

“If you have any query about this document, you may consult the issuer and the trustee”

Draft

Information Memorandum

Private placement of 500 coupon-bearing non -convertible fully redeemable unsecured Subordinated Bonds of BDT 10,000,000 (Ten million Taka) each at par totaling BDT 5,000,000,000 (Five billion Taka).

Coupon Rate / Yield to Maturity: Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day + 2.00% Margin.

Coupon Range: 7.00% - 10.00% at all times

Issuer:
Mutual Trust Bank Limited



MTB Centre, 26 Gulshan Avenue, Plot 5,
Block SE(D), Gulshan 1, Dhaka 1212

Trustee to the Issue:
EBL Investments Limited



Type of Security: Coupon-bearing Non-Convertible Redeemable Unsecured Subordinated Bond

Face Value: BDT 10,000,000 of Each Bond

Issue Price: BDT 10,000,000 of Each Bond

Total Issue Amount: BDT 5,000,000,000 (divided into 500 number of securities)

Credit Rating of the Bond: AA-B
Emerging Credit Rating Limited



Lead Arranger
RSA Advisory Limited



Co-Arranger
MTB Capital Limited



Notice & Disclaimer

Mutual Trust Bank Limited (hereinafter referred as the “Bank” or the “MTB” or the “Issuer”) has authorized RSA Advisory Limited (hereinafter referred as “RSAAL” or the “Lead Arranger” and MTB Capital Limited (hereinafter referred as “MTBCL” or the “Co-Arranger”), hereinafter both Lead Arranger and Co-Arranger will be referred to as “Arrangers”, to distribute this Information Memorandum (IM) in connection with the proposed transaction outlined in it (the “Transaction”) and the bonds proposed to be issued in the Transaction (the “Bonds”).

This Information Memorandum is provided to prospective investors on a private and confidential basis for use solely in connection with the issue, offer, sale or invitation to subscribe or purchase the Subordinated Bonds. This Information Memorandum shall not be, in whole or in part, reproduced or used for any other purpose without prior written consent of the Arrangers.

This information memorandum has been prepared based on the information provided by the Issuer and the Issuer is solely responsible for its contents. The issuer will comply with all rules, laws and regulations and is responsible for obtaining all regulatory, governmental and corporate approvals for the issuance of the Bonds. The Issuer, having made all reasonable inquiries, confirms that this Information Memorandum contains all the information with respect to itself and the Bonds to be issued by it, which is material in the context of the Bonds; that the information contained in this Information Memorandum is true and accurate in all material respects and is not misleading; that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

The Arrangers have relied on the information provided by the Issuer and such information has not been independently verified by the Arrangers. No representation or warranty, expressed or implied, is or will be made, and no responsibility or liability is or will be accepted, by the Arranger or any affiliate of the Arrangers for the accuracy, completeness, reliability, correctness or fairness of this Information Memorandum or any of the information or opinions contained therein, and the Arrangers hereby expressly disclaim, to the fullest extent permitted by law, any responsibility for the contents of this Information Memorandum and any liability, whether arising in tort or contract or otherwise, relating to or resulting from this Information Memorandum or any information or errors contained therein or any omissions therefore. By accepting this Information Memorandum, investors agree that the Arrangers will not have any such liability.

Neither this Information Memorandum nor any other information supplied in connection with the Issue is intended to provide the complete basis of any credit or other evaluation, nor should it be considered as a recommendation by the Arrangers to the Issue that any recipient of this Information Memorandum (or any other information supplied in connection with the Issue) should purchase or subscribe for any Bonds. Each investor contemplating purchasing or subscribing for a Bond should make their own independent investigation of the financial condition and affairs, and their own appraisal of the creditworthiness of the Issuer. Investors are advised not to construe the contents of this Information Memorandum as investment, legal, accounting, regulatory or tax advice. Investors are also advised to consult with their own advisors as to all legal, accounting, regulatory, tax, financial and related matters, concerning an investment in the Bonds.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR INVESTING IN THE SUBORDINATED BONDS.

Issuer's Disclaimer

All The Features of Mutual Trust Bank 4th Subordinated Bond are draft only and finalization of these features are subject to the approvals of concerned regulators. These features may be modified as per the directions of Bangladesh Bank and Bangladesh Securities and Exchange Commission or any other concerned regulators.

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1 Report to the Eligible Investors

By investing in the Bonds, you are hereby deemed to have acknowledged, represented and warranted to, and agree (as the case may be) for the benefit of the Arrangers, as set out below:

High risk: You are fully aware that investment in the Bonds involves a high degree of risk.

Consultation with advisers: You have (i) consulted with your own legal, regulatory, tax, business, investment, financial and accounting advisers in connection herewith to the extent you have deemed necessary, (ii) collected and reviewed all information that you or your advisers believe is necessary or appropriate in connection with the purchase of the Bonds, and (iii) made your own investment decisions based upon your own judgment, due diligence and advice from such advisers as you have deemed necessary and not upon any view expressed by or on behalf of the Arrangers.

No reliance: You acknowledge and agree that you may not rely on any investigation that the Arrangers or any of its affiliates or any person acting on their behalf may have conducted with respect to the Issuer or any of their affiliates, and neither the Arrangers nor its affiliates, employees, officers, directors, legal advisers or representatives have made any representation to you, express or implied, with respect to your investment in the Bonds.

Informed decision: You are in possession of all the information that you believe is necessary or appropriate in order to make an informed decision regarding your purchase of the Bonds, including without limitation, adequate information concerning the Issuer's business, financial condition, results of operations and prospects.

Knowledge and experience: You have such knowledge and experience in financial, business and international investment matters that you are capable of evaluating the merits and risks of purchasing the Bonds and are aware that you may be required to bear, and are able to bear, all risks including economic risk of an investment in the Bonds.

Information of the Company: You acknowledge that the information provided to you with regard to the Issuer and the Bonds in this Information Memorandum has been supplied to you by the Arrangers only on behalf of the Issuer and that neither the Arrangers nor any of its affiliates, employees, officers, directors, legal advisers or representatives has verified such information or makes any representation or warranty as to its accuracy or completeness.

Review of Information Memorandum: You have reviewed this Information Memorandum in its entirety, including the risks associated with investment in the Bonds, and you understand and acknowledge all of the risks described herein. By investing in the Bonds, you have determined that:

- i. the Bonds are a suitable investment for you and your investment in the Bonds does not and will not, when consummated, violate any investment or other guidelines, policies or restrictions (corporate or otherwise), or any law, rule, regulation or order applicable to you; and
- ii. you have obtained all approvals and consents (whether internal or external), and have made all notifications necessary for you to invest in the Bonds as contemplated; and you can bear the economic risk of the investment and are able to sustain a complete loss in connection with your investment.

Own account: You are purchasing the Bonds for your own account and not with a view to any distribution thereof.

No representation or warranty: The Arrangers has not made, and you have not relied upon any representation, warranty or condition (express and/or implied), and the Arrangers shall not owe any duty whatsoever to you in connection with the Bonds.

No obligation to purchase: The Arrangers shall have no obligation to purchase or acquire all or any part of the Bonds purchased by you or to support losses, if any, directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Bonds, including the non-performance by the issuance, whether to you or otherwise.

2 Risk Factors and Management's Perception about the Risks

Mutual Trust Bank Limited (The Issuer) operates in the banking industry which is cyclical and hence is exposed to several risk factors arising from external as well as internal matters. Moreover, any investment in debt securities carries risks. Since different debt securities carry different risks, an investment in debt securities has to be evaluated on its own merits.

Investment in MTB 4th Subordinated Bond is in that respect no different. Potential investors are strongly encouraged to carefully evaluate all the information in this Information Memorandum, specially the risk factors both internal and external on their own merit and not by referent to any other debt securities whether of a comparable nature or otherwise before making any investment decision.

This section addresses the possible risks an investor might have to bear by investing in the bonds and each risk factor is followed by management's perception regarding the risk. If any of the risks described below materialize, it could have a serious impact on the Issuer's financial results and the ability of the Issuer to fulfill its obligations under the Bonds to be issued. However, the list of risk factors explained below is not meant to be a comprehensive description of all risks which may be relevant to investing in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

2.1 Interest Rate Risk

Interest rate risk is the risk that the bank faces due to unfavorable movements of the market and industry interest rates. The bank may face such unfavorable conditions due to rise in borrowing rates and/or fall in lending rates. The bank's financing in different sectors is mostly structured at fixed rates for specified terms. Volatility in the money market can also raise the cost of funding of the issuer and thus hamper its profitability. Any change in the government's monetary policy also might cause unfavorable movement in interest rates. The risks derived from interest rate fluctuation thus may have a significant impact on the bank's business, profitability and financial condition.

Management's perception

MTB conducts its lending and other business operations by taking appropriate and judicious care of the associated risks. Managing a varied and wide range of risks has always been the primary concern of the bank. 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.

2.2 Exchange Rate Risk

Exchange rate fluctuation may reduce the profitability of MTB because it funds foreign trade commitments from various sources of foreign exchange like exports, imports and remittances and holds foreign currencies to serve these purposes. If the local currency appreciates against the major foreign currencies and the bank holds a significant net long position in foreign currencies during that time, the bank might incur losses. Similarly, if the local currency depreciates against the major foreign currencies while the bank holds a net short position in foreign currencies, the bank might also incur losses.

Management's perception

MTB's policy regarding Foreign Exchange, in line with policy given by Bangladesh Bank, has well-defined internal approval procedures and position limits for each foreign currency transactions, as well as vigorous accounting and information systems and internal compliance control. In compliance with the requirement of Bangladesh Bank's Foreign Exchange Risk Management guidelines, Treasury department performs the foreign exchange dealing in an appropriate manner and manages risks of the organization's overall balance sheet as well as the capital of the Bank. MTB's internal audit system reports on foreign exchange risk management policy on a regular basis to the senior management. To minimize the potential losses due to

foreign exchange risk the bank emphasizes on i) monitoring dealers' dealing limit ii) reconciliation of treasury front and back office positions iii) daily reconciliation of NOSTRO accounts iv) matching of open items and many more.

2.3 Non-repayment Risk

Non-repayment risk is defined as the potential risk that borrower or counterparty will fail to meet its obligations in accordance with agreed terms. Although MTB sets high standards in repaying all its obligations to the depositors and lenders, it is possible that the bank may fail to repay its obligations arising from the bonds to be issued in extreme cases. In the event of default, the investors might suffer from financial loss.

Management's perception

MTB operates under the tight regulations and close supervision of Bangladesh Bank. Moreover, it is highly unlikely that a reputed organization like Mutual Trust Bank Limited will risk its reputation by setting an instance of default. Furthermore, in case of any event of default or non-repayment, the Trustee would give notice period to the Issuer in protecting the Event of Default and take further steps to ensure the interest of the investors.

2.4 Prepayment, Call or Refunding risk

Prepayment, call or refunding risks are the risks associated with the early repayment of the principal amount of a bond. Such risks exist in a bond that has prepayment or call option.

Management's Perception

Since there is no provision for early repayment of the principal amount of the Bonds, the bondholders will not be exposed to prepayment or call risks associated with investing in the Bonds.

2.5 Security Risk

Security is the specific revenue sources or assets pledged by an issuer to the bondholder to secure repayment of the bond. Therefore, security risk is all about the process of recovering the investment by the bond holder by utilizing the charge against the collateral securities in case of Issuer's inability to repay the face value of the bond(s).

Management's Perception

Mutual Trust Bank's subordinated bond is an unsecured bond. Specific revenue sources or assets are not being pledged against issuance of the bonds. However, investors will have the right on the Bank's cash flow to get repaid but rank of a subordinated bond holder is below than other loans (or securities) with regard to claims on assets or earnings.

2.6 Liquidity Risk

The Bank's businesses are subject to liquidity risks and could affect the Bank's ability to meet its financial obligations. In order for the Bank to continue to meet its funding obligations and to maintain or grow its business generally, it relies on customer savings/deposits as well as ongoing access to the wholesale lending markets. The ability of the Bank to access funding sources on favorable economic terms is dependent on a variety of factors, including a number of factors outside of its control, such as general market conditions and confidence in the banking system.

Management's Perception

The management of Mutual Trust Bank is well aware of the risks involving liquidity constraint and is capable of handling such risks by practicing modern Asset Liability Management (ALM) techniques. The ALM committee regularly monitors the overall liquidity position of the bank and proactively makes policy changes in due course of time. Therefore, it is very unlikely that the bondholders will face any material loss from liquidity risk.

2.7 Management Risk

Management risk refers to the chance that company managers may put their own interests ahead of the interest of the company and shareholders. The term signifies the risk of the situation that may occur if the company or any of its stakeholders other than the management would have been better off without the choices made by management. The bondholders may suffer financial losses in such an event.

Management's Perception

The management of Mutual Trust Bank comprises a group of highly professional individuals with considerable experience and reputation in the country's financial industry. Therefore, it is very unlikely that the management will conduct in such an unprofessional manner. Moreover, the management of the bank is constantly supervised by a board of directors consisting of seasoned professionals and entrepreneurs who work hard to ensure that the interests of all the stakeholders are served by the management. Being operated in the highly regulated banking industry is also a safeguard against this risk as Bangladesh Bank monitors the management to ensure best practice in the industry.

2.8 Operational Risk

The business of the bank depends on the ability to process a large number of transactions efficiently and accurately. Losses may occur from inadequate personnel, inadequate or failed internal control processes and systems, or from external events that interrupt normal business operations. There can be no assurance that the Bank will not suffer material losses from operational risk in the future.

Management's Perception

MTB has restructured Internal Control and Compliance Division (ICC) headed by a senior level executive in light of Core Risk guidelines of Bangladesh Bank. The Division is comprised of three departments; Audit and Inspection Department, ICC Compliance Unit and ICC Monitoring Unit. The Bank has developed an Internal Control and Compliance Policy duly approved by the Board of Directors. 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 & Monitoring Units of this division 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. ICC Division 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 ICC division also ensures the clear definition of organizational structure, appropriate assignment, accountability and delegation of authorities to functional management to create control and compliance culture within organization with the active guidance and supervision of senior management and Board of Directors.

2.9 Business Risk

Business risk refers to the possibility that the bank will have lower than anticipated profits, or that it will experience a loss rather than a profit. Business risk of the issuer could occur by numerous factors including interest spread, non-interest income, operating expenses, money & capital market volatility, competition, government regulations and economic climate. Like all other companies Mutual Trust Bank is also exposed to certain business risk factors.

Management's Perception

Like all other businesses such risks exist in the banking industry. The Bank scrutinizes all of its clients and the associated risks systematically using up to date risk evaluation techniques and thereby has been able to maintain good asset quality so far and expects the same in the future. Some other systematic (Market) risks might arise from the external environment of the Bank, similar to any other bank.

2.10 Industry Risk

The issuer is operating in a highly competitive market as modern banking industry has brought greater business diversification. Some banks in the industrialized world are entering into investments, underwriting of securities and portfolio management. The entry of new competitors may also deteriorate the competitive environment and result in lower profitability of the bank.

Management's Perception

Being a robustly growing third generation private commercial bank, MTB has already carved a commendable position in the banking industry of Bangladesh. The Bank has always been careful in offering its products and services at competitive terms and conditions which in turn optimizes its industry risk exposure. The management also continues to focus on more diversification of the loan book. However, like all the other banks currently operating in Bangladesh, industry risk remains a key risk factor for MTB.

2.11 Market and Technology Related Risk

The financial industry of Bangladesh is currently one of the fastest growing in the country and is increasingly becoming competitive. Especially the entrance of nine more banks in the industry in 2012-13 has made the competitive atmosphere more intense. Strong marketing and brand management would be required to increase the bank's customer base.

As the banking industry is becoming more and more technology dependent the risks deriving from technological use is increasing day by day. The bank might be exposed to risks such as cyber-attack, system collapse, system hacking, unauthorized electronic fund transfers, etc.

Management's Perception

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.

2.12 Risk Related to Potential or Existing Government Regulations

The issuer operates its business under the specific guidelines laid by Bangladesh Bank, Bangladesh Securities and Exchange Commission and other regulatory authorities. The bank is also regulated by Bank Companies Act 1991(amended up to 2013), Companies Act 1994, Income Tax Ordinance 1984, Income Tax Rules 1984 and Value Added Tax (VAT) Act 1991. Moreover, Bangladesh Bank changes policy rates including Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR) of banking institutions from time to time. Any abrupt changes in the policies and regulations made by the authorities may adversely affect the business of the company.

Management's Perception

Unless any policy change that may negatively and significantly affect the industry as a whole, the business of the bank is expected not to be affected materially. Like all scheduled banks in Bangladesh, MTB has been funding their assets from their deposits after maintaining required SLR including CRR has the bank has been consistently compliant to any such changes. Mutual Trust Bank is capable of dealing with consequences of unfavorable policy or regulatory changes made by the government. Additionally, the regulatory bodies in Bangladesh are least likely to take any steps that might prove detrimental to the country's financial industry.

2.13 Risk Related to Potential Changes in Global or National Policies

A financial institution's ability to operate a profitable business is directly related to the monetary and fiscal policies of the country at any given time. Imposition of restrictive monetary and/or fiscal policy by the government at any time may affect a company's profitability. Again, changes in the existing global or national policies can have either positive or negative impacts on the bank.

Every company operates under the economic policies formulated and imposed by the political government. The government tends to reshape these policies time to time for the sake of greater interest of the country's economy. Sometimes those changes in existing policy or any future policy framework adversely affect smooth operation of such companies.

Management's Perception

The management of the bank is always concerned about the prevailing and upcoming future changes in the global or national policy and shall respond appropriately and timely to safeguard its interest. However, it is possible that MTB suffers from major adverse changes in global and/or national policies in the future.

2.14 Credit Risk

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. This 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.

Management's Perception

Mutual Trust 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 company 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 company 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 Plead office level for considering fresh/enhancements proposals. It assesses various risk factors for new products prior to its introduction. Therefore, the Issuer takes various measures for minimizing its credit risk.

2.15 Reputation 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. In place of the Money Laundering Prevention Act, 2002, the government re-enacted Money Laundering Prevention Ordinance, 2008 (ordinance 12 of 2008) on 13.04.08. The government enacted Anti-Terrorism Ordinance, 2008 on 09.06.2008 in order to combat terrorism and financing of terrorism. These two ordinances entrust some duties and responsibilities with financial institutions. Bangladesh Bank, the regulatory authority, has issued at least 20 (twenty) circulars so far which includes, among others, KYC procedures, STR, CTR, Money Laundering Prevention Ordinance 2008, Anti-Terrorism Ordinance, 2008 and their implementation processes. There can be many other reasons for which an organization can suffer from reputational loss.

Management's Perception

MTB in line with the said ordinances, circulars and guidelines of Bangladesh Bank, has developed two separate guidelines on policies and procedures on prevention of Money Laundering and on Combating Financing of Terrorism. As per the provisions of these two ordinances the employees of the Bank have to carry out some duties and responsibilities under the supervision of Bangladesh Bank. In order to ensure

the compliance of all the instructions given on different occasions by Bangladesh Bank, Central Compliance Unit (CCU) has been established and Chief Anti-Money Laundering Compliance Officer (CAMLCO) and Branch Anti-Money Laundering Compliance Officers (BAMLCO) have been designated. Additionally, MTB, under the leadership of one of the strongest Board of Directors in the country as well as a professional top management, is continuously working to improve its standards and practices in order to keep pace with global best practices.

3 Use of Proceeds

3.1 Purpose of Issuance of Mutual Trust Bank 4th Subordinated Bond

Mutual Trust Bank has decided to raise capital through issuance of subordinated bonds in order to strengthen its capital base in accordance with Basel III guidelines of Bangladesh Bank. The proposed subordinated bond issue will help the bank enhance its capital strength through raising Tier 2 capital and continue its balance sheet growth.

3.2 Plan Regarding Use of Proceeds from the Subordinated Bonds

Apart from strengthening of the bank's capital base, the proceeds from the issue will be used for undertaking general business activities of the bank including loans and investments in treasury and other securities. In summary, the proceeds will primarily be used for:

- Raising Tier-2 capital of the bank
- Growing the bank's loan portfolio in corporate, SME and retail segments
- Investing in treasury securities and other instruments

4 Features of the Debt Security

Mutual Trust Bank 4th Subordinated Bond is a non-convertible, fully redeemable, unsecured subordinated debt instrument with a tenure of 7 years. The claims of the potential holders of the Bonds are junior to the claims of the depositors and other creditors of the Issuer. The bonds are unsecured and will not be insured by any deposit insurance scheme. The bonds are non-convertible and fully redeemable and will be ineligible as collateral for any loan made by the Issuer. The major features¹ of the Mutual Trust Bank 4th Subordinated Bond are presented below:

4.1 Basic Features of the Instrument

Table 1: Basic Features of Mutual Trust Bank 4th Subordinated Bond

Name of the Instrument:	MTB 4 th Subordinated Bond
Issuer:	Mutual Trust Bank Limited
Purpose:	To raise Tier-2 Capital
Lead Arranger:	RSA Advisory Limited
Co-Arranger:	MTB Capital Limited
Trustee:	EBL Investments Limited
Paying Agent, Register, Transfer Agent:	EBL Investments Limited
Legal Counsel:	Amicus Curiae
Credit Rating Agency:	Emerging Credit Rating Limited (ECRL)
Issue Size:	BDT 5,000,000,000 (Five Billion Taka)
Issue Type:	Tier 2 Eligible Subordinated Bond
Tenor:	7 years from the date of issuance
Face Value:	BDT 10,000,000 (Ten Million) Per Bond
Minimum Subscription:	BDT 10,000,000 (Ten Million Taka)
Total Bonds to be issued:	500 (Five Hundred) no.
Investors:	Institutional investors and high net-worth individual investors
Mode of Placement:	Private Placement on a best effort basis
Yield to Maturity / Rate of Return	Coupon Rate
Coupon Rate:	Reference Rate + Coupon Margin
Reference Rate:	Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day. The Reference Rate will be rounded to 2 (two) decimal places. For example, if the benchmark rate is 5.155, then it should be rounded off to 5.16 and if the benchmark rate is 5.154 then it should be rounded off to 5.15
Quotation Day:	5 Business Days before the first day of any period for which Coupon is to be paid.
Coupon Margin:	2.0%
Range of Coupon Rate:	7.00% to 10.00% at all times
Coupon Payment:	Semi-annually starting after 6 months from the drawdown date

¹ All the features of MTB 4th Subordinated Bond are draft only and finalization of these features are subject to the approvals of concerned regulators.

Repayment Schedule:	Face Value (principal) redemptions will be in 5 (five) equal annual tranches commencing at the end of 3 rd year from the date of drawdown in the following manner:												
	<table border="1"> <thead> <tr> <th>Year</th> <th>Redemption</th> </tr> </thead> <tbody> <tr> <td>3rd Year</td> <td>20.0%</td> </tr> <tr> <td>4th Year</td> <td>20.0%</td> </tr> <tr> <td>5th Year</td> <td>20.0%</td> </tr> <tr> <td>6th Year</td> <td>20.0%</td> </tr> <tr> <td>7th Year</td> <td>20.0%</td> </tr> </tbody> </table>	Year	Redemption	3 rd Year	20.0%	4 th Year	20.0%	5 th Year	20.0%	6 th Year	20.0%	7 th Year	20.0%
	Year	Redemption											
	3 rd Year	20.0%											
	4 th Year	20.0%											
	5 th Year	20.0%											
6 th Year	20.0%												
7 th Year	20.0%												
Prepayment, Call Refunding, Conversion Features:	The Bond is non-convertible and not-callable in nature and has no prepayment option.												
Tax Feature:	According to the laws of Bangladesh												
Late Redemption:	The Issuer shall pay a late payment penalty of 2% (two per cent) higher than the Coupon Rate and be payable on the amount not paid on the due date up till the date of actual payment.												
Credit Rating:	Issuer Rating AA (Long Term), ST-2 (Short Term), Outlook: Stable Rating Date: 13 May 2019												
	Issue Rating AA-B, Outlook: Stable Rating Date: 03 November 2019												
Description of Collateral Security and Type of Charges to be Created Against the Issue:	Unsecured												
Listing:	Unlisted												
Transferability/Liquidity:	Transferable in accordance with the provisions of Trust Deed.												
Governing Law:	Laws of Bangladesh.												
Costs Related to the issue:	Total costs for issuing the bond (considering BDT 5,000 million is successfully raised) have been estimated to be BDT 28.10 million.												

4.2 Rate of Return, Yield to Maturity, Coupon/Discount Rate

Rate of return comprises of reference rate and Margin.

- **Reference Rate:** Latest average 6-month FDR rate of all private commercial banks excluding Islamic banks & foreign banks as published by Bangladesh Bank on the quotation day.
 - The Reference Rate will be rounded to 2 (two) decimal places. For example, if the benchmark rate is 5.155, then it should be rounded off to 5.16 and if the benchmark rate is 5.154 then it should be rounded off to 5.15.
- **Coupon Margin:** 2.00% p.a.
- **Coupon Floor Rate:** 7.00%
- **Coupon Ceiling Rate:** 10.00%
- **Coupon payment:** Coupon to be paid semi-annually. First coupon will be paid after six months of the drawdown.

4.3 Repayment Schedule

Face Value (principal) redemptions of every tranche will be in 5 (five) equal annual installments commencing at the end of 3rd year from the issue date of the respective tranche.

Table 2: Repayment Schedule of MTB 4th Subordinated Bond

MTB 4th Subordinated Bond						
Repayment Schedule for Total Issue of BDT 5,000 Million						
Year	No. of Tranches	Months	Beginning Balance	Principal Redemption (%)	Principal Redemption	Ending Balance
1 st		6	5,000,000,000	0.00%	-	5,000,000,000
		12	5,000,000,000	0.00%	-	5,000,000,000
2 nd		18	5,000,000,000	0.00%	-	5,000,000,000
		24	5,000,000,000	0.00%	-	5,000,000,000
3 rd		30	5,000,000,000	0.00%	-	5,000,000,000
	1	36	5,000,000,000	20.00%	1,000,000,000	4,000,000,000
4 th		42	4,000,000,000	0.00%	-	4,000,000,000
	2	48	4,000,000,000	20.00%	1,000,000,000	3,000,000,000
5 th		54	3,000,000,000	0.00%	-	3,000,000,000
	3	60	3,000,000,000	20.00%	1,000,000,000	2,000,000,000
6 th		66	2,000,000,000	0.00%	-	2,000,000,000
	4	72	2,000,000,000	20.00%	1,000,000,000	1,000,000,000
7 th		78	1,000,000,000	0.00%	-	1,000,000,000
	5	84	1,000,000,000	20.00%	1,000,000,000	-

4.4 Enforcement of Charges over Securities

The Trustee may at any time, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to recover any amounts due in respect of the Bonds which are unpaid or to enforce any of its rights under this Trust Deed or the Conditions but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or a Written Resolution and (b) it shall have been indemnified and/or secured to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith and provided that the Trustee shall not be held liable for the consequence of taking any such action and may take such action without having regard to the effect of such action on individual Bondholders. Only the Trustee may enforce the provisions of the Bonds or this Trust Deed and no Bondholder shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

5 Description of collateral Security

Subordinated Bonds are unsecured and rank below deposits, borrowings and secured bonds with regard to claims on assets or earnings. MTB 4th Subordinated Bond is unsecured and the claims of the bondholders are not covered by any collateral or security thereon and therefore no charge against the issues.

6 Rights and Obligations of the Issuer

6.1. General Covenants by the Issuer

- 6.1.1. The Issuer hereby covenants that the Bonds will be issued in registered and unlisted form.
- 6.1.2. The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of this Trust Deed and the other Transaction Documents which are expressed to be binding on it. The terms and conditions of the Bonds shall be binding on the Issuer, the Bondholders and the Trustee. The Trustee shall be entitled to enforce the obligations of the Issuer under the Bonds as if the same were set out and contained in this Trust Deed, which shall be read and construed as one document with the Bonds. The Trustee shall hold the benefit of this covenant to pay all sums due and payable but unpaid by the Issuer in respect of payments with respect to the Bonds upon trust for itself and the Bondholders.
- 6.1.3. Covenant to comply with Bangladesh Bank Rules and Guidelines, Bangladesh Securities and Exchange Commission Rules and Guidelines, Trust Deed, conditions, Schedules and Agency Agreement:
- (a) The Issuer hereby covenants with the Trustee to comply with, perform and observe the conditions of all Rules and Guidelines published by the Bangladesh Bank, Bangladesh Securities and Exchange Commission Rules and Guidelines all those provisions of this Trust Deed, the Conditions, the Schedules, the Agency Agreement and the Subscription Agreement which are expressed to be binding on it and to perform and observe the same. The Bonds are subject to the provisions contained in this Trust Deed, the Conditions, the Schedules, Agency Agreement and the Subscription Agreement, all of which shall be binding upon the Issuer and the Bondholders and all persons claiming through or under them respectively. The Bondholders and all persons claiming under or through them respectively will also be entitled to the benefit of, and will be bound by, this Trust Deed and the other Bond Documents and will be deemed to have notice of all of the provisions of the Bond Documents.
 - (b) The Issuer hereby confirms that it has obtained due approval from the Bangladesh Bank and the Bangladesh Securities and Exchange Commission for issuance of the Bonds.
- 6.1.4. As long as any of the Bonds remains outstanding (and, for the avoidance of doubt, a Bond is outstanding as long as it has not been redeemed in full notwithstanding that it has become due) or any amount is outstanding to the Trustee or any Bondholder under any Bond Document, the Issuer undertakes to each of the Trustee and the Bondholders that it shall comply with the provisions of this Clause 6.1.4
- (a) Change of Business
The Issuer shall procure that no substantial change is made to the general nature of the business of the Issuer.
 - (b) Arms' length transactions
The Issuer shall not enter into any transaction, agreement or arrangement with any of its Affiliates other than on arm's length basis.
 - (c) General Undertakings
 - (i) Authorisations
The Issuer shall promptly:

1. obtain, comply with and do all that is necessary to maintain in full force and effect; and
2. as and when requested by the Trustee, supply to the Trustee certified copies of, any Authorisation required under any law or regulation of its jurisdiction of incorporation to enable it to perform its obligations under the Bond Documents to which it is a party (or any of them) and/or to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Bond Document to which it is a party
 - (ii) Compliance with laws

The Issuer shall comply in all respects with all laws to which it is subject including, without limitation, the requirements and guidelines of the Bangladesh Bank and Bangladesh Securities and Exchange Commission rules and Guidelines.
 - (iii) Insurance

The Issuer shall maintain insurances on and in relation to its business and assets with reputable underwriters or insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business.
 - (iv) Corporate Governance
 - (1) The Issuer shall ensure that it remains duly incorporated and validly existing under the laws of its jurisdiction of incorporation.
 - (2) The Issuer shall ensure it shall at all times have the power and necessary Authorisations to own its assets and carry on its business as from time to time being conducted.
 - (3) The Issuer shall maintain and preserve all of its assets, which may be necessary in the conduct of its business as conducted from time to time, in good working order and condition, ordinary wear and tear excepted.
 - (v) Taxation and claims

The Issuer shall duly and punctually follow the prevailing rules and regulations of taxation.
 - (vi) Maintenance of and access to books and records and inspection

The Issuer shall, maintain books and records (with respect to itself and its business) in the manner described in Clause **Error! Reference source not found.** in this MTB 4th Subordinated Bond Trust (the Trust Deed).
 - (vii) Further assurance

The Issuer shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Trustee may reasonably

specify (and in such form as the Trustee may reasonably require in favour of the Trustee or its nominee(s)) for the exercise of any rights powers and remedies of the Trustee (for and on behalf of any or all of the Trustee and/or the Bondholders) provided by or pursuant to the Bond Documents or by law on a best efforts basis and to the extent permitted by applicable laws.

(d) Loans and Guarantee

The Issuer shall not

(i) be a creditor in respect of any Financial Indebtedness, except for:

(1) any loan in its ordinary course of business consistent with its current practice; and

(ii) incur or allow to remain outstanding any guarantee in respect of any obligation (whether actual or contingent) of any person, or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person, except for:

(1) any guarantee under any Bond Document;

(2) any guarantee in the ordinary course of business consistent with its current practice.

(e) Undertakings to Comply with Bangladesh Bank Authorisation and Rules and Guidelines and Bangladesh Securities & Exchange Commission Rules and Guidelines

It will at all times comply with the terms of the approval issued by Bangladesh Bank and BSEC including the Rules; and any other Guidelines issued by the Bangladesh Bank from time to time (including maintaining any required Bangladesh Bank rating).

(f) Undertaking as to constitution of the Issuer

That the Issuer is a duly incorporated banking company under the relevant Companies Act of Bangladesh and licensed by Bangladesh Bank to carry out banking business in Bangladesh and there has been no material adverse change in its condition since the date of this Deed of Trust and that it is not in default on any agreement or in violation of its charter or bye laws.

(g) Providing Information

The Issuer shall provide such information and within such period of time identified in Clause 17.2, 17.3 and **Error! Reference source not found.** of the MTB 4th Subordinated Bond Trust to the Bondholders and the Trustee.

6.2. Corporate Covenants by the Issuer

6.2.1. Conduct

The Issuer shall all times carry on and conduct its affairs in a proper and efficient manner in compliance with any requirement of law from time to time in force in Bangladesh and in compliance with its and in compliance with its Memorandum and Articles of Association save where failure to do so would not constitute a Materials Adverse Effect.

6.2.2. Consents

The Issuer shall obtain, comply with the terms of and do all that is necessary:

- (a) to maintain in full force and effect all authorisations, approvals, licences and consents necessary under any Law in connection with its business; and
- (b) to enable it lawfully to enter into and perform its obligations under this Trust Deed

6.2.3. Authorised Signatories

The Issuer shall deliver to the Trustee upon execution of this Deed and thereafter upon any change of the same, a list of Authorised Signatories of the Issuer together with a specimen signature of each Authorised Signatory.

6.2.4. Registered Office

The Issuer shall maintain its registered office. In case of change of registered office, the Issuer will notify this to the Trustee.

6.2.5. Financial Statements

The Issuer shall prepare in respect of each financial years, financial statements and provide the same to the Trustee in such form and manner as described in Clause 17.2 in the MTB 4th Subordinated Bond Trust.

6.2.6. General Negative Covenants

The Issuer shall not until after the final Maturity Date, save to the extent permitted by or contemplated by Applicable Law or with the prior written consent of the Trustee.

- (a) sell, convey, transfer, lease, assign or otherwise dispose of or agree or attempt or purport to sell, convey, transfer, lease or otherwise dispose of or use, invest or otherwise deal with any of its properties, assets or undertaking or grant any option or right to acquire the same which shall reasonably be expected to have a Material Adverse Effect.
- (b) grant, create or permit to exist any encumbrance over (including the grant of security or trust over or the occurrence of execution or diligence in respect of) its assets which shall reasonably be expected to have a Material Adverse Effect.
- (c) consolidate or merge with any other person;
- (d) permit the validity or effectiveness of the Transaction Documents to be impaired or to be amended, hypothecated, subordinated, terminated or discharged.

6.2.7. Authorisations

The Issuer must

- (a) promptly obtain and maintain in full force and effect all governmental and regulatory consents, licences, material authorisations and approvals required for the conduct of its business; and
- (b) do all such things as are necessary to maintain its corporate status,
- (c) in each case where failure to do so would be reasonably expected to have a Material Adverse Effect.

6.2.8. Compliance with Transaction Documents

The Issuer shall at all times comply with and perform all its obligations under the Transaction Documents and the Bonds save where non-compliance would not lead to a Material Adverse Effect.

6.2.9. Exercise Rights

The Issuer shall preserve and/or exercise and/or enforce its rights under and pursuant to the Bonds and the Transaction Documents.

6.2.10. Dealing with Trustee

(a) The Issuer shall upon reasonable notice, during normal business hours allow the Trustee and any persons appointed by the Trustee access to such books of account and other business records as relate to the assigned rights or the benefit of the assigned rights as the Trustee or any such persons may reasonably require.

(b) So far as permitted by applicable law and subject to any binding confidentiality restrictions, the Issuer shall at all times give to the Trustee such information, opinions, certificates and other evidence as the trustee and any persons appointed by the Trustee shall reasonably require (and which it is reasonably practicable to produce) for the purposes of the discharge of the duties, trusts, powers, authorities and discretions vested in the Trustee by or pursuant to this Trust Deed or any other Transaction Document.

6.2.11. Execution of Further Documents

The Issuer shall, so far as permitted by applicable law and regulatory requirements, execute all such further documents and do all such further acted and things as the Trustee (acting reasonably) may consider to be necessary at the time to give effect to the terms of the relevant Transaction Documents.

6.2.12. Notification of Event of Default

The Issuer shall deliver notice to the Trustee forthwith upon becoming aware of any Event of Default without waiting for the Trustee to take any further action.

6.2.13. No Variation and Termination of Transaction Documents

The Issuer shall not until the final Maturity Date, save to the extent permitted by the Transaction Documents or with the prior written consent of the Trustee:

- (a) terminate, repudiate, rescind or discharge any Transaction Documents.
- (b) vary, novate, amend, modify or waive any provision of any Transaction Document;
- (c) permit any person who has obligations under the Transaction Document to be released from such obligations other than in accordance with the terms of the applicable Transaction Document and any applicable requirement of law or regulatory direction.

6.2.14. Filings

The Issuer shall effect all required filings in respect of the Issuer and file, record or enrol each Transaction Document required to be filed, recorded or enrolled with any court or other authority in Bangladesh and ensure that such required filings and such other filings, recordings or enrolments are at all times maintained in accordance with any applicable requirement of law or regulatory direction.

6.2.15. Payments

The Issuer shall pay moneys payable by it to the Trustee under this Trust Deed without set off, counterclaim, deduction or withholding, unless otherwise compelled by law.

6.2.16. Notices to Bondholders

The Issuer shall send or procure to be sent (not less than three days prior to the date of publication) to the Trustee, for the Trustee's approval, one copy of each notice to be given to the Bondholders in accordance with this Trust Deed and not publish such notice without such approval and, upon publication, send to the Trustee two copies of such notice.

6.2.17. Notification of Non-Payment

The Issuer shall use reasonable endeavours to procure that it notifies the Trustee forthwith in the event that it does not, on or before the due date for payment in respect of the Bonds of any Series receive unconditionally the full amount in the relevant currency of the monies payable on such due date;

6.2.18. Notification of Late Payment

The Issuer shall forthwith give notice to the Bondholders through the Trustee of payments of any sum due in respect of the Bonds, made after their due date to the Trustee.

6.2.19. Non-Listing of Bonds in the Stock Exchanges

The Bonds will be unlisted and remain unlisted throughout the period of the Bond and the Issuer shall not consider the possibilities of listing the Bonds in any of the Stock Exchanges of Bangladesh.

6.2.20. Notification of Tax Deduction

The Issuer shall promptly give notice to the Trustee:

- (a) if it is required by law to effect a deduction or withholding of Tax in respect of any payment due in respect of any Bonds.
- (b) and in such cases take such action as may be required by the Trustee acting reasonable in respect thereof

6.3. Consolidation, Amalgamation or Merger

The Issuer will not consolidate with, merge or amalgamate into or transfer its assets substantially as an entirety to any company or convey or transfer its properties and assets substantially as an entirety to any person (the consummation of any such event, a "Merger"), unless:

- 6.3.1. the company formed or incorporated by such Merger or the person that acquired such properties and assets shall expressly assume, by a supplemental trust deed, all obligations of the Issuer under the Trust Deed and the Bonds and the performance of every covenant and agreement applicable to it contained therein and to ensure that the holder of each Bond then outstanding will have the right to the new company.
- 6.3.2. immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom; and
- 6.3.3. the company formed or incorporated by such Merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal and interest on the Bonds.

- 6.4. In the event of the passing of an Extraordinary Resolution in accordance with Clause 20 of the MTB 4th Subordinated Trust Deed (the trust deed), a modification, waiver or authorisation in

accordance with Clause 21 of the Trust Deed, the Issuer will procure that the Bondholders be notified in accordance with Clause 12.9 of the Trust Deed.

7 Rights, Duties and Obligations of the Trustee

7.1. Duties and Powers of the Trustee

The Trustee has the following duties and powers in connection with the Trust:

- 7.1.1. to hold the benefit of the covenants made by the Issuer in this Trust Deed and the Conditions on trust for the Bondholders;
- 7.1.2. to open such accounts as it deems necessary for discharging the functions of Trustee;
- 7.1.3. to keep the money and assets representing the Trust Property (including enforcement proceeds) and to deposit and withdraw such moneys and assets as may be required from time to time;
- 7.1.4. to undertake all such actions for the recoveries of any overdue in accordance with the provisions of this Trust Deed and to execute all such documents, deeds and papers and to do all acts in relation thereto;
- 7.1.5. to issue, manage and administer the Bonds in accordance with the terms of this Trust Deed and execute, acknowledge, confirm or endorse any agreements, documents, deeds, instruments and papers in connection therewith;
- 7.1.6. to call any meetings of the Bondholders in accordance with the provisions of the Trust Deed and the Bonds and to facilitate the proceedings of such meeting as it deems appropriate in accordance with the terms of this Trust Deed;
- 7.1.7. to implement, give effect to and facilitate the terms and conditions of the Bonds and such other documents, deeds and agreements in contemplation thereof;
- 7.1.8. upon instruction by the Bondholders upon occurrence of an Event of Default in accordance with this Trust Deed, to sell or otherwise dispose of the Trust Property and close any bank accounts that may have been opened in pursuance of this Trust Deed after distribution of amounts standing to their credit;
- 7.1.9. to take such action as may be appropriate for the protection of the interest of the Bondholders in accordance with the Trust Act, 1882 and the provisions of this Trust Deed;
- 7.1.10. The Trustee shall have power to initiate negotiations with the respective parties for inclusion of any additional terms and conditions for the performance of the obligations under this Trust Deed for the protection of the interest of the Bondholders, and necessary amendments can then be made by way of mutual agreement; and
- 7.1.11. to do all such other acts, deeds and things as may be necessary and incidental to the above objects unless such acts require the prior consent of the Beneficiaries in accordance with this Trust Deed.

7.2. Covenant to repay

The Issuer covenants with the Trustee that it will, as and when the Bonds or any of them become due to be redeemed or any principal on the Bonds or any of them becomes due to be repaid in accordance with and subject to the terms and conditions of the Bonds in this Trust Deed or any provision of this Trust Deed, unconditionally pay or procure to be paid to or to the order of the Trustee in Taka in freely transferable funds for value the relevant due date for payment the principal amount of the Bonds or any of them becoming due for redemption or repayment on that date and shall (subject to any terms and conditions of the Bonds) until all such payments (both before and after judgment or other order) are duly made unconditionally pay or procure to be paid to or to the order of the Trustee as aforesaid on the dates provided for in the Trust Deed, or any of them outstanding from time to time as set out in the Trust Deed provided that:

- 7.2.1. every payment in respect of the Bonds or any of them made to or through the Paying Agent in the manner provided in the Agency Agreement shall satisfy, to the extent of such payment, the relevant covenant by the Issuer contained in this Clause except to the extent that there is default in the subsequent payment thereof to the Bondholders in accordance with the Trust Deed;

- 7.2.2. if any payment in respect of the Bonds or any of them is made after the due date, payment shall be deemed not to have been made until either the full amount is paid to the Bondholders or, if earlier, the third Business Day after notice by the Trustee to the Bondholders in accordance with the Trust Deed that the full amount has been received by the Paying Agent or the Trustee in the case of payment to the Paying Agent, to the extent that there is failure in the subsequent payment to the Bondholders under the Trust Deed; and
- 7.2.3. in any case where payment due in respect of any Bond is improperly withheld or refused upon due presentation of a Bond Certificate, payment shall accrue in accordance with Clause **Error! Reference source not found.** of the Trust Deed on the whole or such part of such amount from the date of such withholding or refusal until the date either on which such amount due is paid to the Bondholders or, if earlier, the third Business Day after which notice by the Trustee is given to the Bondholders in accordance with this Trust Deed that the full amount payable in respect of the said principal amount is available for collection by the Bondholders provided that on further due presentation thereof such payment is in fact made.

The Trustee will hold the benefit of this covenant and the covenants in Clause 14 of the Trust Deed (*Rights, Duties and Obligations of the Trustee*) on trust for the Bondholders.

7.3. Terms of Appointment

7.3.1. Reliance on information

- (a) *Advice*: The Trustee may in relation to this Trust Deed act on the opinion or advice of or a certificate or any information obtained from any lawyer, banker, valuer, surveyor, broker, auctioneer, accountant or other expert and shall not be responsible for any Liability occasioned by so acting;
- (b) *Certificate of directors or Authorised Signatories*: The Trustee, in the exercise of its functions, may call for and shall be at liberty to accept a certificate signed by two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to any fact or matter *prima facie* within the knowledge of the Issuer, as the case may be, as sufficient evidence thereof and a like certificate to the effect that any particular dealing, transaction or step or thing is, in the opinion of the person so certifying, expedient as sufficient evidence that it is expedient and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by its failing so to do;
- (c) *Resolution or direction of Bondholders*: The Trustee shall not be responsible for acting in good faith upon any resolution purporting to be a Written Resolution or to have been passed at any meeting of the Bondholders in respect whereof minutes have been made and signed or a direction of a specified percentage of Bondholders, even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or the making of the directions or that for any reason the resolution purporting to be a Written Resolution or to have been passed at any Meeting or the making of the directions was not valid or binding upon the Bondholders;
- (d) *Bondholders as a class*: In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including without limitation any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Bondholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Bondholders whatever their number and in particular, but without limitation, shall not have regard to the consequences of the exercise of its trusts, powers, authorities and discretions for individual Bondholders

(whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders;

- (e) *No obligation to monitor:* The Trustee shall not be under any obligation to monitor or supervise the functions of any other person under the Bonds or any other agreement or document relating to the transactions herein or therein contemplated and shall be entitled, in the absence of actual knowledge of a breach of obligation, to assume that each such person is properly performing and complying with its obligations;
- (f) *Bonds held by the Issuer:* In the absence of actual knowledge or express notice to the contrary, the Trustee may assume without enquiry (other than requesting a certificate of the Issuer), that no Bonds are for the time being held by or for the benefit of the Issuer or any of its Affiliates;
- (g) *Events of Default:* The Trustee shall not be bound to give notice to any person of the execution of this Trust Deed or to take any steps to ascertain whether any Default or Event of Default has happened and, until it shall have actual knowledge or express notice to the contrary, the Trustee shall be entitled to assume that no such Default or Event of Default has happened and that the Issuer is observing and performing all the obligations on its part contained in the Bonds and the Bond Documents and no event has happened as a consequence of which any of the Bonds may become repayable;
- (h) *Right to deduct or withhold for taxes:* Deduction or withholding of tax will be as per prevailing laws of Bangladesh.
- (i) *No responsibility to investigate:* The Trustee shall not have any responsibility for or have any duty to investigate except under any applicable laws or regulations:
- the execution, delivery, legality, validity, effectiveness, adequacy, genuineness, enforceability or admissibility in evidence of any Bond Document;
 - any recitals, statements, warranties, representations or covenants of any party to any Bond Document;
 - its ability to exercise the rights, trusts, powers, authorities or discretions purported to be conferred on it by any of the Bond Documents; or
 - the capacities, powers or credit standing of the Issuer or other party to any of the Bond Documents;
- (j) *Error of judgment:* The Trustee shall not be liable for any error of judgment made in good faith by any officer or employee of the Trustee assigned by the Trustee to administer its corporate trust matters;
- (k) *No responsibility for loss:* The Trustee shall not in any circumstances, except under any applicable laws or regulations:
- be liable to account to any Bondholder or any other person for anything except sums actually received by the Trustee which have not been distributed or paid to the persons entitled or at the time of payment believed by the Trustee to be entitled thereto, or

- be liable to any Bondholder or any other person for any costs, charges, losses, damages, liabilities or expenses arising from or connected with any act, default, omission or misconduct of the Trustee, any Appointee or their respective officers, employees or agents in relation to the Bond Documents except to the extent that they shall have been finally judicially determined to have been caused by the Trustee's own gross negligence, wilful default or fraud.
- (l) *Force Majeure*: The Trustee shall not be liable for any failure or delay in the performance of its obligations under this Trust Deed or any other Bond Document because of circumstances beyond such Trustee's control, including, without limitation, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, embargo, labour disputes, any laws, ordinances, regulations or the like which restrict or prohibit the performance of the obligations contemplated by this Trust Deed or any other Bond Document, and other causes beyond such Trustee's control whether or not of the same class or kind as specifically named above. However, the Trustee shall use commercially reasonable efforts consistent with accepted practice in its industry to resume performance as soon as practicable under the circumstances.
- (m) *Applicable Law*: Notwithstanding anything contained in this Trust Deed the Trustee shall have all such rights and powers granted to it under the applicable law including but is not limited to The Securities and Exchange Commission (Private Placement of Debt Securities) Rules 2012.
- (n) *Immunities*: The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Trust Deed shall extend to the Trustee's officers, directors and employees. Such immunities and protections and right to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the defeasance or discharge of this Trust Deed and final payment of the Bonds but in any event will be subject to any gross negligence, wilful default or fraud of which the Trustee or its officers, directors or employees may be guilty in relation to their duties under this Trust Deed. The Issuer acknowledges that in any proceedings taken in relation to this Trust Deed, it will not be entitled to claim for itself or any of its assets immunity from suit, execution, attachment or other legal process.

7.4. Trustee's Determination and Discretion

- 7.4.1. *Trustee's determination*: The Trustee may determine whether or not a default in the performance or observance by the Issuer of any obligation under the provisions of any Bond Document or contained in the Bonds is capable of remedy and/or materially prejudicial to the interests of the Bondholders and if the Trustee certifies that any such default is, in its opinion, not capable of remedy and/or materially prejudicial to the interests of the Bondholders, such certificate shall be conclusive and binding upon the Issuer and the Bondholders *provided however that* the Trustee may not exercise any powers conferred upon it by this Clause 7.4.1 unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;
- 7.4.2. *Determination of questions*: the Trustee as between itself and the Bondholders shall have full power to determine all the questions and doubts arising in relation to any of the provisions of this Trust Deed which in the opinion of the Trustee relates to matters and are bond specific matters ("**Bond Specific Matters**") and every such determination, whether made

upon a question actually raised or implied in the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Bondholders *provided however that* the Trustee may not exercise any powers conferred upon it by this Clause unless the Trustee having given not less than 10 Business Days' notice of such proposed determination to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to the determination which shall be made;

- 7.4.3. *Trustee's discretion:* the Trustee shall (save as expressly otherwise provided herein) as regards all the trusts, powers, authorities and discretions vested in it by this Trust Deed or by operation of law, have absolute discretion as to the exercise or non-exercise thereof and the Trustee shall not be responsible for any Liability that may result from the exercise or non-exercise thereof but whenever the Trustee is under the provisions of this Trust Deed bound to act at the request or direction of the Bondholders, the Trustee shall nevertheless not be so bound unless first indemnified and/or provided with security to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages, expenses and liabilities which it may incur by so doing *provided however that* the Trustee may not exercise any discretion conferred upon it by this Clause unless the Trustee having given not less than 10 Business Days' notice of such exercise of discretion to the Bondholders in accordance with the Trust Deed, it has not, within 30 days of such notice being received by the Bondholders or a shorter period as may be agreed by the Bondholders in writing, been directed by an Extraordinary Resolution or Written Resolution instructing the Trustee as to how such discretion shall be exercised;
- 7.4.4. *Trustee's consent:* any consent given by the Trustee for the purposes of this Trust Deed may be given on such terms and subject to such conditions (if any) as the Trustee may require;
- 7.4.5. *Application of proceeds:* the Trustee shall not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the Bonds or the delivery of any Bond Certificate to the persons entitled to it;
- 7.4.6. *Delegation:* the Trustee may, with the prior consent in writing of the Issuer, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed, act by responsible officers or a responsible officer for the time being of the Trustee and the Trustee may also whenever it thinks fit, whether by power of attorney or otherwise, delegate to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Deed or not) all or any of the trusts, powers, authorities and discretions vested in it by this Trust Deed and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate with the consent of the Trustee) as the Trustee may think fit in the interests of the Bondholders and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee and the Trustee shall not be bound to supervise the proceedings or acts of and shall not in any way or to any extent be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of such delegate or sub-delegate;
- 7.4.7. *Agents:* Subject to the provisions of the Trust Act 1882, the Trustee may, in the conduct of the trusts of this Trust Deed, with the prior consent in writing of the Issuer, instead of acting personally, employ and pay an agent on any terms, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee, as the case may (including the receipt and payment of money) and, *provided that* the Trustee shall

have exercised reasonable care in the selection and appointment of any such agent(s), the Trustee shall not be responsible for any Liabilities incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person;

- 7.4.8. *Custodians and nominees:* the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trust as the Trustee may determine, including for the purpose of depositing with a custodian this Trust Deed or any document relating to the trust created hereunder and, provided the Trustee shall have exercised reasonable care in the selection of any such Appointee, the Trustee shall not be responsible for any loss, liability, expense, demand, cost, claim or proceedings incurred by reason of the misconduct, omission or default on the part of any person appointed by it hereunder or be bound to supervise the proceedings or acts of any such person; and
- 7.4.9. *Confidential information:* the Trustee shall not (unless required by law or ordered so to do by a court of competent jurisdiction) be required to disclose to any Bondholder any confidential information (financial or otherwise) made available to the Trustee by the Issuer or any other person in connection with this Trust Deed and no Bondholder shall be entitled to take any action to obtain from the Trustee any such information. The Trustee shall forward to the Bondholders any non-confidential information made available to the Trustee by the Issuer in connection with this Trust Deed.

7.5. Financial matters

- 7.5.1. *Professional charges:* any trustee being a banker, lawyer, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partner or firm on matters arising in connection with the trusts of this Trust Deed and also his incurred charges in addition to disbursements for all other work and business done and all time spent by him or his partner or firm on matters arising in connection with this Trust Deed, including matters which might or should have been attended to in person by a trustee not being a banker, lawyer, broker or other professional person;
- 7.5.2. *Expenditure by the Trustee:* nothing contained in this Trust Deed shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of any right, power, authority or discretion hereunder if it has grounds for believing the repayment (if approved by the Issuer) of such funds or adequate indemnity against, or security for, such risk or liability is not assured to it; and
- 7.5.3. *Restriction on financial transactions with the Issuer:*

The Trustee and its directors and officers shall be precluded from making any contracts or entering into any transactions (“Other Business”) with the Issuer which would place its fiduciary duties towards the Bondholders in conflict with its rights and obligations in such Other Business.

7.6. Trustee liable for gross negligence

None of the provisions of this Trust Deed shall in any case in which the Trustee has failed to show the degree of care and diligence required by it as trustee, having regard to the provisions of this Trust Deed conferring on the Trustee any powers, authorities or discretions, relieve or indemnify the Trustee against any liability which by virtue of any rule of law would otherwise attach to it in respect of any gross negligence, wilful default or fraud of which it may be guilty in relation to its duties under this Trust Deed.

7.7. Exercise of Discretion

- 7.7.1. Notwithstanding anything in this Trust Deed to the contrary, the Trustee shall not be obliged to exercise or consider exercising any discretion or consider making or make any

determination (including, without limitation, any determination as to whether any fact or circumstance or activity or thing is material or substantial or complies with some such similar quantitative standard) or to consider taking or take any action whatsoever in connection with or under or pursuant to the Bonds unless directed to do so by the holders of not less than 66 $\frac{2}{3}$ percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution.

- 7.7.2. The Trustee will not be responsible for any loss, expense, damage, claim, cost, charge or liability which may be suffered as a result of any exercise or non-exercise of a discretion or the making or failure to make any determination or the taking or failure to take any action by the Trustee, acting on the directions of the Bondholders as aforesaid or pending the provision of such a direction.
- 7.7.3. A certificate delivered in compliance with this Trust Deed of two Authorised Signatories of the Issuer or other person duly authorised on their behalf as to the compliance by the Issuer with any of their respective obligations contained in the Conditions or this Trust Deed shall be conclusive and binding on the Issuer, the Trustee and the Bondholders save in the case of manifest error, but without prejudice to the provisions of Clause 7.7.4 below.
- 7.7.4. The Trustee shall have no responsibility for requesting such certificates unless the Issuer has failed to deliver such certificates in accordance with Clause 9 of the Trust Deed (*Terms of Appointment*) or the Trustee is requested to do so by any Bondholder. The Trustee shall be entitled to rely on such certificates absolutely and shall not be obliged to enquire further as regards the circumstances then existing and whether they justify the provision and the content of such certificate and will not be responsible for any loss occasioned by so acting. The Trustee shall be entitled to rely on any such certificates as sufficient evidence by the Issuer of such compliance (or non-compliance) and will not be responsible for or for investigating any matter relating to the financial condition of or any other matter relating to the Issuer.

7.8. Events of Default

The Events of Default for the purposes of the Bonds and the Trustee's rights, duties and obligations following such an Event of Default shall be as provided for in Clause **Error! Reference source not found.** of the Trust Deed.

7.9. Modification and Waiver

The Trustee may agree, without the consent of the Bondholders, to (i) any modification (except as mentioned in Clause 21 of the Trust Deed) to, or the waiver or authorisation of any breach or proposed breach of, any terms of the Trust Deed which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders or (ii) any modification to the Bonds or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of law. All amendments or supplements or modifications to the terms of this Trust Deed or any of the other transaction documents can be made only in writing signed by the Issuer and the Trustee. Any such modification, waiver or authorisation will be binding on the Bondholders and, unless the Trustee agrees otherwise, any such modifications will be notified by the Trustee to the Bondholders as soon as practicable thereafter.

7.10. Interests of Bondholders

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorization, waiver or substitution) the Trustee shall have

regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer or the Trustee, any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders except to the extent provided for in Clause **Error! Reference source not found.** of the Trust Deed (*Taxation*) and/or any undertakings given in addition thereto or in substitution therefore pursuant to the Trust Deed.

8 Rights and Obligations of the Eligible Investors

- 8.1 Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement containing in details the rights and obligations of the investors, and which shall be an integral part of this Trust Deed.
- 8.2 The obligations of the Bondholders under the Subscription Agreement and other agreements with identical terms are several and the failure by Bondholder(s) to perform its obligations under the Bond Documents shall not affect the obligations of the Issuer towards any other Bondholder(s) under other identical agreements nor shall any other Bondholder(s) be liable for the failure by such Bondholder(s) to perform its obligations under the Subscription Agreement or any other Bond Document.
- 8.3 The rights of the Bondholder are several and any debt or other obligation arising under the Subscription Agreement at any time from the Issuer to any other Bondholder(s) shall be a separate and independent debt. Each Bondholder will be entitled to protect and enforce its individual rights independently of any other Bondholder and it shall not be necessary for any other Bondholder(s) to be joined as an additional party in proceedings for such purpose.
- 8.4 The Bondholders shall hold meetings with such power and scope and in the manner provided for in Clause 20 in the Trust Deed.
- 8.5 Undertaking to Issue
- The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.
- 8.6 Undertaking to Subscribe
- The Bondholders will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.
- 8.7 Investor Representations
- The Bondholder(s) will comply with all applicable laws and regulations of Bangladesh and each other jurisdiction in which it offers, sells or delivers Bonds or has in its possession or distributes any offering material, in all cases at its own expense.
- 8.8 Indemnity
- The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur as per provisions of this trust deed in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.
- 8.9 Closing
- 8.9.1 Subscription and Closing
- (a) Subject to the conditions precedent contained in the Subscription Agreement, the closing of the issue of the Bonds shall take place on the Closing Date.
- (b) Investor Representation Letter: On the date indicated in the Subscription Agreement, the Bondholders will execute and deliver a letter addressed to the Issuer in the form attached as Schedule 4 (Form of Investor Representation Letter) of the Subscription Agreement.

- (c) Payment of net issue proceeds: On each Closing Date, of the Bondholders shall pay the purchase price of Bonds to the Issuer in Bangladesh Taka in the manner provided for in the Subscription Agreement.
- (d) Bond Certificates:
 - (i) Registration: On each Closing Date, the Issuer shall procure that the principal amount of Bonds subscribed for by the Bondholders for which payment has been received in accordance with the Subscription Agreement and are registered in name of the Bondholders (with a notation on the Register and on each Bond Certificate identifying the Issue Date of such Bond Certificate).
 - (ii) Issue: On the Closing Date, the Issuer shall duly execute and deliver the Bond Certificates to the Trustee for authentication. Promptly following the Closing Date, the Issuer will deliver to each Bondholder Bond Certificates, duly authenticated by the Trustee and representing such Investor's entire holding of Bonds.

8.10 Termination

The Bondholders may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

- 8.10.1 Breach of obligation: the Issuer fails to perform any of its obligations under the Subscription Agreement;
- 8.10.2 Failure of condition precedent: any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date; or
- 8.10.3 Force majeure: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

8.11 Consequences

Upon the giving of a termination notice under Clause 16.10 of the trust deed (Termination) and subject to the Subscription Agreement:

- 8.11.1 Discharge of Issuer: the Issuer shall be discharged from performance of its obligations under the Subscription Agreement except for the liability of the Issuer in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination; and
- 8.11.2 Discharge of Bondholder: such Bondholder shall be discharged from performance of their respective obligations under the Subscription Agreement.

8.12 Interests of the Bondholders

The interests of the Bondholders shall be protected and preserved by the Trustee in the manner described in Clause 14.10 in the Trust Deed.

9 Description of Mutual Trust Bank Limited

Mutual Trust Bank Limited was incorporated as a Public Limited Company on September 29, 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 Authorized Share Capital of the company is BDT 10,000,000,000 divided into 1,000,000,000 ordinary shares of BDT 10 each.

The Company was also issued Certificate for Commencement of Business on the same day and was granted license on October 05, 1999 by Bangladesh Bank under the Banking Companies Act 1991 and started its banking operation on October 24, 1999.

Table 3: Basic Information of the Issuer

Registered name of the company	Mutual Trust Bank Limited
Company Registration No.	c38707 (665)/99 on September 29, 1999
Bangladesh Bank Permission No.	BRPD (P) 744(78)/99-3081 on October 5, 1999
SWIFT Code	MTBL BD DH
Memberships	<ul style="list-style-type: none"> • The Institute of Bankers Bangladesh (IBB) • Bangladesh Association of Banks (BAB) • Bangladesh Foreign Exchange Dealers Association (BAFEDA) • Bangladesh Institute of Bank Management (BIBM) • Bangladesh Association of Publicly Listed Companies (BAPLC) • Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) • International Chamber of Commerce Bangladesh Limited (ICCB) • Dhaka Stock Exchange (DSE) • Dhaka Chamber of Commerce & Industry (DCCI) • American Chamber of Commerce in Bangladesh (AmCham) • Primary Dealers Bangladesh Limited (PDBL)
Awards	<ul style="list-style-type: none"> • Received the DHL-Daily Star Award as “The Best Financial Institution” of 2014 • MTB received Best SME Bank of the Year 2014 & Best Women Entrepreneurs’ Friendly Bank of the Year 2014 • Won the Golden Globe Tigers Summit Award 2015 for Excellence in Branding & Marketing • The Institute of Chartered Accountants of Bangladesh (ICAB) National Award for best presented Annual Reports-2015 & 17 • MTB won the “Dream Company to Work for” award in the organizational category at “Asia’s Best Employer Brand Awards 2018” • MTB won Award for Excellence in Improving Performance Through Leadership 2018

Over the past 20 years of operation, the Issuer has laid a strong foundation to create a string brand image and strengthen its foothold in the highly regulated banking industry. MTB is equipped with strong delivery channels consisting of 114 branches (including 14 SME/Agri branches), 268 ATM booths located in prime commercial, urban and rural areas of the country, 11 (eleven) MTB Smart Banking Kiosks and 3,140 Point of Sales (PSO) machines. The Issuer offers fully integrated real-time Online Banking Services, a 24/7 modern Contact Centre and Internet and SMS banking to its growing customer base, through a dedicated

team of experienced Relationship Managers and Alternative Delivery Channels (ADC). Currently there are 2,120 number of employees working for the Bank.

9.1 Subsidiaries of Mutual Trust Bank Limited

The Bank has 3 (three) subsidiary companies namely MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited.

9.1.1 MTB Securities Limited

MTB Securities Limited (MTBSL) was incorporated in Bangladesh as a private limited company on March 01, 2010. Vide its registration number no. 82868/10 under the companies Act 1994. The company has started commercial operation on September 23, 2010 after getting approval from the Bangladesh Securities and Exchange Commission (BSEC) as a separate entity. The Main objective of the company is to act as a member of the stock exchange and of the Central Depository System (CDS) companies, and carry on business of brokers, jobbers, or dealers in stocks, securities, bonds, divestures etc. The Company is also authorized to buy, sell, hold and otherwise acquire or invest the capital of the company in shares, stocks, and fixed income securities.

9.1.2 MTB Capital Limited

The Issuer obtained permission to embark upon Merchant Banking from the Bangladesh Securities and Exchange Commission (SEC) vide its certificate No. MB-55/2010 dated December 06, 2010 under the Securities and Exchange Commission Act, 1993. The operation has started as on April 17, 2011. MTB Capital Limited (MTBCL) offers the following services to the market:

- Discretionary and Non-Discretionary Portfolio Management Services to both the retail and institutional investors under different product lines.
- Issue management services to medium and large corporate houses to manage their Initial Public Offering (IPO), secondary offering, debt issuance and right issuance.
- Underwriting services for both debt and equity issues.

Besides, MTBCL develops various investment schemes suiting varying objectives and constraints of different investor classes.

9.1.3 MTB Exchange (UK) Limited

MTB Exchange (UK) Limited (MTB UK) was incorporated on June 14, 2010 under the Companies Act 2006 of UK with registration number 7282261 as a private company limited by shares. The registered office of MTB UK is located at 25 White Chapel Road, London. The main objective of the exchange house is to carry on the remittance business and to undertake and participate in transactions, activities and operations commonly carried out or undertaken by remittance and exchange houses.

9.2 Capital Structure (Consolidated basis)

Mutual Trust Bank Limited, the issuer of the subordinated bonds, is a commercial bank and like other banks, its capital structure comprises shareholder's equity, deposits and other liabilities. Most of MTB's assets (73.5%) have been financed by deposits and other accounts.

Table 4: Sources of Issuer's Fund

	As of 30 September, 2019
	BDT Million
Liabilities	234,169
Borrowings from other banks, FIs and agents	23,935
Mutual Trust Bank Subordinated Bond	7,400
Deposits and other accounts	183,345
Other liabilities	19,488
Total Equity	15,259
Paid-up capital	6,699
Statutory reserve	4,475
Other reserve (general + Revaluation)	1,190

Draft Information Memorandum
Subordinated Bonds of up to BDT 5,000 Million

Retained earnings	2,368
Minority interest	0.13
Total Liabilities and Shareholders' Equity	249,429

The Issuer maintains appropriate capital adequacy, which enables it to confront various risk factors it may be exposed to. The current CRAR of 12.40% on September 30, 2019 was higher than the minimum requirement of 10% (excluding 2.5% buffer), due to the increase in minimum requirement in accordance with BASEL III implementation roadmap by Bangladesh Bank. The proposed subordinated bond will help meet this requirement. The total eligible capital of the bank, on consolidated basis, was BDT 22,828 million as on September 30, 2019 against the risk weighted assets of BDT 184,147 million.

Table 5: Regulatory Capital of the Issuer

	As of Sept 30, 2019
	BDT Million
Total Risk Weighted Assets	184,147
Core capital (Tier- I)	13,064
Supplementary capital (Tier-II)	10,024
Total Capital	22,828
Total Required Capital	18,415
Capital Surplus/(Shortfall)	4,413
Capital Adequacy Ratio	12.40%
Core capital to Risk Weighted Assets	7.09%
Supplementary capital to Risk Weighted Assets	5.30%

Issuer's total paid up capital stood at BDT 6,699.3 million at the end of September 30, 2019 which was divided into **669,929,444** number of ordinary shares with a face value of BDT 10 per share. Out of the total shares, 41.09% (275,271,441 number of shares) were held by Sponsors of the Issuer.

Table 6: Shareholding Structure of the Issuer

Particulars	As on September 30, 2019		
	No. of Shares	Share Value(BDT mn)	% of Holding
Sponsors	275,271,441	2,752,714,410	41.09%
Institutions	149,327,513	1,493,275,130	22.29%
General Public	245,330,490	2,453,304,900	36.62%
Total	669,929,444	6,699,294,440	100.00%

9.3 Business Description

All types of commercial banking services are provided by the Bank within the stipulations laid down by the Bank Companies Act, 1991 (as amended in 2013) 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 October 24, 1999. 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, treasury functions, cash management, securities and custody services, remittance services etc. The Bank obtained the Off-shore Banking Unit Permission vide Letter No. BRPD (P-3)744(105)/2009- 4470 dated December 03, 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 Bangladesh Bank. The principal activities of the Unit are to provide all kinds of commercial banking services to its customers in foreign currencies approved by the Bangladesh Bank.

9.3.1 Products & Services

9.3.1.1 Wholesale Banking

MTB Wholesale Banking services are a blend of the Corporate, Off-Shore Banking, and Syndication & Structured Finance, that focuses on offering a wide range of services to large corporates, multinationals and institutional clients. The bank puts highest priority to assist its customers fund requirements with diversified financial products and services. The bank always focuses on delivering services by creating exceptional value to its customers while offering market competitive relationship loan pricing and conditions.

Wholesale banking products includes;

Term Finance: MTB provides loans that have specified repayment schedule and a floating interest rate with tenure more than one year but less than ten years. It offers term loans for the following broader purposes.

- Project Finance
- Finance for Importing Capital Machinery
- Lease Finance
- House Building Finance

Working Capital Finance: To meet customers' running capital requirements MTB offers the following products:

- Secured Over Draft (SOD)
- Cash Credit (Hypo.)
- Cash Against Document
- Short Term Loan
- Inland Bill Purchase (IBP)
- Foreign Bill Purchase (FBP)

Trade Finance: MTB offers export and import finance facilities for its customers depending on their requirements. MTB's trade finance service is a unity of funded and non-funded facilities:

- Export Finance Facility includes;
 - Back to Back L/C Opening
 - Export Bill Discounting (FDBP and IDBP)
- Import Finance Facility includes;
 - Loan Against Trust Receipt (LTR)
 - Term Loan
- Non-funded Trade Finance Facility includes;
 - L/C Opening (Sight & Deferred)
 - L/C Advising
 - L/C Transfer
 - Bank Guarantee
 - Secured Over Draft (SOD) in the form of SOD (general/export bill) and SOD (Others-work order, FDR, land, etc.)
 - Bank Guarantee in the form of Performance guarantee, Advance Payment guarantee, and
 - Bid bond, Inland Bill Purchase (IBP) includes mainly government security bills and bonds.
 - Foreign Bill Purchase (FBP) includes foreign drafts.

MTB Offshore Banking: MTB Offshore Banking services specially tailored for 100% foreign owned company, joint venture and locally owned company in Export Processing Zones (EPZ). It offers term

finance, working capital finance and trade finance services in different modes. It also provides term finance facility to locally owned industrial units outside EPZ under some special conditions.

Syndications & Structured Finance: MTB is active in the Syndication market with professional team having finest expertise and wide market network for enabling its corporate clients to access large loans through cost efficient structures. MTB offers tailor made solutions to fit customers' business requirements. It also facilitates its peer group in closing their syndicated deals by co-arranging or by taking large exposures in both Greenfield and Brownfield projects including;

- Infrastructure Financing e.g. Power, Telecom, Hotels
- Aircraft Financing
- Manufacturing Project Financing e.g. Steel, Cement, Glass, Petrochemical
- Agro-based Project Financing
- Micro Financing

MTB's product basket contains Long Term Financing along with full range of product mix for Short Term Financing of day to day operations and non-fund based facilities. The bank always seeks to understand unique needs of its customers' business and incessantly strive to meet and to exceed their expectations.

9.3.1.2 Retail Banking

MTB offers various retail banking products to meet its customers' different needs.

- a) **Deposit Products:** MTB has designed various deposit accounts to service its customers' different needs. From a straight forward Savings account to Fixed Deposits, MTB always strives to offer the best value for its customers' money. Banking with MTB enables its customers to priorities between flexibility, highest interest yield and convenience. Various deposit products offered by MTB are explained below;

Regular Savings Account: An easy-to-operate savings account that allows customers to issue cheques, draw Demand Drafts and withdraw cash.

Current Account: A Current account is ideal for carrying out day-to-day business transactions. With the MTB Regular Current Account, customers can access to their accounts anytime, anywhere, pay using payable at par cheques or deposit cheque at any MTB bank branch.

Fixed Deposit: MTB offers fixed deposit products with automatic renewal, overdraft facility etc.

Brick by Brick: MTB Brick by Brick is a monthly deposit scheme in which any one can deposit on a monthly basis and at the end of the period gets a handsome amount. Customer can open this account for 3/5/8/10 years and the monthly installment of this Plan is BDT 250.00, 500.00, 1,000.00, 2,000.00, 5,000.00, i.e. it can be any amount multiple of BDT 500.00. The customer may avail loan up to 90% and credit card limit up to 80% of the payable amount. If the depositor wants to close the account in between two maturity periods, e.g. 3 and 5 years, 5 and 8 years, 8 and 10 years, s/he will be paid the full amount admissible for the immediate past maturity period and simple interest on the deposited amount at the prevailing savings rate for the rest period.

Monthly Benefit Plan: It has been designed to help and assist conscious savers from all strata of the society. The plan is for 3(three) years and 5(five) years and on maturity the account will be renewed automatically. A Savings/Current account is required to open an MBP/MBPs. The monthly benefit will be credited to this account. The customer may avail loan up to 90% of the deposited amount.

MTB Double Saver: MTB Double Saver is a fixed deposit scheme where the deposit doubles in 7 (seven) years. Minimum deposit amount will be of BDT 50,000.00 or any amount above this instead of its multiple. Account holder can avail loan up to 90% of the payable amount instead of the deposited amount.

Children's Education Plan: This product is designed for children where no initial deposit is required. Monthly installments are Tk. 1,000 or multiples of Tk. 1,000 but cannot exceed Tk 20,000. The savings periods are 4, 7, 9 and 12 years.

MTB Millionaire Plan: MTB Millionaire Plan is a monthly deposit scheme which will make a client millionaire after a certain period. The tenure of this scheme is 6/8/10/12/15/20 years. More than one account can be opened by the same depositor in the same branch. The customer may avail loan up to 90% and credit card limit up to 80% of the payable amount.

MTB Inspire: MTB Inspire provides a range of enhanced services including free debit card, free internet banking etc. Interest is calculated on daily basis and paid monthly.

MTB Ruby: MTB Ruby enables today's independent women to enjoy hassle-free banking services. Besides the core MTB banking advantage, MTB Ruby, an exclusive savings account for women, is packed with special benefits.

MTB Kotipati: This product has been designed for the customers who want to have BDT 10 million after certain period through monthly installments of a specified amount.

MTB Junior: MTB Junior is a savings account for minors that offer the opportunity to save for today and the future. School and college students below 18 years are eligible for this accounts.

MTB Graduate: MTB Graduate is a savings account for college and university students who are 18 years and above.

MTB Senior: MTB Senior has been designed keeping in mind the fact that a senior citizen's banking requirements are wholly different and deserve special attention. Bangladeshi citizens who are 60 years and above are eligible for this account.

MTB Shanchay: MTB Shanchay, a savings product for the "Base of the Pyramid". Low income group who don't manage their finance due to the lack of available banking facilities; opening the product would help minimize their financial risks. Minimum account opening balance is Tk 50. Interest will be calculated on monthly average balance and credited to account on half yearly basis.

MTB Care: MTB Care, a unique proposition of MTB, is a savings product for children with special needs. Through this product, special needs children will get assistance from branches in opening and maintaining the account at a lower cost compared to other savings products. This is also MTB's commitment towards helping special children to have access to banking services.

- b) **Loan Products:** MTB has a comprehensive selection of facilities to offer, from a simple personal loan, credit cards, auto loan and overdraft facilities to home loan. MTB strives to remain competitive and are committed to constantly reviewing both its lending policies and rates to ensure that customers get the best deals in town.

MTB Personal Loan: MTB Personal Loan is simple, convenient and quick. Loan amount varies from BDT 50,000 to BDT 1,000,000. With flexible repayment options it has no hidden charge.

MTB Auto Loan: MTB Auto Loans are built for utmost speed and competence. MTB Auto Loan is available for financing both new and reconditioned cars. Loan Amount varies from Tk. 300,000 to Tk. 4,000,000.

MTB Home Loan: Whether it is purchasing a new house or a new apartment, MTB has a wide range of home loan options that can be customized to customers' specific need. Loan amounts from BDT 500,000 to BDT 10,000,000.

MTB Home Equity Loan: MTB offers this loan for house construction, extension, renovation, face upliftment, finishing work.

MTB Professional Loan: MTB Professional Loan is a multi-purpose cash loan which is collateral free, with fixed monthly installment.

- c) **Card Products:** MTB has designed its card products with a lot of features like – convenient, instant line of credit, global recognition and acceptance, exclusive privileges and more. MTB's range of cards help the card holders to meet their financial objectives.

MTB Credit Card: Its credit cards are accepted at over 23 million Merchant Establishments around the world, including 110,000 Merchant Establishments in India. Revolving credit facilities are available with a payment of minimum amount. Card holders can avail the credit facilities up to 45 days without paying any interest from the date of purchase.

MTB Debit Card: MTB Visa Debit card can be used as an ATM card at any VISA ATM across the world, as well as for making purchases at merchant locations. MTB's Visa Debit card is extremely versatile and simple to use. It allows the card holders to pay directly from their bank account for purchases, without having to carry any cash.

- d) **MTB FlexiPay:** It allows the MTB credit card holders to convert any retail transaction with repayment on monthly equal installments. Any retail purchase transaction of BDT 3,000 or above can be converted to FlexiPay without any enrollment fees.

9.3.1.3 Small and Medium Enterprise (SME) Loan

SMEs, the engine of growth in Bangladesh, is considered a priority sector as announced by Bangladesh Bank. MTB has been awarded as **Best SME Bank of the Year 2014** at the **SME Financing Fair - 2014**. MTB SME Banking has differentiated itself in the market in its business approach. MTB have designed a number of loan products to meet the needs which are explained below:

MTB Bhagyobati: MTB Bhagyobati loan is only for the SMEs owned by the women entrepreneurs. Loan amount ranges between BDT 1.00 lac and BDT 50.00 lac with tenure of up to 3 years.

MTB Krishi: MTB Krishi is designed for direct lending in the agriculture sector. Only eligible farmers and agri SMEs may apply for the loan. Crops cultivation, fisheries, livestock & poultry are the priority sector of lending. Loan amount can be up to BDT 30 million.

MTB Mousumi: SME customers need additional fund in some occasions, festivals and seasons. MTB Mousumi enables those SMEs which has seasonal type of business. Loan amount can be up to BDT 1 million.

MTB Revolving Loan: Any SME, manufacturing, service, trading or farming, requires working capital for smooth operation of the business. This loan product enables those SMEs to meet their working capital requirements to support their operations and future growth. It is CC (H) and revolving type loan. Loan amount can be up to BDT 5 million.

MTB Digoon: MTB Digoon enables the SMEs to get loan double amount of their deposit. Loan amount ranges between BDT 5.00 lac and BDT 20.00 lac.

MTB Small Business Loan: This loan enables the SMEs to expand their business. Loan amount can be up to BDT 5 million.

MTB Green Energy Loan: MTB Green Energy Loan is an environment friendly loan enables the prospective customers to set up renewable energy projects such as solar, biogas, wind, hydro and any other potential renewable plant. Any individual, business entrepreneurs, NGO, institutions having capacity to repay may apply for the loan. Loan amount can be up to BDT 30 million.

MTB Gunobati – MTB Gunobati offers the lowest rate i.e., 8.5% in market.

MTB also recognized as **Best Women Entrepreneur Friendly Bank of the Year 2014** besides **SME Bank of the Year 2014** at the **SME Financing Fair-2014** for its efforts to promote the Women entrepreneurship development.

9.3.1.4 NRB Banking:

MTB offers an array of deposit products in local currency for the NRBs who are residing abroad and want to save their hard-earned money to utilize in future and facilitate their family maintenance.

NRB Savings Account: NRB Taka Savings Account offers a regular savings account in local currency for the NRBs who are residing abroad and want to save their hard-earned money to utilize in future and facilitate their family maintenance. This is an interest bearing Taka account in which interest is paid twice a year.

NRB Deposit Pension Scheme (NRB DPS): NRB DPS is a monthly installment base savings deposit product in Bangladeshi Taka for individuals. It is specially designed for NRBs and their nominated beneficiaries. NRB Deposit Pension Scheme is a new deposit product for NRBs as well as new concept since there is no separate or any pension scheme for the NRBs.

NRB Fixed Deposit (NRB FDR): NRB Fixed Deposit Account will offer a regular fixed deposit account in local currency for the NRBs who are residing abroad and want to save their hard-earned money to utilize in future and facilitate their family maintenance. Tenor of NRB Fixed Deposit: Duration may be One month, Three Months, Six Months or One Year.

9.3.1.5 Treasury Services

MTB treasury offers sophisticated solutions supported by a large sales force and a state of the art dealing room in Bangladesh. Currently MTB's team covers Foreign Exchange, Fixed Income, Money Market, Corporate Sales and Primary Dealers Business.

Money Market: Money markets refer to raising and deploying short-term resources, with maturity of funds generally not exceeding one year. MTB money market is one of the most active and efficient desk in the interbank market of the country. The money market is subdivided into Call Money, Term Money Market, SWAP, Repo & Reverse Repo etc.

DIBOR: Interbank market is considered to be a risk free market, though in reality, the banks do carry counterparty risk. However, for practical purposes, interbank market carries lowest risk, not only to sovereign risk; hence the interest rates prevailing in interbank market constitute "benchmark" rates. The call money rate as indicated by the overnight Dhaka Interbank Offered Rate is most widely accepted benchmark rate for corporate debt paper, as also for bank credit extended on floating rate basis.

Foreign Exchange: MTB's dynamic Corporate and institutional marketing teams provide up to date market intelligence, advice and timely execution of deals of its customers throughout the trading day including the following:

Spot Foreign Exchange, Forward Foreign Exchange, Fx SWAP, Competitive Forex Rates for Remittances, Export and Import, Market outlook etc.

Primary Dealers Business: Primary dealer system is an agreement between two major stakeholders in the domestic government debt market. The central bank has given approval to Mutual Trust Bank Limited as primary dealer (PD) aiming to boost the country's secondary securities market. The authority has approved Mutual Trust Bank Limited as PD of the government securities dated November 23, 2009. Central Bank has taken the latest move to increase the number of market makers to bring dynamism in the secondary market. Mutual Trust Bank, a dynamic third generation Bank, through its 44 network plans to gradually do business by selling government securities to corporate, institutions and individuals. The business will be administered by the MTB Treasury team, which is equipped with state of the art technology, the industry's leading edge skilled manpower that have expertise in handling government securities trading.

9.4 Business Analysis Based on Solo Financials

9.4.1 Asset Size & Growth

MTBL's total assets grew significantly during the last 7 years of its operation. At the end of September, 2019, total assets of the company stood at BDT 249,429 million which is 168% higher than that of December 31, 2012. During the last 7 years MTB's asset size grew at 15.1% CAGR.

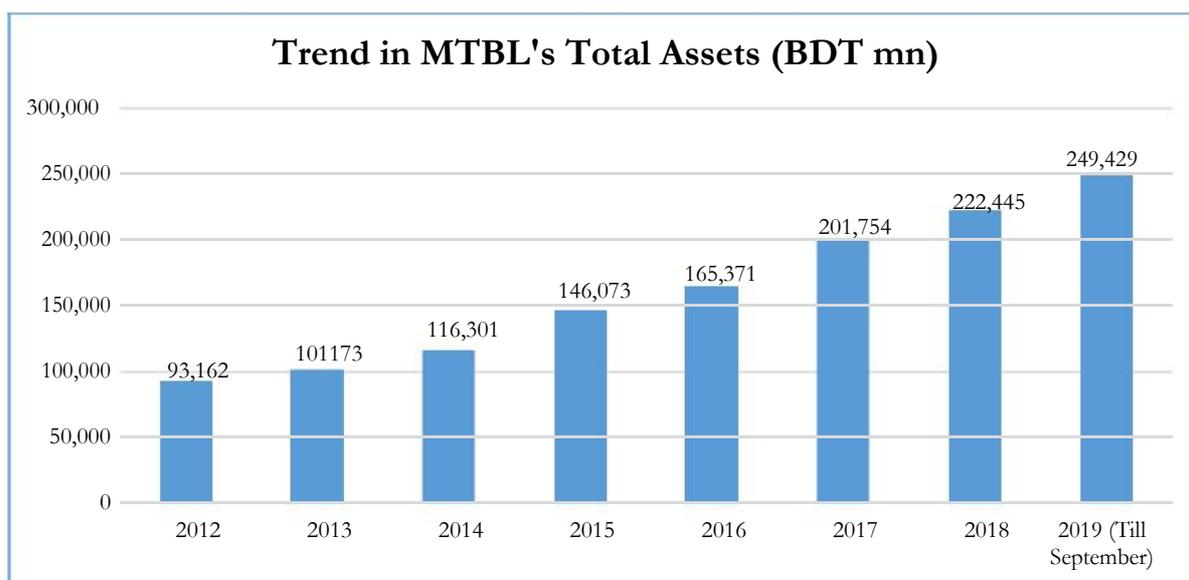


Figure 1: Issuer's Total Assets Size & Growth

9.4.2 Growth of Loans & Advances

At the end of September, 2019 total loans and advances of the Bank stood at BDT 181,582 million which is 221% higher than that of December 31, 2012. During the last 7 years, MTBL's total loans and advances size grew at 18.1% CAGR.

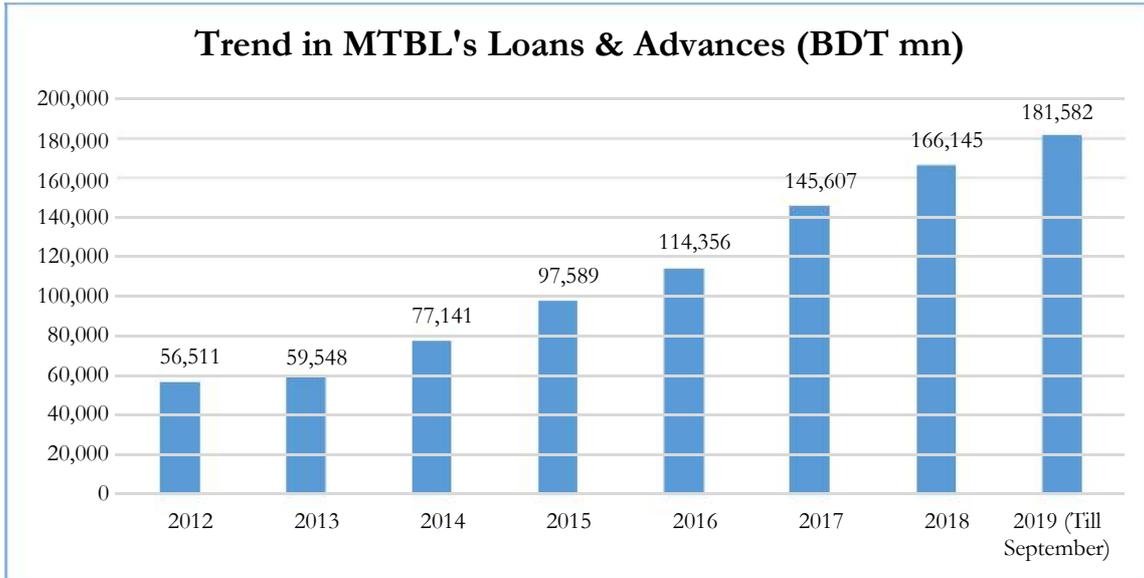


Figure 2: Issuer's Total Loans & Advances and Growth

9.4.3 Growth of Deposits

MTBL's deposits and other accounts grew by 17% in 2019 (September) compared to its preceding year to stand at BDT 181,872 million. During the last five (7) years, the Issuer's total deposit grew at ~14% compound annual growth rate (CAGR).

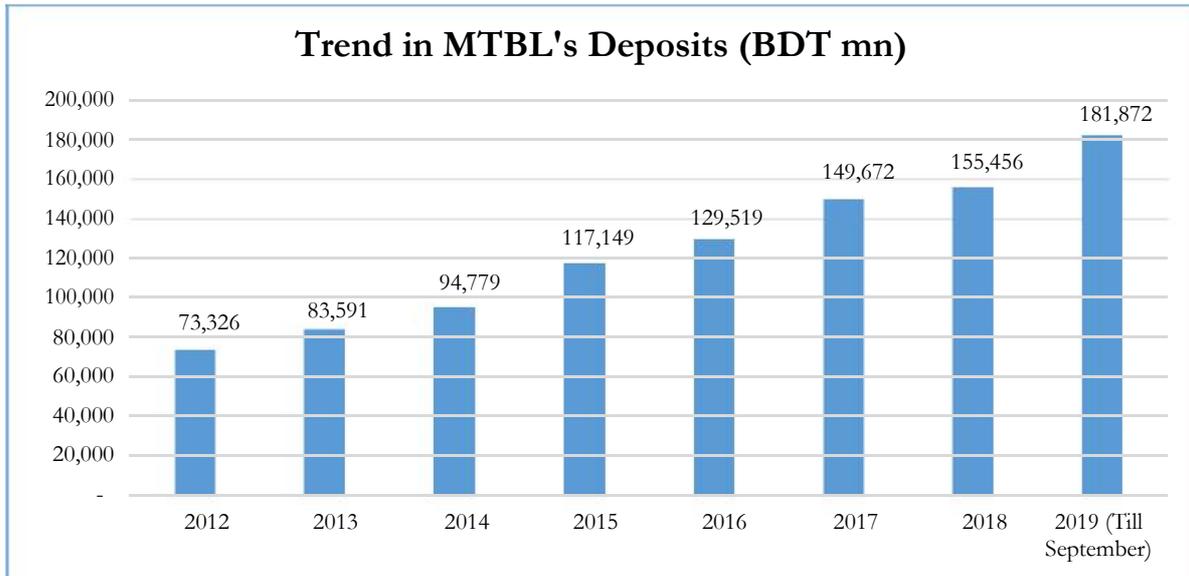


Figure 3: Issuer's Deposit Size and Growth

The Issuer has managed to keep its advance deposit ratio (ADR) at 81.92% at the end of September, 2019.

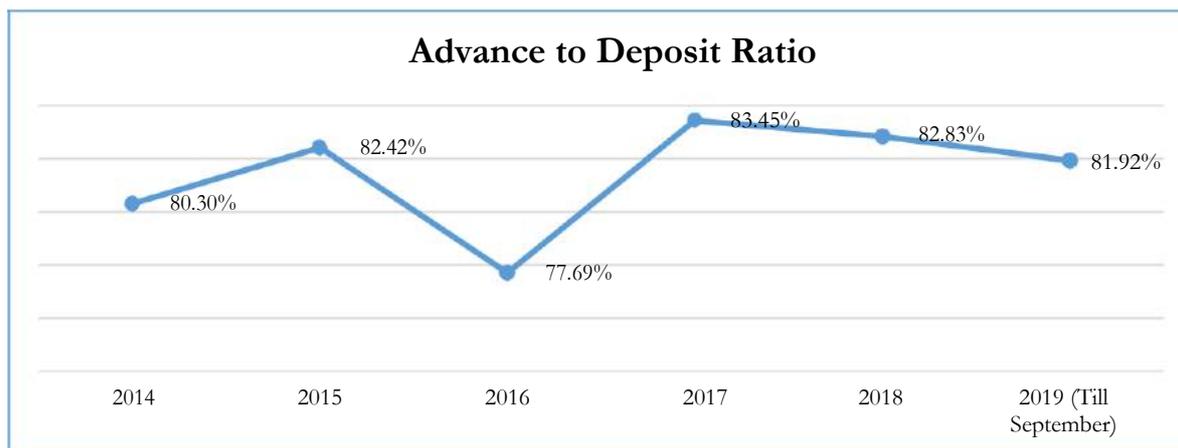


Figure 4: Historical Advance Deposit Ratio

9.4.4 Operational Performance

Table 7: MTB's Operating Performance

In BDT million otherwise stated

	2014	2015	2016	2017	2018	2019 (Till Sep.)
NIM	1,835	2,813	3,878	4,308	5,251	4,095
Profit before provision	2,603	2,811	3,408	3,916	4,884	3,972
Total Provision	674	537	947	1,656	2,342	1,977
Profit before tax	1,929	2,274	2,461	2,259	2,542	1,994
Net profit after tax	962	1,366	1,464	1,980	1,734	1,234
Cost to Income (ratio)	54.25%	57.28%	54.65%	53.86%	50.31%	50.78%

Cost income ratio was 50.78% in September, 2019 which is slightly higher than previous year's ratio. The ratio, which measures operating expense as a percentage of operating income, is used to gauge efficiency and productivity for financial institutions. The average cost income ratio was 53.52% over the period from 2014 to 2019.

MTB's return on assets (ROA) and return on equity (ROE) were 0.52% and 8.65% respectively.

Table 8: Key Ratios for Last 5 years

	2014	2015	2016	2017	2018	2019 (Till Sep.)
CRAR	10.77%	12.02%	11.29%	13.76%	12.86%	12.40%
Loan-Deposit	80.30%	82.42%	77.69%	83.45%	82.83%	77.54%
NPL	2.67%	2.08%	4.36%	4.30%	5.39%	6.62%
Cost-income ratio	54.25%	57.28%	54.65%	53.86%	50.31%	50.77%
Return on Average Assets	0.88%	1.04%	0.94%	1.08%	0.82%	0.52%
Return on Average Equity	15.74%	17.40%	15.61%	18.35%	13.85%	8.65%
Earnings per share (BDT)	3.12	3.7	3.3	3.89	3.03	1.9
NAV per share (BDT)	22.00	24.18	19.26	23.08	23.16	22.78

9.5 Profile of the Board of Directors

MTB's Board of Directors consists of highly reputable businessmen and professionals. The current Board of Directors comprises:

- **Mr. Md. Hedayetullah, Chairman**
- **Mrs. Khwaja Nargis Hossain, Vice Chairman**
- **Mr. Syed Manzur Elahi, Director (Founding Chairman)**
- **Dr. Arif Dowla, Director**
- **Mr. Rashed Ahmed Chowdhury, Director**
- **Mr. M. A. Rouf, JP, Chairman**
- **Mr. Md. Abdul Malek, Director**
- **Mr. Md. Wakiluddin, Director**
- **Mr. Anika Chowdhury, Director**
- **Mr. Md. Manirul Islam, Director**
- **Mr. Herbert Ludwig Jaeger, Director**
- **Ms. Nasreen Sattar, Independent Director**
- **Mr. M. Mokammel Haque Independent Director**
- **Mr. Anis A. Khan, MD & CEO**

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 was also the Chairman of the Executive Committee of the bank.

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. 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 the Managing Director of SAHCO Securities Limited, Corporate Director of SAHCO International Limited and a 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
- “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) • Member of the 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 Employer Association (BEA) • President of the Dhaka University Alumni Association (DUAA) • Honorary Consul for Belgium in Bangladesh.

Dr. Arif Dowla, Director

Dr. Arif Dowla served as Chairman of Mutual Trust Bank Limited (MTB) from January 17, 2012 to February 26, 2014. 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 Agrolinks Limited
- Premiaflex Plastic Limited
- Stochastic Logic Limited.

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

He is a Director of • ACI Formulations Limited • ACI Salt Limited • ACI Edible Oils Limited • ACI Godrej Agrovet (Pvt.) Limited • Creative Communication Limited • Consolidated Chemicals Limited • ACI Healthcare Limited-Vice Chairman • ACI Chemicals Limited • Bangladesh Business Publications Limited, a publishing company of the bi-monthly Business Bangladesh magazine • Infolytx Bangladesh Limited.

He is a member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).

Dr. Dowla obtained a Ph.D. 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 a Director of Mutual Trust Bank Limited (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
- Chairman of Bangladesh Business Publications Limited, a publishing company of the bi-monthly Business Bangladesh magazine
- Senior Vice President of Bangladesh Squash Rackets Federation

He is also a:

- 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 a 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, Chairman

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 the Vice Chairman of Sonata Shipping Lines Ltd. And a Director of Tiger Tours Ltd.

Mr. Rouf is a renowned Personality and holds several prestigious positions at the international level. He is a Justice of Peace (JP) for Scotland. Besides, he has been serving as the elected Regional President for the Bangladesh British Chamber of Commerce in the UK for Scotland for the last fourteen 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 and Industry). Mr. Rouf was the Financial Director for Scottish Cancer Research Centre for 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 has 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 considered to be the home of golf in the world. He has also held the post of Honorary Vice Chairman of St. Andrews University Union Debating Society for the last 17 years and currently is the president of St. Andrews University Cricket Club.

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 Govy. 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 Enterprise (Pvt) Ltd., and Baridhara Corporation Ltd. He is also the Managing Director of Swadesh Properties Ltd., Director of HURDCO International School and Managing Director of Swadesh Global Media Ltd.

Mr. Anika Chowdhury, Director

Ms. Anika Chowdhury is a Director of Mutual Trust Bank Limited (MTB), granddaughter 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 the Managing Director of Square Health Limited, Director of Square Fashions Ltd. and Management Coordinator of Square Group, the leading business conglomerate in Bangladesh

Mr. Md. Manirul Islam, Director

Mr. 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 September 30, 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

Member

- Misc. Rating Sub-Committee – IDRA
- PSB (Public Sector Business)
- Management Committee of Co-Insurance Scheme

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 Apatar Radolfzell GmbH, Radolfzell, Germany (packaging industry, subsidiary of Apatar 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.

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.

He joined Government of Bangladesh in 1968 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 and Bangla Academy 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. Anis A. Khan, MD & CEO

Mr. Anis A. Khan (AAK), a Fellow of the Institute of Bankers Bangladesh (IBB), has had over 36 years of experience and training in banking, capital markets, management, and leadership practices. Anis also serves as the Vice Chairman of the Industrial & Infrastructure Development Finance Company Limited (IIDFC), Director and Chairman of the Executive Committee of BD Ventures Limited, Independent Director and Chairman of the Board Audit Committee of Berger Paints Bangladesh Limited (BPBL) and Vice President of the Bangladesh Association of Publicly Listed Companies (BAPLC).

He is the recipient of numerous accolades including the 'Business & Entrepreneur Excellence Award 2016', where he was recognized as the 'Inspirational Business Leader of the Year', at a ceremony held in London,

United Kingdom and which was organized by the UK Bangladesh Catalysts of Commerce & Industry (UKBCCI) on November 20, 2016.

AAK is the Immediate Past Chairman of the Association of Bankers, Bangladesh Limited (ABB) and a former Chairman of Primary Dealers Bangladesh Limited (PDBL). He has also served as the Chairperson of the SWIFT Member & User Group of Bangladesh.

MTB, under his leadership over the past ten years, has achieved a leading position in the business arena and received the prize for the best “Women Entrepreneur Friendly Bank of the Year” and Best “SME Bank of the Year”, in 2014, from Bangladesh Bank and the SME Foundation. In 2015, MTB was awarded the prestigious DHL-The Daily Star Bangladesh Business Award and recognized as the ‘Best Financial Institution of 2014’.

A career banker, AAK started his career with the then British-owned Grindlays Bank plc. as a Management Trainee in 1982 and went on to serve its successor banks – ANZ Grindlays Bank and Standard Chartered Bank, in a diverse array of roles both at home and abroad. In 2002-2003, he served as a regional head for Standard Chartered Bank (SCB) responsible for The Gulf countries based in Dubai, UAE.

After serving SCB and its predecessor banks for 21 years, AAK went on to head IDLC Finance Limited, the country’s largest financial institution (non-banking) for six years from 2003-2009 as its CEO & Managing Director.

He has also served as a government nominated Director of Chittagong Stock Exchange Limited for four years. AAK served the country’s pre-eminent Metropolitan Chamber of Commerce and Industry (MCCI) as Vice President for two successive terms during the years 2014 and 2015. He continues to serve MCCI as a member of the Chamber Committee.

A regular speaker on the global circuit, he has demonstrated his competencies in the field of finance, banking and management and presented papers as follows:

- In June 2015, on “Financing the Transformation of the Bangladesh Garments Industry” at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA.
- On May 12, 2017 at the Bangladesh Development Conference at Harvard University, Boston, MA, USA. His subject matter was ‘Achieving SDGs: Financial Inclusion, Bangladesh Perspective’.
- Most recently, in March 2019, on the Bangladesh Economy and The State of Banking in Bangladesh at an international conference held under the aegis of Bangladesh Development Initiative at the School of Management, Yale University, USA

He has attended:

- “The Executive Program in Corporate Governance and Strategic Management” at the Haas Business School of the University of California, Berkeley in May 2014
- The Value Creation in Banking and Strategic Management Program held at INSEAD, Fontainebleau, France in October 2015 f In May 2017, a customized training programme at The London School of Economics and Political Science organized by LSE Custom Programs
- The Cambridge Executive Program in Corporate Governance: A Global Banking Perspective Program held on April 14 -17, 2019 at the Judge Business School – University of Cambridge, UK

9.6 Profile of Senior Management

Anis A. Khan **Managing Director & CEO**

Anis A. Khan (AAK), a Fellow of the Institute of Bankers Bangladesh (IBB) is one of the most prominent and senior-most bankers of our country. He holds a LL.B. (Honours) degree and also a LL.M. (Masters) degree (First Class First) from the University of Dhaka. Mr. Anis A. Khan has carved out a career spanning over 35 years in the corporate world and still continues to work hard with unabated zeal and enthusiasm. He has been serving as the Managing Director and Chief Executive Officer (MD & CEO) of Mutual Trust Bank Limited (MTB) for 10 years. MTB appointed Mr. Anis A. Khan as the Managing Director & CEO of the bank in April, 2009 for a period of three years as per the Bank Companies Act. He was re-appointed for further periods, and, lastly, for four years and seven and a half months, with effect from April 15, 2015 until December 01, 2019 (the mandatory retirement age). This was confirmed by the Bangladesh Bank, considering his leadership qualities and contributions towards diversifying the bank's products and services, expansion of the branch network. He has also contributed to the setting up of three fully-owned subsidiaries - MTB Securities Limited, MTB Capital Limited and MTB Exchange (UK) Limited.

Syed Rafiqul Haq, DMD & CBO **Deputy Managing Director & Chief Business Officer (CBO)**

Mr. Syed Rafiqul Haq joined Mutual Trust Bank Ltd. (MTB) as Deputy Managing Director. Prior to his joining MTB, he was the Area Head, Corporate Banking of Eastern Bank Ltd., an organization he joined in 1998. Rafiq, who completed his MBA from the Institute of Business Administration (IBA) after doing his M.Sc from the University of Dhaka, started his career with IFIC Bank Limited as a Probationary Officer in 1984. During his tenure with the Bank, he served different departments including discharging of responsibility as Branch Manager. A veteran in the banking Industry, Haq has received multifarious professional training at home and abroad including International Banking from Commerzbank, Frankfurt, Germany and Unicredit Bank, Milan, Italy.

Tarek Reaz Khan **Deputy Managing Director**

Earlier he joined MTB as Senior Executive Vice President and Head of SME Banking & Retail Banking in 2015. Tarek brings in over 22 years of experience, of which nearly 19 years is in the banking arena, having commenced his career as a Management Trainee at Beximco Group in 1994. He began his banking career with Standard Chartered Bank (SCB) as an officer in 1997, where he served for more than 16 years. His key roles in SCB were: Head of Nasirabad and Banani Branches (Chittagong), Value Centre General Manager – Secured Lending, Head of Operational Risk, General Manager – Lending and Bancassurance and General Manager – Retail Banking Products and Wealth Management. This was followed by a stint at Premier Bank Limited in the capacity of Deputy Managing Director and Chief Operating Officer, where he was leading SME and Retail, Banking Operations and IT Divisions. Prior to joining MTB, he was with Bank Alfalah Ltd. as Head of Branches and Retail Banking. He is a permanent member of Dhaka Club, Army Golf Club and Mainamati Golf and Country Club. He is an avid golfer and he loves travelling. He along with his family have travelled to thirty-three countries of the world.

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.

Sayed Abul Hashem, FCA, FCMA
Senior Executive Vice President & Group Chief Financial Officer (GCFO)

The Board has appointed Mr. Sayed Abul Hashem as Senior Executive Vice President & 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.

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.

Bakhteyer Hossain, CDCS
Senior Executive Vice President & Head of MTB International Trade Services (MITS), MTB Financial Institutions Services (MFIS)

Mr. Hossain is a seasoned banker with over twenty-four years of experience with specialization in International Trade. He is currently heading MTB International Trade Services (MITS) Division of Mutual Trust Bank Limited (MTB) - a reputed private sector commercial bank in Bangladesh. Prior to joining MTB, he rendered his services to Agrani Bank Limited - one of the largest nationalized commercial bank of the country. As a part of his portfolio in the MTB, he looks after the Centralized Trade Operations of MTB, Financial Institutions, Offshore Banking Unit (operations), SWIFT, MNC Banking and Trade Development & Facilitation department. Being an MBA from Australia, with specialization in International Business, Finance & Banking and Strategic Human Resources Management (SHRM)

He is the member of numbers of committee at local trade body and in international trade wings including but not limited to the Panel of experts of ICC Documentary Instruments Dispute Resolution Expertise (DOCDEX) Services of International Chamber of Commerce (ICC), Paris, France, member of ICC Banking Commission – Bangladesh and Export SubCommittee of the oldest business body of Bangladesh, the Metropolitan Chamber of Commerce and Industry (MCCI), Dhaka, Bangladesh.

Mr. Md. Shamsul Islam
Senior Executive Vice President and Group Head of Treasury

Mr. Islam began his career with International Finance Investment and Commerce Bank Limited (IFIC) as a Probationary Office in 1997, where he served for more than 8 years. His main areas of jobs in IFIC Bank

were in Special Projects Division, International Division and in Treasury Division. Before joining in MTB Mr. Islam worked more than 8 years in different areas in Southeast Bank Ltd. with proven track record. He successfully served and lead as In-charge Consumer Financing, In-charge Product Development Cell, Co-coordinator and Contact person of Basel-II implementation unit and overall In charge of Treasury Division. He also worked National Bank Limited in the area of International Division for several months prior joining MTB.

He has a proven track record in Treasury Operation and Risk management vis a vis business growth of the bank. He has over 21 years of Banking experience, of which more than 13 years in the areas of Money Market, Govt. Security Market, Foreign Exchange Market, Asset Liability Management, Primary Dealership Activities and overall Treasury and risk management of the Bank. He has attended many home and overseas training courses and workshops, which includes: Integrated Treasury Management, Foreign Exchange Bourse Course, Advanced Asset Liability Management, Technical Analysis, Foreign Trade, Primary Dealership Activities, Capital Adequacy, Risk Management etc. He completed his post-graduation (M.Com) from the Department of Management of the University of Dhaka and MBA in Finance from UK. He is and active member and vice president of Bangladesh Money Market Dealers Association (BAMDA), technical committee member of Primary Dealers Bangladesh Limited (PDBL).

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 the 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).

10 Description of Encumbered and Unencumbered Assets with Value Thereof

10.1 Encumbered Assets

Mutual Trust Bank Ltd. has no encumbered assets as on 30 September 2019.

10.2 Unencumbered Assets

All the assets of the Issuer including all fixed assets are unencumbered as on 30 September 2019.

11 Description of Assets and Liabilities

11.1 Description of Assets (Solo)

Since Mutual Trust Bank Limited is a commercial bank, most of its assets are financial assets like loans & advances, bills discounted, government treasury securities, debt and equity securities issued by corporates, etc. while loans & advances comprises the lion's share of the company's total assets. At the end of September, 2019 total assets of MTB stood at BDT 249429.22 million. Details breakdown of total assets are given below.

Table 9: Composition of Total Asset

Types of Assets	30 September 2019
	BDT mn
Cash	14,185.2
Balance with Other Banks & Financial Institutions	4,471.48
Money at Call and Short Notice	1,580.0
Investments	34,945.97
Loans and Advances	179,747.38
Fixed Asset including Premises, Furniture & Fixture	3,404.17
Other Assets	10,840.53
Total Assets	249429.22

Cash:

MTB's Cash & Cash equivalents at the end of September 2019 stood at BDT 14,185.2 million and most of that was kept with Bangladesh Bank.

Table 10: Details of Cash

	30 September 2019
	BDT mn
In Hand (Including foreign currency)	3,363.29
Local Currency	3,337.05
Foreign Currency	26.24
Balance with Bangladesh Bank and its Agent Bank	10,801.45
Balance with Bangladesh Bank (Local Currency)	10,233.75
Balance with Bangladesh Bank (Foreign Currency)	427.23
Balance with Agent Bank	140.46
Total Cash & Cash Equivalent	14,185.2

Balance with Other Banks & Financial Institutions:

MTB's total Balance with other banks and financial institutions stood at BDT 4,471.48 million on solo basis at the September end of 2019, out of which BDT 2,172.97 million was outside Bangladesh.

Table 11: Balance with Other Banks & Financial Institutions

	30 September 2019
	BDT mn
In Bangladesh	2,298.51
Outside Bangladesh	2,172.97
Balance with Other Banks & Financial Institutions	4,471.48

Money at Call and Short Notice:

MTB has BDT 1,305 million outstanding balance lent in call and short notice as on September 30, 2019.

Table 12: Details of Money at Call and Short Notice

	30 September 2019
	BDT Mn

Draft Information Memorandum
Subordinated Bonds of up to BDT 5,000 Million

Inside Bangladesh	350.0
Outside Bangladesh	955.0
Total Money at call and on short notice	1,305.0

Investments:

MTB's total investments of September 30, 2019 was BDT 34,945.97 million of which 91% were invested government securities.

Table 13: Details of Investments

	30 September 2019
	BDT mn
Government Securities	31,812.94
Treasury Bills	5,368.29
Treasury Bonds	2,6442.81
Prize Bonds	1.84
Others	2,175.45
Investment in Quoted Shares	540.97
Investment in Un-quoted Shares	229.88
Subordinated Bond	1,187
Other	2,175.45
Total Investment	34,945.97

Loans and Advances:

Out of the BDT 179,747.38 million total loans and advances, BDT 48,924.58 million was Term Loan (27.2%).

Table 14: Details of Loans and Advances

	30 September 2019
	BDT mn
Overdraft	18,632.94
Cash Credit	26,589.38
Term loan	48,924.58
Bills under LC	19,411.7
Trust Receipt	12,057.42
Packing credit	548.31
Loan-EDF	6,897.42
Consumer Loan	111.12
Staff Loan	875.87
Bills Purchased & Discounted	1,834.4
Total Loans and Advances	179,747.38

Fixed assets:

MTB's fixed assets include land, buildings, machineries & equipment and furniture and fixtures among others. At the end of September, 2019 MTB's total net fixed assets stood at BDT 3,404.18 million.

Table 15: Details of Fixed Assets

	30 September 2019
	BDT mn
Land and Building	1,559
Furniture and fixtures	1,459.43
Office appliances	2,296.33
Motor vehicles	155
Intangible Assets	230
Total Cost	5,701.84
Less: Accumulated Depreciation	2,371.01
Written down value at the end of the year	3,330.83

Other Assets:

MTB's other assets include investments in subsidiary companies, interest/profit receivables, security deposit, suspense account among others. Total other assets of the MTB at the end of September 2019 stood at BDT 14,195.58 million on solo basis.

Table 16: Details of Other Assets

	30 September 2019
	BDT mn
Income generating	3,528.39
Non-income generating other assets	10,667.18
Total Other assets	14,195.58

11.2 Description of Liabilities (Solo)

At the end of September 2019, total liabilities of Mutual Trust Bank Limited stood at BDT 234,169.69 million. Description of these liabilities are given below:

Table 17: Description of Liabilities

	30 September 2019
	BDT mn
Borrowing from other Banks, Financial Institutions & Agents	23,935.99
Subordinated Debt	7,400.00
Bills payable	1,471.68
Deposit and Other Accounts	182,335.45
Other Liabilities	18,546.45
Total	234,169.69

Borrowings from other banks, financial institutions and agents:

MTB's borrowing from other banks, financial institutions & agents stood at BDT 23,935.99 million at the end of September 2019. MTB borrowed BDT 16,081.59 million in Bangladesh and BDT 9,882.4 million from outside Bangladesh.

Table 18: Description of Borrowings

	30 September 2019
	BDT mn
In Bangladesh	16,081.59
Bangladesh Bank	9,232.5
Call & Term Borrowing from Other Banks and FIs	3,390.0
Outside Bangladesh	9,882.40
Borrowings from other banks, financial institutions and agents	23,935.99

Mutual Trust Bank Subordinated Bond:

The Bank floated MTB 2nd Non- Convertible Subordinated Debt through private placement for BDT 3,000 million, date of issue October 20, 2015. Interest on the 10.50% to 13.50%. This non-convertible subordinated debt is payable half yearly from the date of Issue i.e. April and October of each year.

The Bank floated MTB 3rd Non-Convertible Subordinated Debt through private placement for BDT 5,000 million, date of issue February 16, 2017. Interest on the 7.00% to 10.50% This non-convertible subordinated debt is payable half yearly from the date of Issue i.e. February and August of each year.

At the end of September 2019, outstanding amount from the issuance of above mentioned subordinated bonds stood at BDT 7,400 million.

Draft Information Memorandum
Subordinated Bonds of up to BDT 5,000 Million



মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.

Table 19: Outstanding Balance of Subordinated Bonds

SL No.	Name of Subordinated Bond	Outstanding Amount (in BDT mn.)
1	MTB 2nd Subordinated Debt	2,400
2	MTB 3rd Subordinated Debt	5,000
Total subordinated bond liability		7,400

Deposits and other accounts:

Given the nature of its business, MTB's major liabilities come in the form of deposits and other accounts. At the end of September 2019, MTB's total deposits & other accounts stood at BDT 183,354.28 million.

Table 20: Description of Deposits and Other Accounts

	30 September 2019 BDT mn
Current account and other accounts	14,665.72
Savings deposits	29,717.23
Fixed deposits	85,851.2
Other deposits	36,936.02
Total Deposit & Other Accounts	182,335.46

Other Liabilities:

MTB's other liabilities include various provisions including provision for classified and unclassified loans & advances, provision for off-balance sheet exposure, provision for income tax and others. At the end of September 2019, MTB's other liabilities stood at BDT 19,488.31 million.

Table 21: Description of Other Liabilities

Provision for Loans and Advances	7,004,796,000
Provision for Off Balance Sheet Items	721,094,000
Provision against Shares in quoted companies	55,267,667
Provision for Other Asset	68,857,556
Provision for Income Tax	8,300,633,830
Provision for Gratuity	90,000,000
Provision for Good Borrower	14,301,000
Interest Suspense	1,825,956,215
Incentive Bonus Payable	8,899,051
Contribution to MTB Foundation	-
Contribution to MTB Employees Welfare Fund	2,555
Accrued Expenses	18,277,216
Clearing House Adjustment	914,943
Interest Payable on Subordinated debt	175,426,029
Interest Payable on Borrowing	50,969,340
Liabilities Under Finance Lease	692,009
	18,336,087,413
Offshore Banking Unit	295,618,168
Less: Inter transaction with Offshore Banking Unit	(85,255,527)
	18,546,450,054

12 Description of Previously Issued Debt or Equity Securities

12.1 Initial Public Offering

MTB Issued 4,000,000 shares of BDT 100 each through Initial Public Offering at 25% premium (@ BDT 125 each) in 2003. MTB collected BDT 600 million in cash as IPO proceedings and Paid-up capital was increased by BDT 400 million.

12.2 Rights offering

In the year 2008 MTB issued Right share at 5:1 ratio (20%) without any premium to enhance the capital of the Bank. Just before the right issue the paid-up capital was BDT 1,247.4 million and the amount of right issue was BDT 249.48 million. The offer was duly subscribed. The number of right shares issued was 24,948,000.

12.3 MTB 1st Subordinated Bond

Mutual Trust Bank Limited issued 250 (Two Hundred Fifty) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (One Crore) each totaling BDT 2500,000,000 (Two Hundred Fifty Crore) through private placement on 23 September 2010. The tenor of the bond was 07 years. Bangladesh Securities and Exchange Commission vide its letter SEC/CI/CPLC-219/10-249 dated August 3, 2010 and Bangladesh Bank vide its letter BRPD (BIC) 661/14B (P)2010-227 dated August 30, 2010 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 2500,000,000 (Two Hundred Fifty Crore) from 22 institutional investors on 23 September 2010. The below table shows the investors of the bond along with their respective investment amounts.

Amount in Crore Tk.

Sl#	Investors	Subscription Amount	Redemption	Outstanding (As of September 30, 2019.)
1	AK Khan & Co. Limited	36	Full	-
2	Agrani Bank Limited	30	Full	-
3	Dhaka Bank Limited	19	Full	-
4	Sonali Bank Limited	25	Full	-
5	IPDC of Bangladesh Limited	15	Full	-
6	Rupali Bank Limited	20	Full	-
7	Dutch Bangla Bank Limited	15	Full	-
8	Bank Asia Limited	15	Full	-
9	Trust Bank Limited	11	Full	-
10	BASIC Bank Limited	7	Full	-
11	National Life Insurance Co. Ltd.	7	Full	-
12	Janata Bank Limited	10	Full	-
13	Central Depository Bangladesh Limited	7	Full	-
14	NCC Bank Limited	4	Full	-
15	Pubali Bank Limited	4	Full	-
16	Prime Bank Employees Provident Fund	4	Full	-
17	Popular Life Insurance Co. Ltd.	4	Full	-
18	Delta Life Insurance Company Ltd.	4	Full	-
19	Investment Corporation of Bangladesh	5	Full	-

20	Grameen Mutual Fund One- Scheme Two	4	Full	-
21	Pragati Life Insurance Limited	2	Full	-
22	Pacific Jeans Limited	2	Full	-
Total		250		

12.4 MTB 2nd Subordinated Bond

Mutual Trust Bank Limited issued 300 (Three Hundred) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (one crore) each totaling BDT 3000,000,000 (Three Hundred Crore) through private placement on 20 October 2015. The tenor of the bond was 7 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS/-29/412 dated August 24, 2015 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2015-11985 dated September 27, 2015 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 3000,000,000 (Three Hundred Crore) from 08 institutional investors on 20 October 2015. The below table shows the investors of the bond along with their respective investment amounts.

Amount in Crore Tk.

Sl#	Investors	Subscription Amount	Redemption	Outstanding (As of September 30, 2019.)
1	Sonali Bank Limited	100	40	60
2	BRAC Provident Fund	50	20	30
3	Bank Asia Limited	40	16	24
4	Uttara Bank Limited	30	12	18
5	BRAC	25	10	15
6	BRAC Bank Limited	25	10	15
7	NRB Commercial Bank Limited	20	8	12
8	United Finance Limited	10	4	6
Total		300	120	180

12.5 MTB 3rd Subordinated Bond

Mutual Trust Bank Limited issued 500 (Five hundred) fully redeemable non-convertible unsecured subordinated bonds of BDT 10,000,000 (One Crore) each totaling BDT 5000,000,000 (Five Hundred Crore) through private placement on 16 February 2017. The tenor of the bond was 7 years. Bangladesh Securities and Exchange Commission vide its letter BSEC/CI/DS/-29/2015/670 dated November 22, 2016 and Bangladesh Bank vide its letter BRPD (BFIS) 661/14B (P)2016-8316 dated December 20, 2016 had given consent to MTB (Mutual Trust Bank Limited) to raise Tier-2 Capital through issuance of the bond. MTB collected BDT 5000,000,000 (Five Hundred Crore) from 11 institutional investors on 16 February 2017. The below table shows the investors of the bond along with their respective investment amounts.

Amount in Crore Tk.

Sl#	Investors	Subscription Amount	Redemption	Outstanding (As of September 30, 2019.)
1	Pubali Bank Limited	95	-	95
2	Dhaka Bank Limited	90	-	90
3	Sonali Bank Limited	75	-	75

4	Southeast Bank Limited	65	-	65
5	Janata Bank Limited	50	-	50
6	Agrani Bank Limited	30	-	30
7	Eastern Bank Limited	30	-	30
8	Rupali Bank Limited	20	-	20
9	Delta Life Insurance Company Limited	20	-	20
10	Standard Bank Limited	15	-	15
11	United Finance Limited	10	-	10
	Total	500	-	500

13 Auditors' Report Along with Audited Financial Statements of Mutual Trust Bank Limited

Mutual Trust Bank Limited & its Subsidiaries

**Auditors' report on consolidated and separate financial statements
For the period of nine (9) months ended 30 September 2019**

14 Comparative Financial Statements of Mutual Trust Bank Limited for the Last 3 (Three) Years

14.1 Comparative Balance Sheet (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries
Consolidated Balance Sheet
As on December 31

	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
PROPERTY AND ASSET			
Cash	12,301	13,077	11,263
In hand (incl. FCs)	2,521	2,191	1,987
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	9,780	10,886	9,276
Balance with others bank and financial institutions	3,176	2,798	8,148
In Bangladesh	861	1,030	7,287
Outside Bangladesh	2,314	1,768	862
Money at call and on short notice	1,580	4,690	990
Investment	27,388	25,106	21,942
Government	24,421	22,703	19,627
Others	2,967	2,402	2,315
Loans, advances and lease/investments	166,145	145,607	114,356
Loans, cash credits, overdrafts, etc./Investments	163,394	143,429	112,072
Bills purchased and discounted	2,750	2,178	2,284
Fixed assets incl. premises, furniture and fixtures	3,128	3,211	3,141
Other Asset	8,725	7,264	5,530
TOTAL ASSETS	222,444	201,754	165,370
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks & FIs and agents	19,640	16,418	8,706
Mutual Trust Bank Subordinated Bond	7,400	8,000	4,250
Deposits and other accounts	166,160	151,776	131,272
Current account and other accounts	14,090	14,653	12,301
Bills payable	1,703	2,101	1,751
Savings bank deposits	28,239	27,479	23,710
Fixed deposit	77,043	67,114	55,803
Other deposits	45,083	40,429	37,706
Other Liability	15,964	13,797	11,323
Total Liabilities	209,165	189,991	155,552
Capital/Shareholders' Equity			
Paid-up Capital	5,733	5,097	4,432
Statutory Reserve	4,096	3,622	3,188
Retained Earnings	1,722	1,722	841
Other Reserve	2,969	1,321	1,357
Minority Interest	0.125	0.124	0.122

Total Equity	13,278	11,761	9,818
TOTAL LIABILITY AND EQUITY	222,444	201,754	165,370

14.2 Comparative Balance Sheet (Solo)

Mutual Trust Bank Limited
Balance Sheet
As on December 31

	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
PROPERTY AND ASSET			
Cash	12,293	13,065	11,248
In hand (incl. FCs)	2,513	2,179	1,972
Balance with Bangladesh Bank and its agent bank(s) (incl. FCs)	9,780	10,886	9,276
Balance with others bank and financial institutions	2,964	2,355	8,020
In Bangladesh	648	586	7,158
Outside Bangladesh	2,315	1,768	861
Money at call and on short notice	1,580	4,690	990
Investment	26,589	24,578	21,422
Government	24,421	22,703	19,627
Others	2,168	1,875	1,795
Loans, advances and lease/investments	163,282	142,820	110,834
Loans, cash credits, overdrafts, etc./Investments	160,531	140,642	108,551
Bills purchased and discounted	2,751	2,178	2,284
Fixed assets incl. premises, furniture and fixtures	3,049	3,128	3,042
Other Asset	12,069	10,641	8,924
TOTAL ASSETS	221,828	201,278	164,480
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks & FIs and agents	19,641	16,418	8,631
Mutual Trust Bank Subordinated Bond	7,400	8,000	4,250
Deposits and other accounts	166,701	152,238	131,594
Current account and other accounts	14,092	14,653	12,302
Bills payable	1,703	2,101	1,751
Savings bank deposits	28,239	27,479	23,710
Fixed deposit	77,143	67,114	55,803
Other deposits	45,523	40,891	38,027
Other Liability	15,054	12,955	10,222
Total Liabilities	208,796	189,610	154,697
Capital/Shareholders' Equity			
Paid-up Capital	5,734	5,097	4,432
Statutory Reserve	4,096	3,622	3,188
Retained Earnings	1,934	1,632	815
Other Reserve	1,267	1,316	1,349
Minority Interest	-	-	-
Total Equity	13,031	11,668	9,784
TOTAL LIABILITY AND EQUITY	221,828	201,278	164,480

14.3 Comparative Profit & Loss Account (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries
Consolidated Profit and Loss Account
For the year ended 31

	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
OPERATING INCOME			
Interest income/profit on investments	15,687	12,161	11,381
Interest Expenses	(10,436)	(7,853)	(7,503)
Net interest income Income from	5,251	4,308	3,878
Investment Commission, exchange	2,343	2,127	2,011
and brokerage Other operating	1,683	1,578	1,228
income	552	474	398
	4,578	4,179	3,637
Total operating income	9,829	8,487	7,515
OPERATING EXPENSES			
Salary and allowances	2,712	2,403	2,256
Rent, taxes, insurance, electricity, etc	696	664	602
Legal expenses	3	4	3
Postage, stamps, telecommunication, etc.	15	11	9
Stationery, printing, advertisement, etc.	125	109	83
Chief executive's salary and fees	19	18	17
Directors' fees	3	3	3
Auditors' fees	2	2	3
Depreciation and repairs of Bank's assets	464	430	391
Other expenses	905	927	739
Total operating expenses	4,945	4,571	4,107
Profit before provision	4,884	3,916	3,408
Provision against loans and advances	2,224	445	722
General provision for loans and advances	0.591	909	43
Other provisions	118	303	182
Total provision	2342	1,656	947
Profit before tax	2,542	2,259	2,461
Less: Income tax expenses	807	279	998
Current Tax	1,048	1,180	961
Deferred Tax expense / (Income)	(241)	(901)	37
Net Profit	1,734	1,980	1,464
Shareholders' of the bank	1,734	1,980	1,464
Minority Interest	0.003764	0.002547	0.002461
Retained surplus brought forward	1,722	841	753
	3,457	2,822	2,216
Appropriations			
Bonus share issued	637	665	739
Transferred to statutory reserve	474	434	467
Transferred to General reserve	170	170	170
	1,281	1,099	1,375
Retained surplus carried forward	2,176	1,722	841
Earnings Per Share (EPS)	3.03	3.45	2.87

14.4 Comparative Profit & Loss Account (Solo)

Mutual Trust Bank Limited			
Profit and Loss Account			
For the year ended 31			
	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
OPERATING INCOME			
Interest income/profit on investments	15,542	12,102	11,250
Interest Expenses	(10,451)	(7,856)	(7,506)
Net interest income	5,090	7,506	3,744
Income from Investment Commission, exchange and brokerage	2,239	2,056	1,974
Other operating income	1,548	1,342	1,066
	512	418	360
	4,300	3,817	3,401
Total operating income	9,390	8,064	7,145
OPERATING EXPENSES			
Salary and allowances	2,621	2,314	2,168
Rent, taxes, insurance, electricity, etc	659	624	559
Legal expenses	3	3	3
Postage, stamps, telecommunication, etc	13	6	8
Stationery, printing, advertisement, etc	123	99	81
Managing Director's salary and fees	19	18	17
Directors' fees	2	1	1
Auditors' fees	1	1	1
Depreciation and repairs of Bank's assets	455	420	379
Other expenses	883	902	715
Total operating expenses	4,782	4,391	3,937
Profit before provision	4,608	3,673	3,208
Specific Provisions	2,223	444	1,994.8
General Provisions	591	908	-
Off Balance-sheet provisions	5	137	200.0
Other	10	10	11
Total provision	2,239	1,500	875
Profit before tax	2,368	2,172	2,333
Income Tax Expenses	(786)	256	929
Current Tax	1,027	1,157	897
Deferred Tax	(240)	(901)	32
Net Profit	1,582	1,916	1,403
Retained Surplus brought forward	1,632	815	786
	3,214	2,731	2,190
Bonus Shares Issued During the Year	637	664	738
Statutory Reserve	473	434	466
General Reserve	170	-	170
	1,280	1,099	1,375
Retained surplus	1,934	1,632	815
Earnings Per Share (EPS)	2.76	3.34	2.75

14.5 Comparative Cash Flow Statement (Consolidated)

Mutual Trust Bank Limited & Its Subsidiaries
Consolidated Cash Flow Statement
As at December 31

	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
Cash flows from operating activities			
Interest receipts	17,846	13,897	13,302
Interest payments	(9,890)	(7,757)	(7,896)
Dividend receipts	83	172	66
Fees and commission receipts	1,682	1,578	1,228
Recoveries of loans previously written off	0.96	1.2	0.9
Payments to employees	(2,730)	(2,420)	(2,273)
Payments to suppliers	(124)	(108)	(83)
Income taxes paid	(1,012)	(1,056)	(731)
Receipts from other operating activities	738	522	443
Payments for other operating activities	(1,745)	(1,697)	(1,411)
Operating profit before changes in operating assets & liabilities	4,848	3,130	2,645
Increase / (decrease) in operating assets and liabilities			
Loans and advances to customers	(20,560)	(31,224)	(16,756)
Other assets	(512)	(535)	(187)
Deposits from other banks / borrowings	750	10,149	-
Deposits from customers	13,074	10,372	13,311
Trading liabilities	3,223	7,711	3,624
Other liabilities	(970)	424	559
	(4,995)	(3,102)	551
Net cash from operating activities	(146)	28	3,197
Cash flows from investing activities			
Purchase of government securities	(1,933)	(3,111)	3,334
Purchases of trading securities, shares, bonds, etc.	(564)	(87)	369
Purchase of property, plant and equipment	(261)	(413)	(297)
Net cash used in investing activities	(2,759)	(3,612)	(3,406)
Cash flows from financing activities			
Increase / (decrease) of long-term borrowings	(600)	3750	625
Dividend paid	-	-	-
Net cash used in financing activities	(600)	3750	625
Net increase / (decrease) in cash and cash equivalents	(3,506)	165	5,979
Effects of exchange rate changes on cash and cash Equivalents	(1.5)	(1.2)	5
Cash and cash equivalents at beginning of the year	20,567	20,402	14,418
Cash and cash equivalents at end of the year *	17,059	20,567	20,402
*Cash and cash equivalents:			
Cash	2,520	2,191	1,987
Prize bonds	1.8	1.7	1.3
Money at call and short notice	1,580	4,690	990
Balance with Bangladesh Bank and its agent bank(s)	9,780	10,885	9,275
Balance with other banks and financial institutions	3,176	2,798	8,148
	17,059	20,567	20,402
	(0.26)	0.05	6.2

14.6 Comparative Cash Flow Statement (Solo)

Mutual Trust Bank Limited			
Cash Flow Statement			
As at December 31			
	2018	2017	2016
	BDT Mn	BDT Mn	BDT Mn
Cash flows from operating activities			
Interest receipts	17,701	13,840	13,171
Interest payments	(9,905)	(7,751)	(7,899)
Dividend receipts	60	155	54
Fees and commission receipts	1,548	1,342	1,066
Recoveries of loans previously written off	0.96	1.2	9
Payments to employees	(2,640)	(2,332)	(2,186)
Payments to suppliers	(123)	(107)	(81)
Income taxes paid	(962)	(983)	(688)
Receipts from other operating activities	617	421	382
Payments for other operating activities	(1,682)	(1,627)	(1,342)
Operating profit before changes in operating assets & liabilities	4,614	2,959	2,477
Increase / (decrease) in operating assets and liabilities			
Loans and advances to customers	(20,484)	((31,958)	(14,607)
Other assets	(474)	(128)	(2,180)
Deposits from other banks / borrowings	(750)	10,149	-
Deposits from customers	(13,154)	10,512	13,350
Trading liabilities	3,223	7,786	3,549
Other liabilities	968	131	406
	(9,943.2)	(3,250)	(518)
Net cash from operating activities	(9,183.6)	(290)	(2,996)
Cash flows from investing activities			
Purchase of government securities	1,933	3,111	(3,334)
Purchases of trading securities, shares, bonds, etc.	293	79	455
Purchase of property, plant and equipment	258	418	(298)
Net cash used in investing activities	(258)	(3,608)	3,490
Cash flows from financing activities			
Increase / (decrease) of long-term borrowings	600	3,750	625
Dividend paid	-	-	-
Net cash used in financing activities	(600)	3,750	625
Net increase / (decrease) in cash and cash equivalents	(3,270)	(149)	5,862
Effects of exchange rate changes on cash and cash Equivalents	(2)	(3)	(1)
Cash and cash equivalents at beginning of the year	20,112	20,258	14,396
Cash and cash equivalents at end of the year *	16,839	20,112	20,258
*Cash and cash equivalents:			
Cash	2,512	2,179	1,971
Prize bonds	1.8	1.7	1.3
Money at call and short notice	1,580	4,690	990
Balance with Bangladesh Bank and its agent bank(s)	9,780	10,885	9,275
Balance with other banks and financial institutions	2,963	2,355	8,019
	16,839	20,112	20,258
	(0.32)	(0.51)	(5.8)

15 Financial Ratios for last 3 (Three) Years

Table 22: Financial Ratios of MTB for Last Three Years

Sl.	Particulars	Metric	2019 (Till Sep.)	2018	2017
1	Current Ratio	N/A	N/A	N/A	N/A
2	Quick Ratio	N/A	N/A	N/A	N/A
3	Times Interest Earned Ratio	N/A	N/A	N/A	N/A
4	Break-Even Point	N/A	N/A	N/A	N/A
5	Debt to Equity Ratio	N/A	N/A	N/A	N/A
6	Debt to Total Asset Ratio	N/A	N/A	N/A	N/A
7	Accounts Receivable Turnover Ratio	N/A	N/A	N/A	N/A
8	Inventory Turnover Ratio	N/A	N/A	N/A	N/A
9	Asset Turnover Ratio	N/A	N/A	N/A	N/A
10	Debt Service Coverage Ratio	N/A	N/A	N/A	N/A
11	Gross Margin Ratio	N/A	N/A	N/A	N/A
12	Operating Income Ratio	N/A	N/A	N/A	N/A
13	Net Income Ratio	N/A	N/A	N/A	N/A
14	Cost of Fund	%	-	8.63%	7.88%
15	Loan Deposit Ratio	%	81.92%	82.83%	83.45%
16	Cost Income Ratio	%	50.77%	50.31%	53.86%
17	Return Avg. Assets	%	0.52%	0.82%	1.08%
18	Capital Adequacy Ratio	%	12.40%	12.86%	13.76%
19	Non-performing Loan Ratio	%	6.62%	5.39%	4.30%
20	Return on Avg. Equity	%	8.65%	13.85%	18.35%
21	Earnings Per Share	BDT	1.9	3.03	3.89
22	NAV per Share	BDT	22.78	23.16	23.08

* The Issuer of Subordinated Bond i.e. Mutual Trust Bank Limited operates in banking industry which is a service industry. Considering the business nature of the Issuer, only relevant financial ratios have been presented above.

16 Credit Rating Report of the Issue

Credit Rating Report

Non-Convertible Subordinated Bond (Up to BDT 5,000 million) of Mutual Trust Bank Limited

17 Description of the Trustee

EBL Investments Limited (EBLIL) shall act as the Trustee for MTB 4th Subordinated Bond subject to regulatory approval.

17.1 Overview to the Trustee

EBL Investments Limited (EBLIL) was incorporated in Bangladesh with the Registrar of Joint Stock Companies and Firms (RJSCF) vide registration no. C 81417/09 dated 30 December 2009 as a Private Limited Company under the Companies Act, 1994 and obtained required merchant banking license from BSEC in 27 January 2013. This Company is a fully owned subsidiary of Eastern Bank Limited. EBLIL is well equipped with skilled human resources and business set up to start full-fledged operations from July, 2013. The registered office of the company is situated at 111 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000, Bangladesh.

17.2 Board of Directors:

Mr. Mohd. Noor Ali, Chairman

Mr. Mohd. Noor Ali is a prominent business personality of the country and also the Chairman & Managing Director of Unique Group, the renowned business conglomerate in Bangladesh, having interest in Real Estate, Hotel Services, Ceramic Industry, Air Travel, Aviation Services, Electrical Power Plants, Tourism, Manpower Export, Banking Services, Housing Finance & Investment, Supply, Indenting, Commission Agents, Human Resources Development and many other. Mr. Ali is perhaps the only Bangladeshi who has ventured to set up a 5-Star Hotel in private sector. The Westin Dhaka is already very popular amongst the local and foreign community. He accomplished his honors & Masters of Social Science in Sociology from the University of Dhaka.

Mr. Mohd. Noor Ali is also involved in many social activities and member of various trade associations. He is a widely travelled person across the globe on business trips.

Mr. Meah Mohammed Abdur Rahim, Director

Meah Mohammed Abdur Rahim, Director of EBL Investments Limited is a renowned businessman. He is the Managing Director of Ancient Steamship Company Limited and Hudig & Meah (Bangladesh) Limited. He is also a Director of Eastern Bank Ltd. (EBL) and the Chairman of the Audit Committee and also a Member of the Risk Management Committee (RMC) of the Board of Directors of the Bank (EBL). Academically & professionally, Mr. Rahim obtained Bachelor of Commerce Degree, Diploma in Banking & Business Studies as well as Diploma in Shipping, A.I.C.S. He has expertise in the areas of Business Studies, Banking, Finance, Management etc. He is involved in many social activities and is also a widely travelled person across the globe on business trips.

Mr. Ali Reza Iftekhar, Director

A visionary banker and a dynamic leader, Mr. Ali Reza Iftekhar is an ardent promoter of the concept of sustainable development. As the CEO and MD of Eastern Bank Limited he has successfully introduced international best practices and ethical banking and transformed the organization into the most valuable financial brand in the country. Under his leadership, the bank has achieved many a laurel including the Best Retail Bank in Bangladesh awarded by The Asian Banker for five consecutive years 2013-2017; ICSB National Award 2014 for Corporate Governance Excellence; the Best Financial Institution 2010 at the DHL-Daily Star Bangladesh Business Award. He also sits on the Board of the International Leasing and Financial Services Limited (ILFSL).

Mr. Iftekhar is a 1982 graduate from the University of Dhaka in Marketing. His specialization in risk management, corporate banking, operations and retail made him one of the leading bankers of the country. He attended Harvard Business School Program on Leadership in Financial Organizations in 2012. He also participated in the Strategic Leadership Program at University of Oxford, UK in 2013. Furthermore, Mr.

Iftekhar took part in Executive Program in Corporate Governance and Strategic Management at Haas School of Business, University of California, Berkeley in 2014

Mr. Md. Sayadur Rahman, Director

Mr. Md. Sayadur Rahman is the Managing Director of EBL Securities Limited, Member: Dhaka Stock Exchange Limited & Chittagong Stock Exchange Limited. He is treated capital market expert of the country having 26 years' job experience in different financial institutions like Bank, Leasing, Merchant Bank, Brokerage etc. He has completed Masters in Management from University of Dhaka, MBA from Dhaka Campus of Honolulu University, USA and LLM from World University of Bangladesh.

Mr. Tahid Ahmed Chowdhury, Fcca (Uk), Ex-Officio Director & Managing Director

Mr. Tahid Ahmed Chowdhury, FCCA (UK) is currently serving as the Managing Director of EBL Investments Limited. Prior to the position he was Managing Director & CEO of Citizen Securities & Investment Ltd. He is one of the youngest Managing Director in Merchant Banking industry of Bangladesh. He is a London qualified Chartered Certified Accountant holding FCCA membership of the Association of Chartered Certified Accountants. Mr. Chowdhury also completed his B.Sc (Hons) in Applied Accounting from Oxford Brookes University (UK).

Mr. Chowdhury is a highly experienced and qualified professional having knowledge of global corporate business management and served in various institutions in England as well as Bangladesh. He started his career with KPMG, Bangladesh as an auditor. Since then he has worked with different Chartered Accountants firm in England as Auditor and Senior Accountant, has also extensive experience working with renowned Merchant Banks in Bangladesh.

17.3 Product and Services

17.3.1 Non-Discretionary Portfolio Management:

EBL Investments provides non-discretionary services under its Investors Portfolio account services department. The department is taking care of the accounts according to the instruction of the investors. They are capable handle order properly and efficiently through their sister concern EBL Securities Ltd.

17.3.2 Discretionary Portfolio Management:

In determining the structure of underlying asset-class performance fees for their Discretionary Solutions, they have sought to standardize the basis for investment-manager remuneration. Performance-based fees are set at levels that rewards for desired outperformance without encouraging undue risk-taking. In determining a fair and equitable performance-based fee, they consider the mandate of each portfolio to devise a basis that is consistent with the desired investment return and expected risk of the portfolio. They structure their underlying performance fees with a number of key elements to ensure fair treatment of all parties and alignment of interest

17.3.3 Monthly Investments Scheme:

EBLIL introduced capital market product through Monthly Investment Scheme named SANCHAY as a new investment vehicle. A person will deposit a certain amount of money in each month within life time of the scheme and fund manager will build portfolios gradually on periodical basis. The scheme is managed by professional fund manager under risk management tools and attempted to give maximum benefits to the scheme owners.

17.3.4 Other Services:

Primary Market Operations	Debt Capital Management	Corporate Advisory	Secondary Market Operations
<ul style="list-style-type: none"> • Initial Public Offerings (IPO) • Repeat Public Offering (RPO) • Rights Issue Offering • Underwriting (IPO, RPO, Rights & Bonds) • Registrar to the issue 	<ul style="list-style-type: none"> • Loan Syndications • Trustee Services • Private Placement <ul style="list-style-type: none"> ○ Zero Coupon Bond ○ Subordinated Bond 	<ul style="list-style-type: none"> • Mergers and Acquisitions • Capital Structure Restructuring • Business Feasibility Study • New Company Formation and Regulatory Approval • Pre-IPO Capital Raising, BSEC approval and arranging 	<ul style="list-style-type: none"> • Clients Trade Execution (Non-Discretionary) • Discretionary portfolio Management • CDBL Process Management • IPO and Rights Application Processing on behalf of clients • Research Report on Market, Sector and Individual Stock

17.3.5 Key Operational Results

EBL Investments Limited is one of the prominent merchant banks in Bangladesh. The following table shows the financial position of the company.

Table 23: Key Financials of the Trustee

In BDT Million

Particulars	December 31, 2018	December 31, 2017	December 31, 2016
Total Assets	427.52	441.65	381.80
Shareholders' Equity	333.50	311.02	330.96
Paid up Capital	300.00	300.00	300.00
Investments	161.11	199.73	142.59
Total Operating Income	49.46	104.03	60.12
Profit Before Provision	32.65	75.11	46.630
Net Profit After Tax	22.48	60.06	

18 Due Diligence of the Trustee



HEAD OFFICE

Jibon Bima Bhaban (Ground Floor)

10 Dilkusha C/A, Dhaka-1000

Bangladesh

DUE DILIGENCE CERTIFICATE OF THE TRUSTEE

The Chairman,

Bangladesh Securities and Exchange Commission

SUB: ISSUANCE OF 500 NUMBERS OF NON-CONVERTIBLE UNSECURED SUBORDINATED COUPON BEARING BOND OF BDT 10,000,000.00 EACH TOTALING UP TO BDT 5,000,000,000.00 FOR MUTUAL TRUST BANK LIMITED (MTBL)

We, the under-noted trustee to the above-mentioned forthcoming issue, state as follows:

1. We, while act as trustee to the above mentioned issue on behalf of the eligible investors, have examined the draft Information Memorandum, legal and other documents and materials as relevant to our decision; and
2. On the basis of such examination and the discussions with the issuer, it's directors and officers, and other agencies; independent verification of the statements concerning objects of the issue and the contents of the documents and other materials furnished by the issuer;

WE CONFIRM THAT:

- a) all information and documents as are relevant to the issue have been received and examined by us and the draft IM, draft Deed of Trust and draft Subscription Agreement forwarded to the Commission has been approved by us ;
- b) we have also examined all documents of the assets to be charged with the Trust and are satisfied that the assets bear the value, title and charge status as disclosed in the IM;
- c) while examining the above documents ,we find that all the requirements of the Bangladesh Securities and Exchange Commission (Private Placement of Debt Securities) Rules ,2012 have been complied with;
- d) we shall act as trustee to the issue as mentioned above as per provisions of the Deed of Trust to be executed with the issuer and shall assume the duties and responsibilities as described in the Deed of Trust and in the IM;
- e) we shall also abide by the Bangladesh Securities and Exchange Commission (Private Placement of Debt Securities) Rules, 2012 and conditions imposed by the Commission as regards of the issue; and
- f) the above declarations as unequivocal and irrevocable.

For Trustee,



Tahid Ahmed Chowdhury, FCCA

Managing Director

EBL Investments Limited

Date: November 03, 2019

Place: Dhaka

19 Modus Operandi of the Issue including

19.1 Application Procedure:

The Bonds shall be distributed through private placement.

Each investor (Bondholder) shall enter into a separate Subscription Agreement with the Issuer and shall be bound by the terms and conditions contained in such Subscription Agreement which includes detail rights and obligations of the investors.

Undertaking to Issue

The Issuer will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, duly execute and deliver to the Bondholder a Bond Certificate attached with the Conditions, representing the allocation amount of Bonds subscribed.

Undertaking to Subscribe

The Bondholders will, subject to and in accordance with the provisions of the Subscription Agreement, on the Closing Date, subscribe and pay the aggregate purchase price for the allocation, in Bangladesh Taka for same day value to such account as the Issuer designates.

19.2 Allotment:

Form and Denomination

The Bonds, (each, a “Series”) are issued in registered form via private placement in a minimum denomination of each lot of Bond indicated at BDT 10,000,000 Face Value and integral multiples thereof. The Bonds will be issued by the Issuer in the name of the Bondholders at the Issue Price. A bond certificate (each a "Bond Certificate") will be issued to each Bondholder in respect of its registered holding of each series of Bonds. Each Bond and each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the “Register”), the Issuer and a copy of which will be kept by the Registrar. The Issuer may, without the consent of the Bondholders of a Series, create and issue other Series of Bonds with the same terms and conditions as the Bonds (except for the Issue Date and the Redemption Date).

Title

Title to the Bonds passes only by transfer and registration in the Register. A registered Bondholder shall (except as otherwise required by law) be treated as the absolute owner of such Bond for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Bond Certificate relating thereto (other than the endorsed Instrument of Transfer) or any notice of any previous loss or theft of such Bond Certificate) and no person shall be liable for so treating such Bondholder. In these provisions “Bondholder” and (in relation to a Bond) “Holder” means the person in whose name a Bond is registered in the Register as owner of the Bond. In the event of any inconsistency between the Register, the record of the holders in the Register shall prevail.

Register

The Registrar will maintain an authoritative Register in respect of the Bonds, in accordance with the provisions of the Agency Agreement. The “Holder” of a Bond means the person in whose name such Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “Bondholder” shall be construed accordingly. The Register shall be *prima facie* evidence of any matter in relation to the rights under the Bonds except as ordered by a court of competent jurisdiction or as required by applicable law. Bondholders and the Trustee shall

be entitled to inspect the Register and take copies therefrom upon payment of fees as may be prescribed by the Issuer from time to time.

19.3 Transfer:

Subject to Closed Periods and Regulations Concerning Transfers and Registration of the Trust Deed, a Bond may freely be transferred to another Eligible Person in Bangladesh (a “Transferee”) upon surrender of the Bond Certificate issued in respect of that Bond, together with a duly completed and executed instrument of transfer (in the form attached to the Bond Certificate, a “Instrument of Transfer”) by the registered holder of the Bond, as transferor (the “Transferor”) or the proposed Transferee. A valid Instrument of Transfer shall be duly stamped, completed and executed by both the Transferor and the Transferee. If the Transferor or the Transferee is a body corporate, such Instrument of Transfer shall be executed by the authorized persons of the Transferor or the Transferee, as the case may be. Upon receipt of the Bond Certificate issued in respect of the Bond to be transferred along with the duly completed and executed Instrument of Transfer at the Specified Office of the Transfer Agent, together with such evidence as such Transfer Agent may reasonably require to prove (i) the title of the Transferor and (ii) the signature and authority of each of the individuals who have executed the Instrument of Transfer on behalf of the Transferor and the Transferee. Upon receipt of the Bond Certificate, the Instrument of Transfer and the other supporting documents named above, the Transfer Agent, as the duly authorized delegate of the Issuer’s Board of Directors, shall approve and certify the transfer on behalf of the Board of Directors of the Issuer. If the Transfer Agent refuses to register the transfer of any Bond it shall immediately provide notice of such refusal to the Issuer. If the Issuer does not agree with the Transfer Agent’s refusal to approve and certify such transfer, it shall within 3 (three) Business Days of receipt of such notice from the Transfer Agent, direct the Transfer Agent to approve and certify the transfer as requested in the relevant Instrument of Transfer. If the Issuer agrees with Transfer Agent that the requested transfer should be refused, the Issuer shall, within 30 (thirty) days from the date on which the relevant Instrument of Transfer was lodged with the Transfer Agent, send or cause to be sent notice of such refusal to both the Transferor and the Transferee. Where it is proved to the satisfaction of the Issuer that a duly completed and executed Instrument of Transfer has been lost, the Issuer may, in its discretion, on application in writing made by the Transferee and bearing such stamp as is required by an Instrument of Transfer, register such transfer on such terms as to indemnity as the Issuer may think fit. Where not all the Bonds represented by the surrendered Bond Certificate are the subject of the transfer, a new Bond Certificate in respect of the balance of the Bonds will be issued to the transferor.

19.4 Repayment:

Principal

The principal of the Bonds in each tranche to be redeemed in 5 (five) equal annual instalments commencing at the end of 3rd year from the Issue Date of that tranche and each one year from there after unless otherwise agreed amongst the Trustee and the Issuer. However, the Bonds may be redeemed at the option of the Issuer in whole, but not in part, together with any accrued & unpaid coupon, subject to the consent of the appropriate authorities.

Interest

- The Issuer hereby covenants that from (and including) the Issue Date up to (but excluding) the Maturity Date, the Issuer will pay to the Bondholders coupon on each Subordinated Bond at the Coupon Rate.
- The first coupon payment of a tranche shall be made on the date falling six (6) months after the Issue Date of that tranche. The first coupon payment shall be calculated for the period commencing from the Issue Date up to the aforesaid date of first coupon payment (inclusive of the date of commencement, but excluding the date of expiry). Thereafter, coupon calculated for each subsequent six (6) month period (inclusive of the date of commencement, but excluding the date of expiry) shall be payable semi-annually in arrears. The date of expiry of each six (6) month period commencing from the Issue Date shall be known as the "Coupon Payment Date" and the

final Coupon Payment Date shall be the Maturity Date or such other date determined in accordance with Condition 12.3.1 (c) of the Trust Deed. If any Coupon Payment Date would otherwise fall on a day which is not a Business Day, the date on which payment shall be made shall be next Business Day. A holder of a Bond shall not be entitled to any payment in respect of any delay in payment resulting from the due date for a payment not being a Business Day. All coupon payments shall be calculated based on the outstanding nominal value of the Subordinated Bonds as at the day immediately preceding the Coupon Payment Date.

Every payment by the Issuer to the Bondholders in respect of the coupon shall be in satisfaction **pro tanto** of the covenant by the Issuer contained in this Condition and the obligations and liabilities of the Issuer with regard to that coupon payment.

19.5 Event of Default

Events of Default

The occurrence of the following event shall constitute an Event of Default: -

- the Issuer defaults in the payment of any money owing in respect of the Subordinated Bonds (whether principal or coupon payment) when the same shall become due and payable in accordance with these presents and such default continues for at least seven (7) Business Days.
- a court order is made or an effective resolution is passed for the winding-up of the Issuer.

19.6 Termination and Final Settlement

(A) Termination

The Investor may give a termination notice to the Issuer at any time on or prior to the Closing Date if:

- Breach of undertaking and obligations: the Issuer fails to perform any of its undertaking and obligations under this Agreement;
- Failure of condition precedent: any of the conditions precedent is not satisfied or waived by the Bondholders on the Closing Date; or
- Force majeure: since the date of the Subscription Agreement there has been (i) any material outbreak or escalation of hostilities involving Bangladesh or declaration by Bangladesh of a national emergency or war or other calamity or crisis or (ii) a material adverse change in economic, political or financial conditions or currency exchange rates or exchange controls in Bangladesh or international market, of such magnitude and severity in its effect on the financial markets as to make it impracticable or inadvisable to proceed with the offer, sale, distribution or delivery of the Bonds.

Consequences

Upon the giving of a termination notice under Clause 16.10 of the MTB 4th Subordinated Bond Trust (the Trust Deed) (Termination) and subject to the Subscription Agreement:

- *Discharge of Issuer:* the Issuer shall be discharged from performance of its obligations under the Subscription Agreement except for the liability of the Issuer in relation to expenses related to the Bonds and except for any liability arising before or in relation to such termination; and
- *Discharge of Bondholder:* such Bondholder shall be discharged from performance of their respective obligations under the Subscription Agreement.

- *Interests of the Bondholders:* The interests of the Bondholders shall be protected and preserved by the Trustee in the manner described in the Trust Deed.

(B) Final Settlement

The principal of the Bonds in each Tranche to be redeemed in 5 (five) equal annual instalments commencing at the end of 3rd year from the Issue Date of the respective Tranche and each one year from there after unless otherwise agreed amongst the Trustee and the Issuer:

<u>Instalment No.</u>	<u>Redemption Rate</u> (% of aggregate principal amount in every Tranche)	<u>Redemption Date</u> (End of year from the Issue Date of the respective Tranche)
1	20.0%	3 rd
2	20.0%	4 th
3	20.0%	5 th
4	20.0%	6 th
5	20.0%	7 th

The Redemption Instalment stated above cannot be changed or amended without prior approval of the Bangladesh Bank and consent of the Issuer.

19.7 Indemnification

The Issuer shall fully indemnify the Bondholder(s) from and against any expense, loss, damage or liability which any of them may incur in connection with the enforcement, protection or preservation of any right or claim of the Bondholders under the Transaction Documents.

19.8 Cancellation

All Bonds which are redeemed by the Issuer, will forthwith be cancelled.