,000 ordinary shares of Tk. 100 each.																		
	<b>Issued, subscribed and paid-up capital:</b>	<b>339,889,000</b>	<b>308,990,000</b>																
	3,398,990 ordinary shares of Tk. 100 each																		
	<b>Shareholding position:</b>																		
	<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>3,398,755</td><td>339,875,500</td><td>99.996%</td></tr> <tr> <td>Mr. Md. Hedayetullah</td><td>135</td><td>13,500</td><td>0.004%</td></tr> <tr> <td><b>Total</b></td><td><b>3,398,890</b></td><td><b>339,889,000</b></td><td><b>100%</b></td></tr> </tbody> </table>	Particulars	No. of Shares	Amount	Percentage	Mutual Trust Bank Limited	3,398,755	339,875,500	99.996%	Mr. Md. Hedayetullah	135	13,500	0.004%	<b>Total</b>	<b>3,398,890</b>	<b>339,889,000</b>	<b>100%</b>		
Particulars	No. of Shares	Amount	Percentage																
Mutual Trust Bank Limited	3,398,755	339,875,500	99.996%																
Mr. Md. Hedayetullah	135	13,500	0.004%																
<b>Total</b>	<b>3,398,890</b>	<b>339,889,000</b>	<b>100%</b>																
11.00	<b>Retained earnings</b>																		
	Opening balance	50,855,407	39,702,369																
	Add: Net profit after tax during the year	4,003,271	39,243,038																
	Less: Stock dividend	30,899,000	28,090,000																
	Closing balance	<b>23,959,678</b>	<b>50,855,407</b>																
12.00	<b>Deferred tax liability</b>																		
	Opening balance	156,372	179,580																
	Deferred tax during the year (Note-30.02)	(14,837)	(23,208)																
		<b>141,535</b>	<b>156,372</b>																
13.00	<b>Accounts payable</b>																		
	LeadSoft BD Ltd.	414,556	414,556																
	Audit fees payable	55,000	55,000																
	Payable to brokers	4,150,946	8,376,827																
	Client deposits	5,093,288	10,678,182																
	VAT payable	1,131,143	1,111,510																
	Source tax payable	5,500	21,875																
		<b>10,850,432</b>	<b>20,657,950</b>																

		Amount in BDT	
		2019	2018
<b>14.00</b>	<b>Provision for expenses</b>		
	<b>Incentive bonus:</b>		
	Opening balance	1,530,500	1,162,681
	Paid during the year	(919,200)	(926,831)
	Addition during the year	754,200	1,294,650
	Closing balance	<b>1,365,500</b>	<b>1,530,500</b>
<b>15.00</b>	<b>Provision for diminution in value of investments</b>		
	Opening balance	13,000,000	12,500,000
	Addition during the year (Note-28.00)	7,000,000	500,000
		<b>20,000,000</b>	<b>13,000,000</b>
<b>16.00</b>	<b>Provision for margin loan</b>		
	Opening balance	15,000,000	12,500,000
	Addition during the year (Note-29.00)	15,000,000	2,500,000
		<b>30,000,000</b>	<b>15,000,000</b>
<b>17.00</b>	<b>Provision for current tax</b>		
	Opening balance	38,504,784	37,097,663
	Add: Addition during the year (Note-30.01)	13,212,994	20,537,777
	Less: Adjustment during the year	-	19,130,656
		<b>51,717,778</b>	<b>38,504,784</b>
<b>18.00</b>	<b>Net Assets Value (NAV) per share</b>		Restated
	Net Assets (18.01)	363,848,678	359,845,407
	Number of ordinary shares outstanding	3,398,890	3,398,890
		<b>107</b>	<b>106</b>
<b>18.01</b>	<b>Net Assets</b>		
	Total Assets	477,923,923	448,695,013
	Less:Non-current Liabilities	141,535	156,372
	Less:current Liabilities	113,933,710	88,693,234
		<b>363,848,678</b>	<b>359,845,407</b>
<b>19.00</b>	<b>Interest income</b>		
	Interest on margin loan - Non- Discretionary Account (NDA)	33,325,056	31,338,207
	Interest on margin loan - Discretionary Account (DA)	139,568	13,319
	Interest on bank accounts	6,041	1,367,999
		<b>33,470,666</b>	<b>32,719,525</b>
<b>20.00</b>	<b>Income from investment</b>		
	Dividend income	3,495,979	3,638,355
	Capital gain on sale of securities	5,708,927	19,695,329
		<b>9,204,906</b>	<b>23,333,684</b>
<b>21.00</b>	<b>Underwriting commission</b>		
	Zaheen Spinning Limited	-	1,288,818
	Silco Pharmaceutical Ltd.	157,500	-
	Ring Shine Textiles Ltd.	131,250	-
	Coppertech Ind. Ltd.	250,000	-
	Bashundhara Paper Mills Ltd.	-	250,000
		<b>538,750</b>	<b>1,538,818</b>

		Amount in BDT	
		2019	2018
<b>22.00</b>	<b>Issue management fees</b>		
	Zaheen Spinning Limited	-	500,000
	Krishibid Feed Ltd.	800,000	700,000
	Mutual Trust Bank Ltd.	3,330,937	1,000,000
	Unique Infoway Ltd.	-	971,750
	Gardenia Wears Limited	-	2,800,000
	Coppertech Industries Limited	2,000,000	2,500,000
	Nialco Alloys Limited	1,100,000	-
	Strategic Finance Ltd.	150,000	-
	Alliance Capital Asset Management Ltd.	100,000	-
	Classic Foils Ltd.	300,000	-
	R.A. Spinning Mills Ltd.	200,000	-
		<b>7,980,937</b>	<b>8,471,750</b>
<b>23.00</b>	<b>Settlement fees &amp; documentation charges</b>		
	Settlement fee	1,463,606	2,968,690
	Documentation charge	22,000	22,000
		<b>1,485,606</b>	<b>2,990,690</b>
<b>24.00</b>	<b>Portfolio management fees</b>		
	Non-discretionary account	4,058,698	10,996,704
	Discretionary account	270,047	443,178
		<b>4,328,744</b>	<b>11,439,882</b>
<b>25.00</b>	<b>Trustee fees</b>		
		1,150,000	1,250,000
		<b>1,150,000</b>	<b>1,250,000</b>
<b>26.00</b>	<b>Other operationing income</b>		
	IPO charges	10,340	12,910
	Annual BO account charge	163,350	144,450
	Share transmission fees	138,114	-
	Dematerialisation fees	502,234	-
	Rental income	732,000	732,000
		<b>1,546,038</b>	<b>889,360</b>
<b>27.00</b>	<b>Office &amp; administrative expenses</b>		
	Salary and remuneration	11,902,633	11,074,769
	Office rent expense	3,487,392	3,631,437
	Postage, telephone, fax, stamp	111,000	113,358
	Printing & stationery	211,267	95,468
	Advertising expense	-	184,192
	Directors' fee	658,833	675,000
	Auditors' fee	68,750	68,750
	Depreciation expenses	683,462	805,767
	Repairs and maintenance	267,700	284,825
	Car expense	901,182	911,438
	CDBL charge	483,305	294,145
	Entertainment	627,682	610,598
	Cleaning service charge	405,900	349,805
	Fee & registration	199,540	261,565
	Bank charges	80,481	124,037

		Amount in BDT	
		2019	2018
	Conveyance	251,053	138,065
	Internet expense	28,488	30,070
	Staff training	3,450	5,000
	Travelling expense	26,800	12,200
	Business promotion expense	-	76,528
	Books & newspaper	9,495	7,180
	Holiday working bill	17,250	10,350
	Domain and hosting charge	8,000	8,000
	Professional fee	55,556	55,556
	IPO expense	15,000	48,000
		<b>20,504,219</b>	<b>19,876,102</b>
<b>28.00</b>	<b>Provision for diminution in value of investments</b>	<b>7,000,000</b>	<b>500,000</b>
	This provision is made as per BSEC guideline and to reduce the risk of investment.		
<b>29.00</b>	<b>Provision for margin loan</b>	<b>15,000,000</b>	<b>2,500,000</b>
	This provision is made as per BSEC guideline and to reduce the risk of investment.		
<b>30.00</b>	<b>Income tax expenses</b>		
	Current tax (Note-30.01)	13,212,994	20,537,777
	Deferred tax (Note-30.02)	(14,837)	(23,208)
		<b>13,198,157</b>	<b>20,514,569</b>
	Income tax expenses is calculated as per guideline of Income Tax Ordinance and Rules.		
<b>30.01</b>	<b>Current tax</b>	13,212,994	20,537,777
	(Details is shown in Annexure-C)	<b>13,212,994</b>	<b>20,537,777</b>
<b>30.02</b>	<b>Deferred tax expense/(income)</b>	(14,837)	(23,208)
	(Detail is shown in Annexure - D)	<b>(14,837)</b>	<b>(23,208)</b>
<b>31.00</b>	<b>Earnings per share</b>		Restated
	Net profit after tax	4,003,271	39,243,038
	Number of ordinary shares outstanding	3,398,890	3,398,890
	Earnings per share	<b>1.18</b>	<b>11.55</b>
<b>32.00</b>	<b>Net operating cash flows per share (NOCFPS)</b>		Restated
	Net operating cash flows	24,902,945	44,435,388
	Number of shares	3,398,890	3,398,890
		<b>7.33</b>	<b>13.07</b>
<b>33.00</b>	<b>Number of employees</b>		
	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 08 persons.		
<b>34.00</b>	<b>Events after the balance sheet date</b>		
	Subsequent to the reporting date, the Board of Directors recommended 5% stock dividend.		



**MTB CAPITAL LTD.**  
**SCHEDULE OF PROPERTY, PLANT & EQUIPMENT**  
 As at 31 December 2019

**Annexure - A**

(Amount in BDT)

Particulars	Cost				Depreciation					Written down value as on 31.12.2019
	Opening balance	Addition during the year	Disposal during the year	Balance as on 31.12.2019	Rate (%)	Opening balance	Charged during the year	Dispos- al for the year	Accumulated depreciation	
Furniture & Fixture	1,367,694	-	-	1,367,694	10%	396,532	97,116	-	493,649	874,045
Office Equipment	8,471,266	94,290	-	8,565,556	20%	6,569,330	384,731	-	6,954,061	1,611,495
Interior Decoration	2,765,639	-	-	2,765,639	10%	749,488	201,615	-	951,103	1,814,536
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
Balance as on 31 December 2018	12,580,385	24,214	-	12,604,599		6,909,583	805,767	-	7,715,350	4,889,249

## INVESTMENT IN QUOTED SECURITIES

As at 31 December 2019

(Amount in BDT)

Name of the company	No. of shares	Total cost	Market rate per share	Market value	Difference
Familytex(BD) Limited	106,581	2,430,056	2.00	213,162	(2,216,894)
GBB POWER LTD.	50,000	771,540	14.00	700,000	(71,540)
JMI Syringes & Med. Devi.	1,000	402,845	310.50	310,500	(92,345)
Libra Infusions Limited	1,010	1,130,549	657.70	664,277	(466,272)
Monno Ceramics	27,050	9,597,661	123.30	3,458,565	(6,139,096)
Wata Chemicals Ltd.	700	294,391	365.80	256,060	(38,331)
ACI Formulations Limited	27,263	5,689,381	91.70	2,500,017	(3,189,364)
BATBC	2,200	3,277,019	969.90	2,133,780	(1,143,239)
BBS Cables Ltd.	110,000	10,751,051	58.80	6,468,000	(4,283,051)
Beximco Limited	131,000	3,548,149	13.80	1,807,800	(1,740,349)
BRAC Bank Limited	2,000	115,325	57.10	114,200	(1,125)
Central Pharmaceuticals Ltd.	466,830	13,018,392	9.00	4,201,470	(8,816,922)
City Bank	20,000	422,760	21.10	422,000	(760)
Confidence Cement Limited	29,577	4,453,299	106.10	3,138,104	(1,315,195)
Dhaka Bank	157,500	2,757,842	12.00	1,890,000	(867,842)
ADN Telecom Limited	18,968	569,040	0.00	0	(569,040)
Esquire Knit Composite Ltd	20,000	981,537	28.30	566,000	(415,537)
EXIM Bank Limited	90,000	1,081,944	10.10	909,000	(172,944)
Far Chemical Ind. Ltd.	137,759	3,590,467	8.20	1,129,620	(2,460,847)
Federal Insurance	20,000	324,583	14.10	282,000	(42,583)
Fu-Wang Food	55,000	1,121,138	10.10	555,500	(565,638)
Genex Infosys Limited	393	3,415	67.40	26,468	23,053
Golden Harvest Agro Ind. Ltd.	59,600	1,442,147	19.20	1,144,320	(297,827)
Grameen Phone Limited	3,510	1,573,371	285.80	1,003,158	(570,213)
Hamid Fabrics Limited	30,000	770,441	15.80	474,000	(296,441)
Heidelberg Cement Bd. Ltd.	220	52,836	164.80	36,256	(16,580)
Hwa Well Textile BD Ltd.	25,100	1,306,625	32.40	813,240	(493,385)
IFIC Bank Limited	70,000	763,413	9.90	693,000	(70,413)
Khulna Power Co. Limited	14,000	856,910	46.70	653,800	(203,110)
Marico Bangladesh	180	300,916	1,673.30	301,194	278
Meghna Petroleum Ltd.	56,100	13,740,249	163.80	9,189,180	(4,551,069)
Olympic Accessories Limited	154,073	2,747,783	6.30	970,660	(1,777,123)
Olympic Industries	25,000	6,091,509	165.00	4,125,000	(1,966,509)
Padma Oil	70,100	23,943,183	192.20	13,473,220	(10,469,963)
Premier Bank Limited	350,000	4,766,522	12.50	4,375,000	(391,522)
Ratanpur Steel Re-Rolling M	60,000	3,924,433	23.50	1,410,000	(2,514,433)
Runner Automobiles Limited	40,477	3,499,248	59.50	2,408,376	(1,090,872)
Saif Powertec Ltd	10,600	181,326	13.40	142,040	(39,286)
Shasha Denims Limited	126,000	7,457,699	24.70	3,112,200	(4,345,499)
Sonar Bangla Insurance	6,000	274,047	35.90	215,400	(58,647)
Square Pharmaceuticals Ltd.	7,490	1,762,810	190.00	1,423,100	(339,710)
Standard Bank Limited	30,000	266,479	8.90	267,000	521
Titas Gas T & D Co. Ltd.	215,360	18,729,349	30.90	6,654,624	(12,074,725)
United Power G & D Co	5,050	1,796,476	245.30	1,238,765	(557,711)
Western Marine Ship. Ltd	126,500	2,480,021	11.20	1,416,800	(1,063,221)
<b>Total</b>		<b>165,060,175</b>		<b>87,286,855</b>	<b>(77,773,320)</b>

**MTB CAPITAL LTD.**  
**CALCULATION OF TAXATION**  
For the year ended 31 December 2019

**CALCULATION OF CURRENT TAX**

For the year ended 31 December 2019

**Annexure - C**

Current tax:			Amount in BDT
A. Operational income	31,847,749	37.50%	11,942,906
B. Dividend income	3,495,979	20.00%	699,196
C. Capital gain on sale of securities	5,708,927	10.00%	570,893
<b>Total current year tax</b>			<b>13,212,994</b>

**CALCULATION OF DEFERRED TAX**

For the year ended 31 December 2019

**Annexure - D**

Deferred tax expense/(income)	Amount in BDT	
	2019	2018
Carrying amount of property, plant & equipment	4,300,077	4,889,249
Tax base property, plant & equipment	(3,922,650)	(4,472,257)
<b>Taxable temporary difference</b>	<b>377,427</b>	<b>416,992</b>
Applicable tax rate	37.50%	37.50%
<b>Provision for deferred tax</b>	<b>141,535</b>	<b>156,372</b>
Less: Opening balance	(156,372)	(179,580)
<b>Deferred tax expense/(income)</b>	<b>(14,837)</b>	<b>(23,208)</b>

# MTB EXCHANGE (UK) LIMITED

## DIRECTORS' REPORT

For the year ended 31 December 2019

The directors present their annual report and the financial statements for the year ended 31 December 2019.

### 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 regulations and in accordance with United Kingdom Generally Accepted Accounting Practice.

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 (Financial Reporting Standard 102). 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 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 judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements and
- 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 are sufficient to show and explain the company's transactions and 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.

Each director who held office at the date of approval of this report confirms that: so far as the director is aware, there is no relevant audit information needed by the company's auditor in connection with preparing their report of which the company's auditor is unaware; and the director has taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.



**Syed Mahbubur Rahman**  
Director

**Date approved: 29 January 2020**

# MTB EXCHANGE (UK) LIMITED

## ACCOUNTANTS' REPORT

For the year ended 31 December 2019

Chartered Management Accountants' report to the board of directors on the preparation of the unaudited statutory accounts MTB EXCHANGE (UK) LIMITED for the year ended 31 December 2019.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of MTB EXCHANGE (UK) LIMITED for the year ended 31 December 2019 which comprise of the Profit and Loss Account, the Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Chartered Institute of Management Accountants, we are subject to its ethical and other professional requirements which are detailed at <http://www.cimaglobal.com>.

This report is made solely to the Board of Directors of MTB EXCHANGE (UK) LIMITED, as a body, in accordance with the terms of our engagement letter dated. 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 Directors of MTB EXCHANGE (UK) LIMITED, as a body, in this report in accordance with the requirements of the Chartered Institute of Management Accountants as detailed at <http://www.cimaglobal.com>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than MTB EXCHANGE (UK) LIMITED and its Board of Directors 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 profit 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 therefore, express any opinion on the statutory accounts.



**Jahan & Co.**  
Chartered Management Accountants  
22 Osborn Street  
London  
E1 6TD  
29 January 2020

# MTB EXCHANGE (UK) LIMITED

## Profit and Loss Account

For the year ended 31 December 2019

Particulars	Notes	2019 £	2018 £
<b>Turnover</b>		238,008	149,612
<b>Gross profit</b>		<b>238,008</b>	<b>149,612</b>
Selling and Distribution costs		(4,454)	(2,992)
Administrative expenses		(185,353)	(148,347)
Other operating income	2	30,000	30,000
<b>Operating Profit</b>	3	<b>78,201</b>	<b>28,273</b>
<b>Profit/Loss on ordinary activities before taxation</b>		78,201	28,273
Tax on profit on ordinary activities	6	(744)	(744)
<b>Profit/Loss for the financial year</b>		<b>77,457</b>	<b>27,529</b>



# MTB EXCHANGE (UK) LIMITED

## BALANCE SHEET

As at 31 December 2019

Particulars	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Tangible fixed Assets	7	13,431	16,037
		<b>13,431</b>	<b>16,037</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	50,904	36,757
Debtors: amounts falling due after one year	9	8,750	8,750
Cash at bank and in hand		104,517	38,559
		<b>164,171</b>	<b>84,066</b>
<b>Creditors: amounts falling due within one year</b>	10	(1,772)	(1,730)
<b>Net current assets</b>		<b>162,399</b>	<b>82,336</b>
<b>Total assets less current liabilities</b>		175,830	98,373
<b>Creditors: Amounts falling due after more than one year</b>	11	(338,580)	(338,580)
<b>Net assets</b>		<b>(162,750)</b>	<b>(240,207)</b>
<b>Capital and reserves</b>			
Called up share capital	12	230,000	230,000
Profit and loss account	13	(392,750)	(470,207)
<b>Shareholders funds</b>		<b>(162,750)</b>	<b>(240,207)</b>

For the year ended 31 December 2019 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.



**Syed Mahbubur Rahman**  
Director

**Date approved by the board: 29 January 2020**

# MTB EXCHANGE (UK) LIMITED

## NOTES TO THE ACCOUNTS

As at 31 December 2019

### General Information

MTB EXCHANGE (UK) LTD is a private company limited by share, registered in England and Wales, registration number 07282261 registration address 25 WHITECHAPEL ROAD, LOANDON, E1 1DU.

The presentation currency is £ sterling.

### 1. Accounting Policies

#### Significant accounting policies

##### Statement of compliance

These financial statements have been prepared in compliance with FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

##### Basis of preparation

The financial statements have been prepared on the going concern basis and under the historical cost convention as modified by the revaluation of land and buildings and certain financial instruments measured at fair value in accordance with the accounting policies.

The financial statements are prepared in sterling which is the functional currency of the company.

### Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

### 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

	2019 £	2018 £
<b>2. Other operating income</b>		
Rents Received	30,000	30,000
	<b>30,000</b>	<b>30,000</b>
<b>3. Operating Profit</b>		
The operating profit is stated after charging:		
Depreciation of tangible fixed assets	3,007	3,652
	<b>3,007</b>	<b>3,652</b>
<b>4. Directors' Emoluments</b>		
The directors did not withdraw any salary during the period.		
<b>5. Staff Costs</b>		
Wages and salaries	47,769	42,615
Pension cists, defined contribution plan	1,571	858
Other staff costs	1,196	953
	<b>50,536</b>	<b>44,426</b>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	1	2
Sales	2	3
	<b>3</b>	<b>5</b>
<b>6. Tax on profit on ordinary activities</b>		
UK Corporation tax	744	744
	<b>744</b>	<b>744</b>

7. **Tangible fixed assets**

Cost	Fixtures and Fittings £	Computer Equipment £	Total £
At 1 January 2019	56,813	14,415	71,228
Additions	251	150	401
Disposals	-	-	-
<b>At 31 December 2019</b>	<b>57,064</b>	<b>14,565</b>	<b>71,629</b>
<b>Depreciation</b>			
At 1 January 2019	43,650	11,541	55,191
Charge for year	2,466	541	3,007
On Disposals	-	-	-
<b>At 31 December 2019</b>	<b>46,116</b>	<b>12,082</b>	<b>58,198</b>
<b>Net Book values</b>			
<b>Closing balance as at 31 December 2019</b>	<b>10,948</b>	<b>2,483</b>	<b>13,431</b>
<b>Opening balance as at 01 January 2019</b>	<b>13,163</b>	<b>2,874</b>	<b>16,037</b>

8. **Debtors: Amounts falling due within one year**

Prepayments & Accrued Income  
Other debtors  
Money in Transit

9. **Debtors: Amounts falling due after one year**

Other debtors

10. **Creditors: amount falling due within one year**

Corporation tax  
Accrued Expenses  
Pension Scheme

11. **Creditors: amount falling due after more than one year**

Other Creditors

12. **Share Capital  
Allotted**

230,000 Class A shares of £ 1.00 each

13. **Profit and loss account**

Balance at 01 January 2019  
Profit for the year

**Balance at 31 December 2019**

2019 £	2018 £
3,356	
32,647	34,764
14,901	1,993
<b>50,904</b>	<b>36,757</b>
8,750	8,750
<b>8,750</b>	<b>8,750</b>
744	744
900	900
128	86
<b>1,772</b>	<b>1,730</b>
338,580	338,580
<b>338,580</b>	<b>338,580</b>
230,000	230,000
<b>230,000</b>	<b>230,000</b>
(470,207)	
77,457	
<b>(392,750)</b>	

# EVENTS



Unveiling of Terracotta on the glorious Liberation War of Bangladesh



Inauguration of MTB Museum, a country-first of any commercial bank



Inauguration of MTB Shyamoli Branch



Inauguration of MTB Monohardi Branch



Inauguration of MTB Mongolergaon Sub-Branch



Inauguration of MTB Smart Banking Kiosk at Ispahani Islamia Eye Institute and Hospital









Agreement Signing Ceremony with Apex Footwear Ltd.



Agreement Signing Ceremony with PricewaterhouseCoopers (PWC)



Agreement Signing Ceremony with Gulf Exchange Company, Qatar



Agreement Signing Ceremony with SSL Wireless for Indian Visa Fee Payment through MTB Internet Banking service



Agreement Signing Ceremony with Anwar Landmark



MTB Annual Business Conference (MABC) 2019





MTB BAMLCO Conferene 2019



MTB Retail & SME Conference 2019



MTB Agent Banking Conference 2019



MTB Merchant Get-together 2019



School Banking Conference, Gazipur



Celebration of 20th MTB Day



MTB Celebrates International Women's Day 2019



Closing Ceremony of Syndication Term Loan Facility for JMI Group



MTB receives the PCI DSS Certificate from SISA Information Security



REMEMBERING OUR FAMILY MEMBERS  
WHO LEFT US IN COVID-19



Niloufer Manzur

Late Niloufer Manzur: The Founding Principal of Sunbeams School & Wife of Mr. Syed Manzur Elahi, Founding Chairman of Mutual Trust Bank Limited



GHM Zahidur Rahman

Late GHM Zahidur Rahman: Vice President  
Group HR of Mutual Trust Bank Limited

# 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
MFI	Micro Finance Institutions
MICR	Magnetic Ink Character Recognition
MID	MTB Infrastructure Division
MITS	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
SDG	Sustainable Development Goals
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

## MTB DHAKA DIVISION BRANCHES

### Principal Branch (AD BR.)

WW Tower, 68, Motijheel C/A, Dhaka  
+88(02)47113237-38, 47119964, 47122049, 47122849  
Fax : 880-2-47110930  
Email : principal.br@mutualtrustbank.com

### Panthapath Branch (AD BR.)

Chandrashila Suvastu Tower  
69/1 Panthapath, Dhaka  
Phone : 9641027, 9641281  
IP Phone : 8030 (used for Positive Pay)  
Fax : 880-2-8624687  
Email : panthapath.br@mutualtrustbank.com

### Babu Bazar Branch (AD BR.)

Aman Court, 15 Armenian Street  
Armanitola, Babu Bazar, Dhaka  
Phone : 02-5731 4821-2  
IP Phone : 8040 (used for Positive Pay)  
Fax : 02-5731 6393  
Email : bbazar.br@mutualtrustbank.com

### Sonargaon Branch

Khandker Plaza, Thana Road  
Mograpara, Sonargaon  
Phone : 027656347  
IP Phone : 8060 (used for Positive Pay)  
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)  
IP Phone : 8070 (used for Positive Pay)  
Fax : 58957184

### Pragati Sarani Branch (AD BR.)

15/5, Pragati Sarani, Dhaka  
Phone : 8411804, 8410948, 8413082  
IP Phone : 8080 (used for Positive Pay)  
Fax : 8411863  
Email : pragati.br@mutualtrustbank.com

### Sreenagar Branch

M. Rahman Complex (1st Floor)  
Sreenagar Bazar, Bhaggakul Road  
Sreenagar, Munshigonj  
Phone : 02-7627165  
IP Phone : 8100 (used for Positive Pay)  
Email : sreenagar.br@mutualtrustbank.com

### Pallabi Branch

14/11, Pallabi, Mirpur-12, Dhaka  
Phone : 901 6273 , 805 5630  
IP Phone : 8110 (used for Positive Pay)  
Fax : 8055630  
Email : pallabi.br@mutualtrustbank.com

### Dilkusha Branch

Hotel Purbani International Building  
1 Dilkusha C/A, Dhaka-1000  
Phone : 9551627 (D), 9578580-1  
IP Phone : 8120 (used for Positive Pay)  
Fax : 9578505  
Email : dilkusha.br@mutualtrustbank.com

### Dhanmondi Branch (AD BR.)

Plot # 81, Road # 8/A (New), 1st Floor,  
Green Taj Center, Dhanmondi, Dhaka  
Phone : 9133148 (D), 5815 5607, 58152213, 9130234  
IP Phone : 8140 (used for Positive Pay)  
Fax : 55000241  
Email : dhanmondi.br@mutualtrustbank.com

### Bashundhara City Branch

Bashundhara City Shopping Mall,  
Level-3, Block-A, Panthapath, Dhaka  
Phone : 9124021(Fax),9120982,9111440,  
8121801, 8121732, 9136113  
IP Phone : 8160 (used for Positive Pay)  
Fax : 00880-2-9124021  
Email : bcity.br@mutualtrustbank.com

### Chandra Branch

Dewan Plaza, Chandra Polly Biddut, Kaliakoir, Gazipur  
Phone : 06822-51968  
IP Phone : 8170 (used for Positive Pay)  
Fax : 06822-51969  
Email : chandra.br@mutualtrustbank.com

### Gulshan Branch (AD BR.)

120 Gulshan Avenue, Dhaka  
Phone : 880 (2) 9882473  
880 (2) 8837840  
IP Phone : 8220 (used for Positive Pay)  
Fax : 880 (2) 8832343  
Email : gulshan.br@mutualtrustbank.com

### Savar Branch

United Super Market,  
Savar Bazar Bus Stand, Savar, Dhaka.  
Phone : 7741452 (PABX)  
7741453 (Direct)  
IP Phone : 8250 (used for Positive Pay)  
Fax : 7741453  
Email : savar.br@mutualtrustbank.com



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**Fulbaria Branch**

Annexco Tower, 8, Phonix Road, Fulbaria, Dhaka  
Phone : 880 (2) 955 9842.  
880 (2) 955 6285.  
880 (2) 951 1708.  
IP Phone : 8260 (used for Positive Pay)  
Fax : 880 (2) 955 9867  
Email : fulbaria.br@mutualtrustbank.com

**Madaripur Branch**

Howlader Harun Plaza, Main Road,  
Puran Bazar, Kotwali, Madaripur  
Phone : 0661-62483(Direct)  
0661-62482(PABX)  
IP Phone : 8270 (used for Positive Pay)  
Fax : +88066162482  
Email : madaripur.br@mutualtrustbank.com

**Dholaikhal Branch**

25, Jorpool Lane, Dholaikhal New Road,  
P.S. Wari, Dhaka  
Phone : Direct:9583542  
PABX: 9583895  
IP Phone : 8280 (used for Positive Pay)  
Fax : 029581932  
Email : dholaikhal.br@mutualtrustbank.com

**Aganagar Branch**

Babul Tower-2, Shahid Delowar Hossain Road  
East Aganagar, South Keraniganj, Dhaka  
Phone : 880-27762226, 880-27762227  
IP Phone : 8300 (used for Positive Pay)  
Fax : 880-27762227  
Email : aganagar.br@mutualtrustbank.com

**Narayanganj Branch**

31, 31/1, Loyal Tank Road, Noor Mansion  
Tanbazar, Narayanganj.  
Phone : 7648209  
IP Phone : 8690 (used for Positive Pay)  
Fax : 7648210  
Email : narayanganj.br@mutualtrustbank.com

**Banani Branch**

Lintoo Centre (1st floor and 2nd floor)  
House- 82, Rd-11, Block-D,  
Ward-19, Banani, Dhaka  
Phone : 988-3831(PABX);988-3861(Direct)  
IP Phone : 8340 (used for Positive Pay)  
Fax : 988-3861  
Email : banani.br@mutualtrustbank.com

**Tongi Branch**

United Shopping Complex (1st floor)  
Hossain Market, Tongi, Gazipur  
Phone : 9816250, 9816251  
IP Phone : 8370 (used for Positive Pay)  
Fax : 9816251  
Email : tongi.br@mutualtrustbank.com

**Elephant Road Branch**

Pentium Point, 160 Elephant Road, Dhaka - 1205  
Phone : 9611596 (Manager)  
9611597 (Hunting)  
IP Phone : 8380 (used for Positive Pay)  
Fax : 9611595  
Email : elephantroad.br@mutualtrustbank.com

**Dania Branch**

Dhaka Shopping Complex  
852- Zia Shorani, Shanir Akhra, Dhaka  
Phone : 02-7551169, 02-7551195  
IP Phone : 8400 (used for Positive Pay)  
Fax : + 880-02-7551203  
Email : dania.br@mutualtrustbank.com

**Mohammadpur Branch**

80/C Asad Avenue, Mohammadpur, Dhaka  
Phone : 9128494 (Direct)  
9127887 (PABX)  
IP Phone : 8430 (used for Positive Pay)  
Fax : 8158682 (Fax)  
Email : mohammadpur.br@mutualtrustbank.com

**MTB Centre Corporate Branch**

MTB Centre, 26 Gulshan Avenue  
Gulshan 1, Dhaka  
Phone : 880 2 881 8453, 8821472  
IP Phone : 8460 (used for Positive Pay)  
Fax : 880 2 881 8452  
Email : mtbcentre.br@mutualtrustbank.com

**Chawk Moghaltuli Branch**

House 93, Ward 05  
Chawk Moghaltuli, Lalbag  
Phone : 02-57318437, 02-57318698, 02-57319637  
IP Phone : 8480 (used for Positive Pay)  
Fax : 57319637  
Email : chowkm.br@mutualtrustbank.com

**Gazipur Branch**

Ahsania Complex, (1st floor)  
Vogra Eastern Bypass, Gazipur  
Phone : 9293305, 9293345  
IP Phone : 8500 (used for Positive Pay)  
Fax : 9293345  
Email : gazipur.br@mutualtrustbank.com

### **Baridhara Branch**

The Alliance Building, 63, Pragati Sarani  
(Ground Floor), Shahjadpur, Gulshan, Dhaka  
Phone no: 02-9848680, 02-9892826  
IP Phone : 8510 (used for Positive Pay)  
Fax : 02-8818667  
Email : baridhara.br@mutualtrustbank.com

### **Mymensingh Branch**

23-24 Ananda Mohan Avenue  
Bara Bazar, Mymensingh  
Phone : 091-63909, 091-63944 & 091-63945  
IP Phone : 8540 (used for Positive Pay)  
Fax : 091-63908  
Email : mymensingh.br@mutualtrustbank.com

### **Tejgaon Branch**

MTB Square, 210/A/1 Tejgaon Industrial Area  
Tejgaon, Dhaka  
Phone : +880(2)8817271, 8831815-6, 8831824, 8831827  
8831830, 8831848, 8831856, 8831858.  
IP Phone : 8570 (used for Positive Pay)  
Fax : +880(2)8817456  
Email : tejgaon.br@mutualtrustbank.com

### **Bashundhara Branch**

House- 236, Road - 2, Black - B, Bashundhara R/A, Dhaka- 1229  
Phone: 88(02) 8417821, 8417822  
Fax: 8417823  
Email: basundhara.br@mutualtrustbank.com

### **Shah Mokhdum Avenue Branch**

House 35, Sector 12,  
Shah Mokhdum Avenue, Uttara, Dhaka  
Phone : 55087006 (PABX), 55085883 (Dir)  
Mobile: 01990602638  
IP Phone : 8620 (used for Positive Pay)  
Email : smokhdum.br@mutualtrustbank.com

### **Kapasias Branch**

Thanar Mor, Kapasia, Gazipur  
Phone : +8802-9209222  
IP Phone : 8640 (used for Positive Pay)  
Fax : 06824-52223  
Email : kapasia.br@mutualtrustbank.com

### **MTB Meghna Branch**

Fresh Sales Center (1st Floor)  
Meghna Industrial Park  
Sonargaon, Narayanganj  
Phone : 04478526268  
IP Phone : 8650 (used for Positive Pay)  
Email : meghna.br@mutualtrustbank.com

### **Kamrangirchar Branch**

Pannu Plaza, Rasulpur Main Road  
Sultangonj, Ashrafabad, Kamrangirchar, Dhaka  
Phone : 02-55160215; 02-55160216  
IP Phone : 8670 (used for Positive Pay)  
Fax : 02-55160217  
Email : kamrangirchar.br@mutualtrustbank.com

### **Kakrail Branch**

House# 89,  
Green City Edge (1st Floor),  
Kakrail C/A, Dhaka-1000  
Phone : 8300172, 8300173  
IP Phone : 8680 (used for Positive Pay)  
Fax : 8300171  
Email : kakrail.br@mutualtrustbank.com

### **Narayanganj BSCIC Branch**

A. Rahman Plaza, Sasangaon, BSCIC Gate  
Enayet Nagar, Fatullah, Narayanganj  
Phone : 02-47671062, 02-47671063  
IP Phone : 8320 (used for Positive Pay)  
Fax : 02-47671061  
Email : nbbscic.br@mutualtrustbank.com

### **Mirpur Branch**

Fahad Plaza, Plot No-1, Road No-1  
Section-10, Kafrul, Mirpur, Dhaka  
IP Phone : 8740 (used for Positive Pay)  
Email : mirpur.br@mutualtrustbank.com

### **Jamirdia Masterbari Branch**

Abdur Rashid Plaza, Jamirdia Masterbari  
Habirbari, Bhaluka, Mymensingh  
Phone : 01755-558265  
IP Phone : 8760 (used for Positive Pay)  
Email : jamirdia.br@mutualtrustbank.com

### **Ashulia Branch**

Rajobi Plaza, Jamgora, Yearpur, Ashulia, Dhaka  
Phone : +880177755507  
IP Phone : 8780 (used for Positive Pay)  
Email : ashulia.br@mutualtrustbank.com

### **Monipur Bazar Branch**

Sikder Market, Monipur Bazar,  
Nuhash Palli Road, Gazipur Sadar, Gazipur  
IP Phone : 8790 (used for Positive Pay)  
Email : monipurbazar.br@mutualtrustbank.com

### **Tangail Branch**

Noor Tower, 311/ 312 Boro Masjid Road, Tangail  
Phone : 0921-91536  
IP Phone : 8800 (used for Positive Pay)  
Email : tangail.br@mutualtrustbank.com

### **Dumni Branch**

Top Super Market, 12 Ananda Bazar  
Dumni, Khilkhet, Dhaka  
IP Phone : 8820 (used for Positive Pay)  
Email : dumni.br@mutualtrustbank.com

### **Baraipara Branch**

K. D. Super Market, Baraipara Bazar  
Shimulia, Ashulia, Dhaka  
Phone : 01703788618 (Branch)  
IP Phone : 8830 (used for Positive Pay)  
Email : baraipara.br@mutualtrustbank.com

### **MTB Tower Branch**

MTB Tower, 111 Kazi Nazrul Islam Avenue, Dhaka  
IP Phone : 8870 (used for Positive Pay)  
Email : mtbtower.br@mutualtrustbank.com

### **Bormi Branch**

Khan Plaza, Bormi Bazar,  
Sreepur, Gazipur  
IP Phone : 8880 (used for Positive Pay)  
Email : bormi.br@mutualtrustbank.com

### **Bagher Bazar Branch**

Borobari Super Market  
Bagher Bazar, Gazipur  
Phone : +880 1730080560  
IP Phone : 8890 (used for Positive Pay)  
Email : babazar.br@mutualtrustbank.com

### **Madhabdi Branch**

M. B. Tower, 256 Parkashipur  
Madhabdi, Narsingdi 1604  
IP Phone : 8920 (used for Positive Pay)  
Email : madhabdi.br@mutualtrustbank.com

### **Naria SME/Agri Branch**

Commissioner Plaza (1st Floor)  
Bhojeshwar Bazar, Naria, Dist: Shariatpur  
Phone : +88-06-0159129,  
+8801954 79 80 81  
IP Phone : 5040 (used for Positive Pay)  
Fax : 0601-59129  
Email : naria.br@mutualtrustbank.com

### **Kaliganj SME/Agri Branch**

Azad Market (2nd floor)  
Kaliganj Bazar, Kaliganj, Gazipur  
Phone : 06823-52194  
IP Phone : 5050 (used for Positive Pay)  
Fax : 06823-52193  
Email : kaliganj.br@mutualtrustbank.com

### **Gaffargaon SME/Agri Branch**

Ashraf Market (1st floor)  
Gaffargaon Sadar, Gaffargaon, Mymensingh  
Phone : 01749969699  
IP Phone : 5070 (used for Positive Pay)  
Fax : 09025-56425  
Email : gaffargaon.br@mutualtrustbank.com

### **Dhanbari SME/ Agri Branch**

Dhanbari New Market  
Dhanbari, Tangail  
Phone : 092169125  
IP Phone : 5110 (used for Positive Pay)  
Email : dhanbari.br@mutualtrustbank.com

### **Hasnabad SME/Agri Branch**

Mofiz Uddin Mansion, Block D, Container Port Road  
Hasnabad Housing, South Keraniganj, Dhaka  
Phone : 7763908 PABX  
IP Phone : 5120 (used for Positive Pay)  
Fax : 880-2- 7763984  
Email : hasnabad.br@mutualtrustbank.com

### **Sarulia Bazar SME/Agri Branch**

Ismail Mansion, Sarulia Bazar, Demra, Dhaka  
Phone : +088 (02) 7500 804, +088 (02) 7500 859  
IP Phone : 5140 (used for Positive Pay)  
Fax : +088 (02) 7500 583  
Email : sarulia.br@mutualtrustbank.com

### **Malibagh Chowdhurypara Branch**

KBG Tower, 15 DIT Road  
Malibagh Chowdhurypara, Dhaka  
IP Phone : 8940 (used for Positive Pay)  
Email : malibagh.br@mutualtrustbank.com

### **Faridpur Branch**

Moni Bhaban, Mujib Sarak, Faridpur  
IP Phone : 8950 (used for Positive Pay)  
Email : faridpur.br@mutualtrustbank.com  
Hemayetpur Branch  
Lalon Tower & Shopping Complex  
Tatuljhora, Hemayetpur, Savar, Dhaka  
IP Phone : 8970 (used for Positive Pay)  
Email : hemayetpur.br@mutualtrustbank.com

### **Mirpur-2 Branch**

Jawad Tower, House#74  
Road#2, Block-D, Mirpur-2  
Dhaka-1216

#### **MTB Mawna Branch**

Marfat Ali Fakir Tower, Mawna Bazar Road, Sreepur, Gazipur

IP Phone : 5150 (used for Positive Pay)

Email : mawna.br@mutualtrustbank.com

#### **Monohardi Branch**

232, Al-Modina Plaza

By-Pass Road

Monohardi Pourasava

Monohardi

Narsingdi

#### **Joydebpur Branch**

District Muktijuddha Complex (1st floor)

Rajbari Road

Thana Joydebpur

Gazipur 1700

#### **Shyamoli Branch**

Momtaji Heights

15/2, Mirpur Road

Dhaka

#### **Ghior Branch**

Atal Saha Plaza (First Floor)

Ghior

Manikganj

### **MTB CHITTAGONG DIVISION**

#### **Agrabad Branch (AD BR.)**

Akhtaruzzaman Centre, 21-22,

Agrabad C/A, Chittagong

Phone : PABX: +880312524269, +880312510754,

Credit : +88031716487 (D), GB : +880312527715 (D)

Forex : +880312516682 D)

IP Phone : 8050 (used for Positive Pay)

Fax : +88031-721 091

Email : agrabad.br@mutualtrustbank.com

#### **CDA Avenue Branch**

1005/2/1872, CDA Avenue,

East Nasirabad, Chittagong

Phone : 031-656810, 656811, 656813

IP Phone : 8090 (used for Positive Pay)

Fax : 031-656814

Email : cda.br@mutualtrustbank.com

#### **Khatungonj Branch (AD BR.)**

325, Asadganj, Asadganj Road,

Crown Chamber, Chittagong

Phone : 031-612254, 031-626966, 031-2867959

IP Phone : 8130 (used for Positive Pay)

Fax : 031-2860718

Email : khatungonj.br@mutualtrustbank.com

#### **Aman Bazar Branch**

Kamal Khan Plaza, Chikondandy,

Hathazari, Chittagong

Phone : 031-681022, 031-2584330,

031-2584331 (D), 01819820185

IP Phone : 8150 (used for Positive Pay)

Fax : 031-2580308

Email : amanbazar.br@mutualtrustbank.com

#### **Jubilee Road Branch (AD BR.)**

Amafhha Centre, 214 Jubilee Road, Chittagong

Phone : +880 (31) 624922, +880 (31) 627533

IP Phone : 8180 (used for Positive Pay)

Fax : +880 (31) 623463

Email : jubilee.br@mutualtrustbank.com

#### **Nazirhat Branch**

M.M. Plaza, Nazirhat Bazar

Fatikchari, Chittagong

Phone : 01713 403675

IP Phone : 8190 (used for Positive Pay)

Email : nazirhat.br@mutualtrustbank.com

#### **Chokoria Branch**

Shah Amanat Shopping Complex (1st Floor)

Chiringa, Chakoria, Cox's Bazar

Phone : 03422-56502

IP Phone : 8200 (used for Positive Pay)

Email : chokoria.br@mutualtrustbank.com

#### **Raipur Branch**

Akota Super Market (1st Floor)

790-93 Main Road

Raipur, Laxmipur

Phone : 0382256495

0382256493

IP Phone : 8290 (used for Positive Pay)

Fax : 03822-56493

Email : raipur.br@mutualtrustbank.com

#### **Feni Branch**

Rabi Shopping Complex

10-11, Trunk Road

Feni Sadar, Feni

Phone : 033161986, 033161984

IP Phone : 8390 (used for Positive Pay)

Email : feni.br@mutualtrustbank.com

#### **Alankar Mor Branch**

D.T. Road, Abdul Ali Hat, Alankar Mor

North Pahartali, Chittagong

Phone : 880-031-2772617 Direct-Manager,

880-031-2772619, 2772620, 2772621

IP Phone : 8450 (used for Positive Pay)

Fax : 880-031-2772618

Email : alankar.br@mutualtrustbank.com

#### **Cox's Bazar Branch**

Green Valley Business Centre  
1, Main Road, Cox's Bazar  
Phone : PABX: +88 0341 52259-60,52262  
Direct: +88 0341 52257  
IP Phone : 8470 (used for Positive Pay)  
Fax : FAX:+88 0341 52258  
Email : coxsbazar.br@mutualtrustbank.com

#### **Oxygen Mor Branch**

Plasma Hospital Building,  
3692/E Oxygen Mor, Bayazid Bostami, Chittagong  
Phone : 031-2583957, 2584315  
IP Phone : 8530 (used for Positive Pay)  
Fax : 031-2583958  
Email : oxygen.br@mutualtrustbank.com

#### **Kerani Hat Branch**

Hoque Tower Shopping Complex & Apartments  
(1st Floor), Kerani Hat, Satkania, Chittagong  
Phone : 03036-56670 (Manager), 03036-56669 (PABX)  
IP Phone : 8560 (used for Positive Pay)  
Fax : 03036-56672  
Email : keranihat.br@mutualtrustbank.com

#### **Karnaphuli EPZ Branch**

Mohajan Golden Tower, Mohajan Ghata  
North Patenga, Chittagong  
Phone : 031-2502305 (Direct), 031-2502301--3 (PABX)  
IP Phone : 8600 (used for Positive Pay)  
Fax : 031-2502304  
Email : kepz.br@mutualtrustbank.com

#### **Khilpara Branch**

Hanufa Plaza, Khilpara Bazar  
Khilpara, Chatkhil, Noakhali  
Phone : 01755615012  
IP Phone : 8660 (used for Positive Pay)  
Email : khilpara.br@mutualtrustbank.com

#### **Chattogram Medical College Branch**

Epic Center, 19 Panchlaish, Chittagong  
Phone : 031-656880, 031-656884  
IP Phone : 8730 (used for Positive Pay)  
Fax : 031-656881  
Email : cmc.br@mutualtrustbank.com

#### **Kalurghat Industrial Area Branch**

Wajib Tower, C&B Mor, Arakan Road,  
Chandgaon, Kalurghat, Chittagong  
IP Phone : 8770 (used for Positive Pay)  
Email : kalurghat.br@mutualtrustbank.com

#### **Abu Torab Bazar Branch**

Bhuiyan Market, Abu Torab Bazar  
Mirsarai, Chittagong  
Phone : 01799333342  
IP Phone : 8850 (used for Positive Pay)  
Email : atbazar.br@mutualtrustbank.com

#### **Muradpur Branch**

K. Plaza, Mirzarpul, Muradpur, Chittagong  
Phone : 031-653381-4  
IP Phone : 8860 (used for Positive Pay)  
Email : muradpur.br@mutualtrustbank.com

#### **Haidergonj SME/Agri Branch**

Gazi Super Market (1st floor),  
Haidergonj, Raipur, Laxmipur  
Phone : 01755508664  
IP Phone : 5010 (used for Positive Pay)  
Email : haidergonj.br@mutualtrustbank.com

#### **Dagon Bhuiyan SME/Agri Branch**

R. B. Plaza (1st floor), Fazilerghat Road  
Dagoanbhuiyan, Feni  
Phone : 03323-79129, 01714108862  
IP Phone : 5020 (used for Positive Pay)  
Fax : 03323-79126  
Email : dagonbhuiyan.br@mutualtrustbank.com

#### **Nazumeah Hat SME/Agri Branch**

B#3 Sheikh Market, Nazumeahhat  
Hat Hazari, Chittagong  
Phone : 031-670053  
IP Phone : 5101 (used for Positive Pay)  
Email : nazumeah.br@mutualtrustbank.com

#### **Sarker Hat Branch**

Gani Shopping Centre (1st & 2nd floor)  
Sarkerhat, Mirzapur  
Hathazari, Chittagong  
IP Phone : 8980 (used for Positive Pay)  
Email : sarkerhat.br@mutualtrustbank.com

#### **Rahattarpool Branch**

S.A Complex (1st floor)  
Rahattarpool, Ward No. 17,  
Bakalia, Chattogram  
Phone : 031-622576,622572-4  
IP Phone : 5170 (used for Positive Pay)

## MTB OTHER DIVISION BRANCH

### Pabna Branch

Pabna Branch, Abdul Hamid Road, Dilalpur, Pabna  
Phone : 0731-51829, 0731-51830  
IP Phone : 8210 (used for Positive Pay)  
Fax : 0731-51830  
Email : pabna.br@mutualtrustbank.com

### Sylhet Branch

Sylhet City Center (1st Floor), Zindabazar, Sylhet  
Phone : 0821-711328, 0821-711354, 0821 716820  
IP Phone : 8230 (used for Positive Pay)  
Fax : 0821-2830273  
Email : sylhet.br@mutualtrustbank.com

### Moulvi Bazar Branch

103, M. Saifur Rahman Road, Moulvi Bazar  
Phone : 0861 62840, 62841  
IP Phone : 8240 (used for Positive Pay)  
Fax : 0861-62840  
Email : moulvibazar.br@mutualtrustbank.com

### Joypurhat Branch

553 Main Road, Joypurhat Sadar, Joypurhat  
Phone : 0571-63584, 0571- 63585  
IP Phone : 8310 (used for Positive Pay)  
Fax : 0571-63584  
Email : joypurhat.br@mutualtrustbank.com

### Rangpur Branch

Mostofa Super Market (1st & 2nd floor)  
1 Jahaj company Mour, Rangpur Sadar, Rangpur  
Phone : 0521-52325, 0521-52326  
IP Phone : 8330 (used for Positive Pay)  
Fax : 0521-52326  
Email : rangpur.br@mutualtrustbank.com

### Kushtia Branch

Kushtia Branch, Eden Complex  
169 (94/6 old) NS Road, 1st Floor, Thanapara, Kushtia  
Phone : 071-71662 ( Direct ), 071- 71663 ( PABX)  
IP Phone : 8350 (used for Positive Pay)  
Fax : 071-71662  
Email : kushtia.br@mutualtrustbank.com

### Gournadi Branch

Holding No- 3594, Mouja- Chargadhatoli  
Gournadi, Barisal  
Phone : 04322-56266, 04322-56267  
IP Phone : 8360 (used for Positive Pay)  
Fax : 04322-56267  
Email : gournadi.br@mutualtrustbank.com

### Bogura Branch

Amicus Center, Mofiz Paglar Moar  
416-418, Sutrapur Road, Bogura  
Phone : PABX-051-78109, Direct-051-78108  
IP Phone : 8410 (used for Positive Pay)  
Fax : 051-78110  
Email : bogra.br@mutualtrustbank.com

### Dhorkara Bazar Branch

Dhorkara Bazar, Chauddagam, Comilla  
Phone : Mobile No:01730080633  
IP Phone : 8420 (used for Positive Pay)  
Email : dhorkara.br@mutualtrustbank.com

### Rajshahi Branch

419, Parents Plaza, Alupatty,  
Ghoramara, Rajshahi  
Phone : 88-0721-776203(DIRECT), 88-0721-776290(PABX)  
IP Phone : 8440 (used for Positive Pay)  
Fax : 88-0721-776380  
Email : rajshahi.br@mutualtrustbank.com

### Jashore Branch

10 R N Road, (1st floor), Jashore  
Phone : +88042166161, +88042160105  
IP Phone : 8490 (used for Positive Pay)  
Fax : +88042160104  
Email : jessore.br@mutualtrustbank.com

### Cumilla Branch

Rama Complex, 416/379 Badurtola  
Kanderpar, Cumilla  
Phone : Direct: 081-64556, PABX : 081-64557, Ex-101  
IP Phone : 8520 (used for Positive Pay)  
Fax : 081-64556  
Email : comilla.br@mutualtrustbank.com

### Habiganj Branch

Jamil Complex (1st Floor),  
New Pourashava Road, Shayestanagar, Habiganj  
Phone : 0831-63193(PABX), 0831-63192-3  
Mobile : 01755592735  
IP Phone : 8550 (used for Positive Pay)  
Fax : 0831-63191  
Email : habigonj.br@mutualtrustbank.com

### Thakurgaon Branch

IRS Tower, Bangabandhu Sarak  
Chowrasta, Thakurgaon  
Phone : 0561 - 61195, 61901  
IP Phone : 8580 (used for Positive Pay)  
Fax : 0561- 61357  
Email : thakurgaon.br@mutualtrustbank.com



### **Shahparan Gate Branch**

Janani Complex, Shah Paran Gate  
Khadim Nagar, Sylhet  
Phone : (0821)2870111, 2870112, 2870042 (D)  
IP Phone : 8590 (used for Positive Pay)  
Fax : 0821-2870033  
Email : shahparan.br@mutualtrustbank.com

### **Brahmanbaria Branch**

T.A. Road, Brahmanbaria Sadar, Brahmanbaria  
Phone : +88 (0851) 61911, +88 (0851) 58595  
IP Phone : 8630 (used for Positive Pay)  
Fax : +88 (0851) 58596  
Email : brahmanbaria.br@mutualtrustbank.com

### **Naogaon Branch**

Jolly Plaza, Main Road, Chalkdev, Naogaon  
Phone : 0741-81251, 0741-81250 Ex. 101  
IP Phone : 8700 (used for Positive Pay)  
Fax : 0741-81251  
Email : naogaon.br@mutualtrustbank.com

### **Gobindaganj Branch**

Kalpna Super Complex  
Gobindaganj, Gaibandha  
Phone : 05423-75186  
IP Phone : 8710 (used for Positive Pay)  
Fax : 05423-75398  
Email : gobindaganj.br@mutualtrustbank.com

### **Dinajpur Branch**

Modern Mor, Ganeshtola, Dinajpur  
Phone : +88 0531-66530, +88 0531-66540  
IP Phone : 8720 (used for Positive Pay)  
Fax : +88 0531-66540  
Email : dinajpur.br@mutualtrustbank.com

### **Kadair Bazar Branch**

Mollah Market, Kadair Bazar  
Shuvopur, Chouddagram, Cumilla  
Phone : 01755558261, 01791794070  
IP Phone : 8750 (used for Positive Pay)  
Email : kadairbazar.br@mutualtrustbank.com

### **Sirajganj Branch**

Jan Bux Bhaban, 452 Station Road (S.S. Road), Sirajganj  
IP Phone : 8810 (used for Positive Pay)  
Email : sirajganj.br@mutualtrustbank.com

### **Khulna Branch**

Rahim Plaza, 15 KDA Avenue, Sonadanga, Khulna  
Phone : 041-733355, 733722, 722557 (Ext)  
IP Phone : 8840 (used for Positive Pay)  
Email : khulna.br@mutualtrustbank.com

### **Barisal Branch**

Fatema Centre, 523 Sadar Road, Barisal  
Phone : +88 0431-62969, +88 0431-2177722  
IP Phone : 8900 (used for Positive Pay)  
Email : barisal.br@mutualtrustbank.com

### **Laldighirpar Branch**

Laldighi Complex, Laldighirpar, Sylhet 3100  
Phone : 0821-726449, 0821-726433, 0821-726448  
IP Phone : 8910 (used for Positive Pay)  
Email : laldighirpar.br@mutualtrustbank.com

### **Goalmari Bazar Branch**

Goalmari Bazar, Goalmari  
Daudkandi, Cumilla 3516  
IP Phone : 8930 (used for Positive Pay)  
Email : goalmari.br@mutualtrustbank.com

### **Laksham SME/Agri Branch**

308, By-Pass Road  
By-Pass Laksham, Cumilla  
Phone : 08032-51042  
IP Phone : 5030 (used for Positive Pay)  
Fax : 08032-51041  
Email : laksham.br@mutualtrustbank.com

### **Ramchandrapur Bazar SME/Agri Branch**

Ramchandrapur Bazar  
Muradnagar, Cumilla  
Phone : 01868 74 95 74  
IP Phone : 5060 (used for Positive Pay)  
Email : ramchandrapur.br@mutualtrustbank.com

### **Ishwardi SME/Agri Branch**

Niaz Tower  
Post Office More  
Ishwardi, Pabna  
Phone : Direct 07326-64550,  
PABX 07326-64551  
IP Phone : 5080 (used for Positive Pay)  
Fax : 07326-64549  
Email : ishwardi.br@mutualtrustbank.com

### **Belkuchi SME/Agri Branch**

Rabeya Plaza  
296, Mukundogati Bazar  
Sohagpur, Belkuchi, Sirajganj  
Phone : 07522-56353  
IP Phone : 5090 (used for Positive Pay)  
Fax : 07522-56353  
Email : belkuchi.br@mutualtrustbank.com

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**Syedpur SME/Agri Branch**

Hazi Asab Ali Market, Syedpur, Jagannathpur, Sunamganj

Phone : 01730452044

IP Phone : 5130 (used for Positive Pay)

Email : syedpur.br@mutualtrustbank.com

**Ulipur Branch**

Holding No.06, Ward No.06

Ulipur Pourashova, Ulipur, Kurigram

Phone : +880582-956307

IP Phone : 8960 (used for Positive Pay)

Email : ulipur.br@mutualtrustbank.com

**MTB Sub-Branch****Kalir Bazar Sub-Branch**

Main Uddin Market

Kalir Bazar

Adarsha Sadar, Cumilla

**Feni Hospital Mor Sub-Branch**

Central Plaza (2nd Floor)

Sador Hospital Mor

Feni.

**Alimuddin Sarak Sub-Branch**

Alimuddin Sarak

Feni

**Netaiganj Sub-Branch**

218, B. K. Road

Netaiganj

Narayanganj

**Mongolergaon Sub-Branch**

Haji Abdul Jalil Super Market

Mongolergaon Bazar

Sonargaon

Narayanganj



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: info@mutualtrustbank.com, Web: www.mutualtrustbank.com

#### PROXY FORM

I/We, .....  
of (address) .....  
being the shareholder/member(s) of the Mutual Trust Bank Ltd. (MTB) do hereby appoint Mr. /Ms .....  
.....of (address) .....  
as my/our proxy to attend and vote on my/our behalf at the **21st Annual General Meeting (AGM)** of the Bank to be held on **Thursday, August 27, 2020 at 3.00 p.m. via live webcast by using digital platform.**

In witness, thereof, and given under my/our hand this .....day .... Date ..... month of ..... 2020

Revenue Stamp

Signature of the Shareholder/ Member(s)

Folio / BOID No.....

Number of Shares held.....

Signature Verified (for official use)



#### Notes:

- The shareholder(s) who is/are entitled to attend and vote at the **21st Annual General Meeting (AGM)** may appoint a Proxy/ Attorney to attend and vote in his/her/their behalf. The Proxy Form to be filled up completely, duly stamped and must be send to the MTB Share Department or scanned copy of the Proxy must be sent through email to mm.reza@mutualtrustbank.com or islam.rafiquel@mutualtrustbank.com or rashed.hasan@mutualtrustbank.com **not later than 48 hours before the time fixed for the meeting.**
- Signature of the shareholder(s) should be in accordance with the specimen signature recorded with the bank.



**Corporate Head Office:**

MTB Centre, 26 Gulshan Avenue  
Plot 5, Block SE(D), Gulshan 1, Dhaka 1212

Tel: 880 (2) 984 6966, 984 2429

Fax: 880 (2) 984 4303

SWIFT: MTBL BD DH

E-mail: [info@mutualtrustbank.com](mailto:info@mutualtrustbank.com)

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